PROGRAM-RELATED INVESTMENTS

A Different Approach to Philanthropy
This commercial building in Oakland, California, was built by Trans-Bay Engineers and Builders, an association of minority contractors. A long-term, low-interest Foundation loan to Trans-Bay has enabled it to bid and build several large-scale projects, including apartment buildings, a health center, a school, and hospital.
PROGRAM-RELATED INVESTMENTS

A Different Approach to Philanthropy

One of a series of reports on activities supported by the Ford Foundation.
A complete list of publications may be obtained from the Ford Foundation.
Office of Reports, 320 East 43rd Street, New York, N.Y. 10017.
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In 1968 the Ford Foundation initiated a new program in which capital funds were to be invested directly for social purposes. Called program-related investments (PRI), these funds are loaned or invested in enterprises that serve philanthropic goals—for example, minority economic development, low-income housing, public television, or the preservation of open land.

There were several motives in establishing the program. First, the PRI program would enable the Foundation to stretch its limited resources through the use of investment as well as grant funds. Second, it was hoped that PRI would induce other institutions—banks, insurance companies, government agencies—to devote more of their resources to social investments. Finally, PRI would enable the Foundation to support organizations which, although engaged in socially important activities, are ineligible for grants because they do not qualify for tax exemption.

Although the PRI concept was not new (earlier in the century the Russell Sage and other foundations practiced "philanthropy at a 5 per cent" by investing in housing projects and planned communities), it is not a commonly used philanthropic tool. Foundations usually invest all their funds for maximum return and appreciation, using the dollars earned for grants. PRIs involve a greater degree of risk and pay a smaller return than conventional investments.

The PRI program was initiated at a time when the business community was also beginning to take steps to apply the techniques of the private enterprise system to a wide range of social problems. The insurance industry set aside $1 billion for mortgage financing of low-income housing and other social investments, and the banking industry increased its loan volume to minority businesses from some $30 million to $300 million annually. The formation of the National Urban Coalition and the National Alliance of Businessmen to press for the creation of jobs and improved social services for the poor was another aspect of corporate social activism of the 1960s.

The Record

In the five years since the PRI program began, the Foundation has made forty-eight investments totaling $38 million. The total authorization for the program is $50 million. Six of the investments have been totally repaid, five have been written off as failures, and one has been sold at a loss. The remainder are operating in varying degrees of business health. About half of the PRI recipients have also received Foundation grant support.

Of the forty-eight investments, nineteen have

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2The Russell Sage Foundation, for example, invested in Forest Hills Gardens, a planned community in Queens, N.Y. The first known use in the United States of foundation capital for social purposes was the two funds established by Benjamin Franklin in Boston and Philadelphia to lend capital at 5 per cent interest to "young married artificers" to set up their own businesses.
3Because foundations are prohibited from making investments that yield so little as to jeopardize the fulfillment of their charitable purposes, a specific exception was written into law for program-related investments so long as they meet two principal criteria: that their primary purpose is charitable and that they do not seek significant financial return.
4Including loans, purchases of stock, and extension of financial guarantees. See page 17 for a complete list of investments.
been made in tax-exempt institutions, e.g., the National Council on Crime and Delinquency, the Nature Conservancy (see p. 7), the Salk Institute, the Harvard Community Health Plan (see p. 8), and Community Television of Southern California (see p. 14). Fifteen have been made in for-profit enterprises, e.g., Trans-Bay Engineers & Builders (see p. 8), Vic-Way Broadcasting Corp., and The Third Press. Ten have been made in financial institutions whose main purpose is the support of minority enterprise, e.g., CEDCO Capital Corp., Illinois Neighborhood Development Corp., Minority Contractors Assistance Project, and Urban National Corp. (see p. 14). Four have been made in organizations sponsoring innovative types of housing programs—Mutual Real Estate Investment Trust, Connecticut Housing Investment Fund (see p. 14), Durham Homes, and the Foundation for Cooperative Housing Services.

Because of the nature of the PRI program—involving risky investments, relatively high management costs, and flexible repayment periods—it cannot be regarded as a self-sustaining revolving fund in which the investments are quickly recaptured and reinvested. Losses will gradually reduce the fund until it is replenished with additional capital. PRI losses—consisting mainly of loans made early in its history—total some $3 million, or about 10 per cent of the funds disbursed to date. Taking into account administrative costs ($2.6 million for management and $1.7 million for foregone income), the cost of the program for five years totals $6.3 million, or 21 per cent of the funds disbursed or guaranteed. Compared with a grant, therefore, the cost effectiveness of the PRI program is currently five to one. Put another way, $1 million invested in a PRI is the equivalent of $5 million in grant expenditures.

Among the gains of the PRI program to date are the following:

- More than 100 banks and other financial institutions, as well as government agencies and industrial firms, have joined with the Foundation in investing in the enterprises concerned at a ratio of approximately five to one. For example, a $750,000 Foundation program-related investment in the Urban National Corp., a venture capital company providing financing to minority-owned businesses (see p. 14), generated additional investments from major banks and insurance companies to complete a $10 million capitalization.

- PRI has served as a model to other foundations and nonprofit organizations. Foundations that have experimented with PRIs include the Wieboldt Foundation in Chicago and the Knox and Suisman Foundations in Hartford, Connecticut. The Foundation also participated in the formation in 1967 of the Cooperative Assistance Fund (CAF), Washington, D. C., a vehicle through which churches, foundations, and other charitable institutions can channel part of their investments to advance the economic opportunities of poor groups. Nine foundations have contributed about $3.8 million in both grants and

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5 Foregone income is a budgetary charge assessed to the PRI program, representing the difference between the income earned by a PRI investment and the income the money would have earned if it had been invested for maximum return.

6 See page 21 for a list of participating agencies and institutions.

investments, from which CAF has committed investments totaling some $1.8 million in twenty-two minority-owned or operated enterprises (see p. 16).8

- PRI has helped improve fiscal and managerial practices in a wide variety of socially motivated enterprises. Nonprofit organizations, dependent for the most part upon grants for their support, often are unused to the financial discipline imposed by the investment process with its strict requirements for repayment. Although it was not anticipated in the original formulation of the program, PRI has helped these organizations to achieve a greater degree of management efficiency and to focus on maximizing their sources of income.

Most of the investments written off by the Foundation are in the area of new business development. The projects have included a national magazine for black women, an industrial development enterprise in Mississippi, an apartment-house cleaning service in Washington, D.C., a tomato-growing enterprise in West Virginia, and a bakery in Louisiana. The failures are attributable to problems usually attendant upon new enterprises— inability to develop a sufficient volume of sales to cover expenses, inexperience of management, and difficulties in obtaining adequate financing. The Foundation does not consider the proportion of failures—some 10 per cent of PRI funds disbursed to date—excessive in view of the riskiness of many of the enterprises and the experimental nature of the program.

New Directions
As PRI emerges from its experimental period, the Foundation believes that this kind of tool offers significant opportunities for furthering philanthropic objectives more effectively than would be possible by relying solely on grant-making.

Within recent years the Foundation has become increasingly selective with regard to proposals that have been financed. At the outset many PRIs were made in individual private businesses, but because of limitations on its staff the Foundation has lately been directing its assistance in this area to intermediary minority financing institutions with the staff and expertise to serve many businesses (e.g., Urban National Corporation, p. 14). Currently the Foundation is concentrating on investments in larger scale projects characterized both by their financial soundness and their promise for achieving important results.

For the future, PRI is expected to serve primarily as a type of development bank for institutions—nonprofit for the most part—engaged in charitable activities consistent with the Foundation’s program interests. Many of these institutions—for example, community development corporations, public television stations, universities, performing arts organizations, land acquisition agencies—generate a substantial portion of their income from the “sale” of services. PRI can make a substantial contribution to the development of these institutions by providing financial and managerial support which will enable them to utilize their scarce resources more effectively.

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8Field, Ford, New York, New World, Norman, Ellis L. Phillips, and Taconic Foundations and the Rockefeller Brothers and Sachem Funds. The Cooperative Assistance Fund’s annual report may be obtained by writing to the Fund, Suite 303, 1325 Massachusetts Avenue, N.W., Washington, D.C. 20005.
to become financially independent, and to structure more viable projects.

Because many PRI recipients lack adequate management experience or are operating in hard-to-develop markets, the Foundation often provides, through grants, the technical advice of accountants, lawyers, and specialists in business development. Frequently timely professional advice can represent the difference between success and failure of a project.

The Foundation is exploring several initiatives emphasizing institutional development in future PRI activities. Examples are:

—A community development corporation receiving Foundation grant assistance could use a PRI to acquire land in a deteriorating urban neighborhood for a new-town-in-town development. Such a project would foster the growth of the corporation, help it achieve financial self-sufficiency, and generate new income and jobs for the area.

—Public television stations that produce programs for national distribution can be expected to make increasing use of PRIs for new or expanded facilities as the Foundation withdraws its grant support from the field. By 1979 the Foundation will conclude major support for public broadcasting, which has totaled some $250 million over the last twenty-three years.

—Several colleges and universities have been considering educational and financial opportunities that because of uncertain returns expose them to risks they cannot afford. Examples are the creation of a capital fund for the commercial development of land areas adjacent to universities and the provision of risk insurance against deficits resulting from short falls in student enrollment in summer school programs. PRI could provide capital or minimize the risk exposure for such activities.

—From time to time special situations will arise for investments in large-scale projects of importance to the Foundation’s overall philanthropic objectives. Most of these are expected to relate to urban development but others might concern improved health care or the development of racially and economically integrated new communities.

Investment Profiles

_The Land Savers._ The Nature Conservancy is a publicly supported nonprofit agency in Arlington, Va., whose mission is to acquire natural land for ecological, environmental, and aesthetic purposes. One way in which the Conservancy works is to advance money to nonprofit citizen groups or any of its own thirty chapters for land purchases. The groups then undertake to repay the debt by conducting local fund drives. The Conservancy has also purchased land on behalf of governments when they were unable to act quickly enough to prevent open space from being sold for private development.

For several years the Ford Foundation had been engaged in a program of natural resource preservation, one of whose objectives was to help environmental groups acquire, or dedicate to public use, natural areas and open spaces. In 1968, as one of its first program-related investments, the Foundation guaranteed a $6 million line of credit so that the Nature Conservancy could expand its advance-acquisition efforts in cooperation with three federal agencies—the U.S. Forest Service, the National Park Service, and the Bureau of Sport Fisheries and Wildlife. Nor-
mally a year or more elapses between the time that Congress authorizes the purchase of park or forest lands and appropriates the necessary funds. As a result, the public loses both land and dollars due to speculation as developers move in to acquire the areas. By advancing the funds for these purchases, the Conservancy helps avoid these losses.

Earmarked for acquisition in the program were ninety-seven parcels totaling 52,284 acres and valued at $12.6 million. The Nature Conservancy later expanded to help state, regional and municipal agencies acquire strategic land. By 1972, the project had developed sufficient credit capacity with lending institutions to support its own lines of credit, and the Conservancy terminated the credit agreement with the Foundation ahead of schedule.

Among the parcels acquired by the Conservancy under the program were a 7,200-acre tract in the heart of the Death Valley National Monument in California that was important because of its desert ecology; 3,126 acres of refuge and parkland including a bald eagle sanctuary in Fairfax County, Va. that was threatened with development; and 6,600 acres of woodland lakes, waterfalls, and forest glens that were acquired on behalf of New York State for inclusion in the Minnewaska State Park.

Minority Contractors. Trans-Bay Engineers and Builders, Inc., is a general contracting firm in Oakland, Calif., that was formed by an association of minority contractors in 1969 to bid on large-scale construction jobs. Because of their limited financial resources and difficulty in obtaining performance bonds, minority contractors are usually confined to small repair jobs with limited potential for profit.

By pooling the resources of its members, Trans-Bay has been able to bid on and build such projects as three twelve-story apartment buildings, a health center, a school, and a hospital. Its contracts have ranged from $300,000 to $4.8 million. It currently is engaged in a joint venture with the Turner Construction Company, one of the largest in the United States, in a $150 million redevelopment project in downtown Oakland.

Although it has suffered losses because of operating difficulties, Trans-Bay has managed to survive in an industry where the proportion of failures is high. It has gained the respect of the construction industry in the Bay Area and provided increased employment opportunities for minority contracting firms and workers. Nearly 75 per cent of the man hours on the construction of a Wells Fargo building in Oakland was performed by minority workers as a result of Trans-Bay’s participation in the project. Operating capital for Trans-Bay has been provided by a ten-year, 4 per cent PRI loan of $945,000.

Community Medical Care. The Harvard Community Health Plan, sponsored by the Harvard Medical School, is an experimental, prepaid group medical practice in Boston that is providing a possible model for a future national health care delivery system. The typical holder of a group health policy in the United States today must shop for medical care for himself in a high cost, poorly organized medical marketplace. He usually encounters substantial out-of-pocket costs for services not covered by his policy benefits. The Harvard Community Health Plan is attempting to improve on this system by providing its subscribers with complete medical care, including preventive and mental health services, home care, and hospitalization. It is doing so at a cost that
is competitive with conventional group health insurance and for a population that includes low-income as well as well-to-do families.

Organized in 1968, the plan has grown from 7,500 to 34,000 members, most of whom are subscribers to group medical plans through more than 800 employer groups in the Boston area. For families on public assistance, participation in the plan is paid by the Massachusetts State Department of Public Welfare and federal programs.

The plan is staffed by twenty-six salaried physicians who provide a full range of specialist services and around-the-clock coverage for a premium of about $50 a month per family. Since the emphasis is on preventive medicine, the plan tends to reduce hospitalization costs, the most expensive item in medical care.

To initiate the plan the Harvard Community group needed some $1.5 million to cover the heavy startup costs while it built up membership. This was provided by three national foundations, the Ford Foundation, which advanced a five-year loan of $600,000, the Commonwealth Fund, and the Rockefeller Foundation. Although the Ford Foundation has no program in medicine, the investment was made because the plan offered an unusual opportunity to demonstrate how health care services could be provided to all segments of the community regardless of age or income.

Urban Development. One of the Foundation’s largest program-related investments to date has been a $3.4 million guarantee of a five-year commercial loan from New York’s Chemical Bank to the Bedford-Stuyvesant Restoration Corporation to finance construction of a commercial center. Restoration is one of ten community development organizations serving minority communities throughout the country that have received Foundation support. It is engaged in a comprehensive program of social, physical, and economic rehabilitation in New York’s largest black community.

With substantial federal and Foundation support, Restoration has shown an impressive capacity to run programs that have provided jobs for community residents, renovated and built new housing, and established minority-owned businesses. The loan is supporting construction of a 180,000 square-foot commercial center that will serve a community of 75,000 people with retail, commercial, and cultural facilities. The project is expected to provide a major test of whether a community development organization with sufficient financial and technical assistance can reverse deterioration and improve the quality of life in a neglected low-income area.

Although Bedford-Stuyvesant has been deteriorating over the last forty years, the area contains a core of middle-class families that are expected to provide sufficient buying power to support the undertaking. Assisting in the project are real estate and construction firms that have had long experience in shopping center development. The Ford Foundation guarantee was required for the project because commercial banks declined to underwrite the project until a sufficient number of leases had been negotiated. At the same time, the Bedford-Stuyvesant group was unable to obtain commitments from retailers until it had demonstrated that the project was

(Text continues on page 14.)

Organizations and activities supported by Foundation PRIs include: (top left) Community Television of California, purchase and renovation of studio facilities; (above left) Connecticut Housing Investment Fund, second mortgage assistance for minority families buying homes in the suburbs; (upper right) San Francisco Gold Co., minority-owned manufacturer of women’s apparel, which received a venture capital loan from Urban National Corp.; and (right) Bedford-Stuyvesant Restoration Corp., construction of a commercial center, a central element in its plan to revitalize a deteriorating section of Brooklyn, New York.
Image(s) Removed
The Southern Cooperative Development Fund provides financial and technical assistance to black farm cooperatives, including the Grand Marle Vegetable Co-op in Lafayette, Louisiana (top and center). The Foundation has invested $400,000 in the Fund. A minority-owned lumber yard (right) is one of several businesses financed by Detroit’s Inner-City Business Improvement Forum. The Foundation invested $500,000 in ICBIIF to provide a loan pool for minority business.
Zion Non-Profit Charitable Trust, community development corporation serving Philadelphia’s black community, operates a variety of social and economic development activities with Foundation grant and PRI support, including the Progress Plaza shopping center (top left and right) and management training for minority businessmen (left). New Haven’s Community Health Care Center Plan (below), which provides prepaid medical services for mostly blue-collar workers and their families, received a $1 million PRI to construct its health center.
fully funded. The Foundation fee for the guarantee is 5 per cent per year on the outstanding balance of the loan.

**Venture Capitalists.** Although a number of programs provide limited financing and technical assistance to minority entrepreneurs, few organizations are capable of financing the development of large-scale minority-owned enterprises. An exception is the Urban National Corporation of Boston, a biracial company dedicated to the implementation of new approaches to urban problems. Urban National is a venture capital organization, providing capital for the early stage of development of high-risk minority businesses. It also provides its clients with expert management counsel to help their businesses succeed.

With the goal of advancing black and other disadvantaged Americans into the mainstream of the free enterprise system, Urban National invests in firms which can effectively utilize at least $100,000 of financing. Its capitalization ($10 million) has come from such institutional investors as Yale and Harvard Universities, the John Hancock and Aetna life insurance companies, Prudential Insurance Co., J. P. Morgan and Co., and Mobil and Gulf oil corporations. The Ford Foundation purchased $750,000 in preferred stock in the company in 1972.

Among the recipients of Urban National financing is Hubbard and Co. of Emeryville, California, a minority-owned manufacturer of hardware for utility poles doing some $6 million of business a year and providing employment for 170 employees, about half of them blacks and Portuguese. Acquired three years ago by an American Indian from western Washington with considerable sales experience in electric utility industry, the company was seriously undercapitalized and last year sustained a substantial loss. Urban National put together a financing package consisting of $200,000 in its own funds (later raised to $600,000) and loans from two commercial banks. The new financing helped to reduce the company's high-interest debt and, together with a readjustment in its prices and assured steel supplies, enabled it to turn a profit this year. Urban National has also advised the company on cost control, financial planning, and other business problems.

**Public Television.** In 1970 Community Television of California (KCET), one of the nation's leading public television stations, needed to remodel its studio facilities in Los Angeles but was unable to obtain a long-term lease from its landlord to justify the expenditure. The station concluded that it made better sense to purchase another building and renovate and convert it into a functioning television center. The total cost of the purchase and renovation was $2.5 million, which KCET borrowed from the Foundation over a ten-year period at 7½ per cent.

Similarly, the Foundation loaned $500,000 in 1973 to assist the Educational Broadcasting Corporation of New York (WNET/Channel 13) in relocating its offices and technical facilities. WNET's facilities are scattered over several locations on the West Side of New York but are to be consolidated on several floors of a hotel building that will be renovated for that purpose. An additional PRI is in negotiation to enable the Children's Television Workshop, producer of "Sesame Street" and other children's programs, to relocate in the same building and share some facilities. The joint facility is expected to result in considerable savings to both organizations.

**Housing Integration.** For the last five years
the Connecticut Housing Investment Fund (CHIF) has been promoting integrated housing in the state by leasing or providing second mortgage financing for homes for minority families in previously segregated urban and suburban neighborhoods. More than 1,000 families have acquired homes under the program. Funds for this operation ($3 million) have been loaned by three Hartford-based insurance companies—Travelers, Connecticut General, and Aetna Life. To safeguard the insurance companies against losses, the Foundation has provided a $500,000 guarantee of the amount due them.

Operating through six offices throughout Connecticut, CHIF helps minority families locate homes, assists them in obtaining conventional mortgages, and then lends them the difference between the primary loan and the purchase price of the home, less the downpayment. The organization requires the buyer to put up from 5 to 10 per cent of the purchase price, although in some cases it has arranged financing of up to 98 per cent. CHIF also counsels the families about their finances, assists them in finding legal and banking services, and provides information about schools, shopping, and other community facilities in the areas of their new homes. Administrative costs of the program are covered by local contributions, by foundation grants, and by fees from homebuyers. Recently two additional insurance companies—Connecticut Mutual and Phoenix—have joined with the original investors to supply CHIF with $5.5 million in new capital to continue the program.

Black College. Shaw University in Raleigh, N.C., once one of the nation’s strongest black institutions of higher education, in recent years has been engaged in a struggle to make ends meet.

During the 1960s, Shaw, like many other colleges and universities, substantially expanded faculty and student body and added to its physical plant. Declining federal and other financial support, and the failure of the student body to grow at the anticipated rate, substantially increased Shaw’s deficit by the early 1970s and threatened the school with bankruptcy.

To help pay off some of these debts and place Shaw on a more secure financial footing, the Foundation in 1973 made a $500,000 nine-year,
low-interest (5 per cent) loan, the first such investment in an educational institution. The loan was the occasion for far-reaching managerial analysis and planning by the university to pay off accumulated debts, keep current with long-term obligations, improve plant maintenance, and operate on balanced budgets. With the advice of a consulting firm, a computer model was constructed in which all operating assumptions (student recruitment, fund-raising, federal support, and so forth) were related to institutional costs, projected five years ahead, and adjusted to arrive at a financially viable plan for operation of the institution. Adoption of the management system enabled Shaw to work out an agreement with its creditors to reschedule debt repayment over a five-year period.

**One That Failed**

In March, 1969 the Foundation approved a $70,000 program-related investment (later augmented by $30,000) to Mecco Enterprises of Hayward, Calif., to finance a portion of the startup costs of *New Lady*, a nationally circulated monthly family service magazine for black women. A predominantly black-owned company, Mecco hoped to foster black points of view and develop black ethnic identity through the magazine. It also planned to provide training to aspiring black editorial and managerial personnel and to publish books and pamphlets on black economic and social development. The Foundation’s PRI was joined by loans of an equal amount from a consortium of seven San Francisco banks.

Magazine publishing is a costly business, and *New Lady* from the beginning was undercapitalized. This basic problem was exacerbated by management’s limited business experience, poor distribution to newstands in black neighborhoods, and a weak circulation promotional campaign. Although efforts were made to provide Mecco with marketing and technical assistance, *New Lady* had exhausted its capital after eight issues and was forced to discontinue publication.

**PRI Consortium**

Since many foundations have neither the funds nor staff to develop their own PRI program, a number of them joined late in 1967 under the leadership of John Simon of the Taconic Foundation to establish a consortium that would invest in areas related to their philanthropic goals. The result, the Cooperative Assistance Fund (CAF), is a non-stock corporation whose primary function is to invest in minority business. From its nine-member foundations, including Ford, CAF received a total of $3.8 million in grants, investments, and commitments.

CAF seeks to advance the economic opportunities of minority groups by acting as lead investor in risky ventures. With investments of $1.8 million outstanding, it has been able to raise nearly $19 million from other investors, governmental and private.

An example of CAF’s investments was the purchase of $100,000 in common stock in the Midwest National Bank, which had been organized by a racially integrated group of investors in Indianapolis to provide banking services to a black community that had long been victimized by loan sharks and “easy credit” firms. To insure that the bank will remain in the hands of the local black community, CAF will resell its shares to an employee trust fund when financial conditions permit.

**Guide to Applicants**

As a guide to PRI applicants the following criteria have been established by the Foundation for the selection of recipients:

- Projects must be economically feasible. Applicants must be able to show that the proposed activity will generate sufficient funds to repay the principal and yield of the investment plus administrative charges within the term established.

- Applicants must possess or have access to the management capability to carry out their projects. Proposals must set forth not only realistic objectives but the expertise that can translate these objectives into successful marketing strategies and well organized business operations. Joint ventures with outside organizations with expertise in the particular area may be necessary to ensure the success of a project.

- The PRI must have a relative advantage as a source of financing. For example, a project may require a greater degree of financial flexibility (e.g., longer period of repayment, reduced rate of interest) that is only available through PRI. Or the quality of an investment can be enhanced materially by skills and experience uniquely available through the Foundation’s program staff, grantees, or consultants. Also, a PRI will not be made when commercial financing on appropriate terms is available.

- PRI should be a catalyst for inducing other financial institutions to invest in the project.

- The project should relate to the Foundation’s program interests or assist in the building of a nonprofit institution whose activities are of concern to the Foundation.

Inquiries on program-related investments should be addressed to Eamon Kelly, officer in charge, Program-Related Investments, Ford Foundation, 320 East 43rd Street, New York, N.Y. 10017.
### Current Investments

#### COMMUNITY HEALTH PLANS

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<tr>
<th>Project Description</th>
<th>Year</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Community Health Care Center Plan (New Haven, Conn.)</td>
<td>1970</td>
<td>$1,000,000</td>
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<tr>
<td>Five-year loan, 4%</td>
<td></td>
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<tr>
<td>Harvard Community Health Plan (Boston, Mass.)</td>
<td>1970</td>
<td>600,000</td>
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<td>Five-year loan, prime rate</td>
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#### COMMUNITY DEVELOPMENT

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<tr>
<th>Project Description</th>
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<tr>
<td>East Central Catfish Operations (Hancock County, Ga.)</td>
<td>1970</td>
<td>850,000</td>
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<tr>
<td>Community-owned catfish farm</td>
<td></td>
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<tr>
<td>Ten-year loan, 5%</td>
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<td></td>
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<tr>
<td>RDC Commercial Center (Brooklyn, N.Y.)</td>
<td>1972</td>
<td>3,400,000</td>
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<tr>
<td>Development of multipurpose commercial center in</td>
<td></td>
<td></td>
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<tr>
<td>Bedford-Stuyvesant section of Brooklyn</td>
<td></td>
<td></td>
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<tr>
<td>Guarantee</td>
<td></td>
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<tr>
<td>Zion Investment Associates (Philadelphia, Pa.)</td>
<td>1968</td>
<td>418,267</td>
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<tr>
<td>Development of community-owned businesses</td>
<td></td>
<td></td>
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<td>Preferred stock</td>
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#### EDUCATION

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<tr>
<td>Center for Understanding Media (New York, N.Y.)</td>
<td>1973</td>
<td>125,000</td>
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<tr>
<td>Traveling children's film theater to promote media</td>
<td></td>
<td></td>
</tr>
<tr>
<td>literacy</td>
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<td>Three-year loan, 7½%</td>
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<tr>
<td>The Growing Mind (Oakland, Calif.)</td>
<td>1974</td>
<td>70,000</td>
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<tr>
<td>Land purchase for residence center for adolescents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>with behavioral problems</td>
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<td></td>
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<tr>
<td>Five-year loan, 5%</td>
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<tr>
<td>Shaw University (Raleigh, N.C.)</td>
<td>1974</td>
<td>550,000</td>
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<td>Debt repayment and management improvements</td>
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<td>Nine-year loan, 5%</td>
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### MINORITY ENTERPRISES

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<tr>
<th>Enterprise</th>
<th>Year</th>
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<tr>
<td>All-Pro Enterprises (Pittsburgh, Pa.)</td>
<td>1969</td>
<td>$250,000</td>
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<td>Minority-owned food franchise business</td>
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<tr>
<td>Common stock</td>
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<tr>
<td>Cheetah Charter Bus Service (New York, N.Y.)</td>
<td>1970</td>
<td>160,000</td>
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<td>Minority-owned charter bus company</td>
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<td>Ten-year loan, 6%</td>
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<td></td>
</tr>
<tr>
<td>First Harlem Securities Corp. (New York, N.Y.)</td>
<td>1971</td>
<td>200,000</td>
</tr>
<tr>
<td>Minority-owned securities brokerage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illinois Neighborhood Development Corp. (Chicago, Ill.)</td>
<td>1974</td>
<td>160,000</td>
</tr>
<tr>
<td>Commercial bank serving minority community</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Third Press (New York, N.Y.)</td>
<td>1971-74</td>
<td>325,000</td>
</tr>
<tr>
<td>Minority-owned book publishing company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ten-year loan, 4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trans-Bay Engineers and Builders (Oakland, Calif.)</td>
<td>1970</td>
<td>945,000</td>
</tr>
<tr>
<td>Consortium of minority-owned construction firms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ten-year loan, 4%</td>
<td>1972</td>
<td></td>
</tr>
<tr>
<td>1973</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vic-Way Broadcasting Corp. (St. Louis, Mo.)</td>
<td>1969</td>
<td>500,000</td>
</tr>
<tr>
<td>Minority-owned radio station</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ten-year loan, 1% above prime rate</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### MINORITY ENTERPRISE FINANCING INSTITUTIONS

<table>
<thead>
<tr>
<th>Institution</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEDCO Capital Corp. (Chicago, Ill.)</td>
<td>1971</td>
<td>600,000</td>
</tr>
<tr>
<td>Venture capital for minority business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coalition Venture Corp. (New York, N.Y.)</td>
<td>1971</td>
<td>500,000</td>
</tr>
<tr>
<td>Venture capital for minority business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan, 4½%, maturity 1977-78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperative Assistance Fund (Washington, D.C.)</td>
<td>1973</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Investment pool for minority enterprise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Units of participation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds for Self Enterprise (Cincinnati, Ohio)</td>
<td>1969</td>
<td>300,000</td>
</tr>
<tr>
<td>Loan pool for minority business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guarantee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inner-City Business Improvement Forum (Detroit, Mich.)</td>
<td>1969</td>
<td>500,000</td>
</tr>
<tr>
<td>Loan pool for minority business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Five-year loan, 4½%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minority Contractors Assistance Project (Washington, D.C.)</td>
<td>1970</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Technical and financial assistance for minority contractors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guarantee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minority Equity Capital Co. (New York, N.Y.)</td>
<td>1971</td>
<td>750,000</td>
</tr>
<tr>
<td>Venture capital for minority business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southern Cooperative Development Fund (Lafayette, La.)</td>
<td>1970</td>
<td>400,000</td>
</tr>
<tr>
<td>Development bank for rural cooperatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ten-year debentures, 5%, and common stock</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Urban National Corp. (Boston, Mass.) Venture capital for minority business Preferred stock

PUBLIC TELEVISION

Community Television of Southern California (KCET) (Los Angeles, Calif.) Studio purchase and renovation Ten-year loan, 7½%

Detroit Educational Television Foundation (Detroit, Mich.) Purchase of new broadcast facility Ten-year loan, 8%

Educational Broadcasting Corp. (WNED/Channel 13) (New York, N.Y.) Relocation of offices and production facilities Five-year, no-interest loan

Greater Washington Educational Telecommunications Association (Washington, D.C.) Purchase of a new facility Six-year, no-interest loan

WIDENING HOUSING OPPORTUNITIES

Connecticut Housing Investment Fund (Hartford, Conn.) Second mortgages for minority homebuyers Guarantee

Durham Homes (Durham, N.C.) Low-income housing development Guarantee

Foundation for Cooperative Housing Services (Washington, D.C.) Low- and moderate-income cooperative housing development Loan, 7½%

Mutual Real Estate Investment Trust (New York, N.Y.) Racially integrated apartment housing Shares of beneficial interest

OTHER

The PUSH Foundation (Chicago, Ill.) Documentary film on black business and cultural exposition Two-year loan, ½% above prime rate

Terminated Investments

COMMUNITY DEVELOPMENT

Community Progress (New Haven, Conn.) Economic development and job training Guarantee

1972 $ 750,000

1970 2,557,479

1971 350,000

1973 500,000

1972 1,050,000

1969 500,000

1971 200,000

1969 500,000

1968 1,000,000

1972 750,000
<table>
<thead>
<tr>
<th>Project Description</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jefferson County Improvement Corp. (Mississippi)</td>
<td>1970</td>
<td>$ 400,000</td>
</tr>
<tr>
<td>Industrial and commercial development</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Ten-year loan, 6%</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobilization for Youth</td>
<td>1969</td>
<td>200,000</td>
</tr>
<tr>
<td>Community development on Lower East Side, New York</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Guarantee</em></td>
<td></td>
<td></td>
</tr>
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</table>

### MINORITY ENTERPRISES

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acadian Delight Bakery (Lake Charles, La.)</td>
<td>1969</td>
<td>125,000</td>
</tr>
<tr>
<td><em>Two-year loan, 8½%</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daily Made of Washington</td>
<td>1969-70</td>
<td>660,033</td>
</tr>
<tr>
<td>Apartment house cleaning service</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Demand loan, 9%, and preferred stock</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ebony Development Corp. (Baltimore, Md.)</td>
<td>1969</td>
<td>100,000</td>
</tr>
<tr>
<td>Purchase of food stores by minority businessmen</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Guarantee</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>La Jara Feedlot (Colorado)</td>
<td>1969</td>
<td>2,182,773</td>
</tr>
<tr>
<td>Cattle fattening operation</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Ten-year loan, 7%</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mecco Enterprises (Hayward, Calif.)</td>
<td>1969-70</td>
<td>100,000</td>
</tr>
<tr>
<td>National magazine for black women</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Loan converted to stock</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage Opportunities (Washington, D.C.)</td>
<td>1970</td>
<td>500,000</td>
</tr>
<tr>
<td>Working capital for minority mortgage brokers</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Ten-year loan, 6%</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our Markets (Philadelphia, Pa.)</td>
<td>1970</td>
<td>200,000</td>
</tr>
<tr>
<td>Develop chain of supermarkets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Five-year loan, 8%</em></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### OTHER

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congaree Iron and Steel Co. (Columbia, S.C.)</td>
<td>1968</td>
<td>1,113,791</td>
</tr>
<tr>
<td>Manufacturer of steel joists with stock ownership and profit-sharing plan for minority employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Common stock</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Council on Crime and Delinquency (Paramus, N.J.)</td>
<td>1970</td>
<td>200,000</td>
</tr>
<tr>
<td>Research and consultation on criminal justice reform</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Two-year loan, 5%</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nature Conservancy (Arlington, Va.)</td>
<td>1968</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Parks and open lands acquisition</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Guarantee</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salk Institute (San Diego, Calif.)</td>
<td>1970</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Biological research</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Loan, 10%</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Virginia Best Corp. (Grafton, W. Va.)</td>
<td>1969</td>
<td>605,000</td>
</tr>
<tr>
<td>Greenhouse tomato company</td>
<td>1971</td>
<td></td>
</tr>
<tr>
<td><em>Loan (6-12 years), 6-8%</em></td>
<td>1972</td>
<td></td>
</tr>
</tbody>
</table>
Appendix II
Agencies and Institutions Co-investing in PRI Projects*

Aetna Life Insurance
American National Bank (Chicago)
Astor Foundation
Babcock Foundation
Bankers Trust Company
Bank of America
Bank of St. Louis
Blueville Bank of Grafton (West Virginia)
Borg Warner Corp.
Chase Manhattan Bank
Chemical Bank
Chicago Economic Development Corporation
Citizens National Bank (Mississippi)
Coalition Venture Corp.
Commonwealth Fund
Connecticut General Life Insurance
Connecticut Mutual Life Insurance
Continental Bank (Philadelphia)
Cooperative Assistance Fund
Corporation for Public Broadcasting
Crum & Forster (New York)
D.C. National Bank
Department of Commerce
Department of Health, Education and Welfare
Department of Labor
Donaldson, Lufkin & Jenrette Foundation
Economic Development Administration
Economic Development Corporation of Detroit
Episcopal Church for the Retired Clergy
Equitable Life Assurance Society
Equitable Trust Company (Baltimore)
Exxon Foundation
Federal Housing Administration
Federal National Mortgage Association
Fidelity Bank (Philadelphia)
Field Foundation
First National Bank of Grafton (West Virginia)
First National Bank of Maryland
First National Bank of Rio Arriba County (Colorado)
First National Bank of St. Louis
First National City Bank
First National City Bank Capital Corporation
First Pennsylvania Banking and Trust
Florissant Bank (St. Louis)
Gateway National Bank (St. Louis)
General Baptist State Convention of North Carolina
General Motors Acceptance Corporation
Ghetto Loan Investment Committee of the Episcopal Church
Girard Trust Bank (Philadelphia)
Gulf Oil Corporation
Hartford Fire Insurance Company
Harvard University
Home Education Livelihood Program (New Mexico)
INA Corporation
Interracial Council on Business Opportunity
Irvine Foundation
Irwin-Sweeney-Miller Foundation
John Hancock Life Insurance Co.
J. P. Morgan & Co., Inc.
Kresge Foundation
Ladenburg, Thalmann & Co., Inc. (New York)
League Life Insurance Co. (Detroit)
Madison Presbyterian Church (New York)
Manufacturers Hanover Trust Company
Maryland National Bank
Massachusetts Department of Public Welfare
Massachusetts Institute of Technology
Mechanics & Farmers Bank (North Carolina)
Mercantile Safe Deposit & Trust Company (Baltimore)
Mercantile Trust Company (St. Louis)
Metropolitan Life Insurance Company
Michigan Bank
Missionary Society of the Protestant Episcopal Church
Morgan Guaranty Trust Company
National Bank of Washington
The National Foundation ("March of Dimes")
National Sharecroppers Fund
National Urban Coalition
Nationwide Insurance Company
New Haven Redevelopment Agency
New Haven Savings Bank
New World Foundation
New York Foundation
New York Life Insurance Company
New York Urban Coalition
Norman Fund
North Carolina Mutual Life Insurance Company
North Carolina National Bank
Northwestern Mutual Life Insurance Company
Occidental Petroleum Corporation
Office of Economic Opportunity
Opportunity Through Ownership (San Francisco)
Philadelphia National Bank
Phillips Fund
Phoenix Mutual Life Insurance Co.
Pittsburgh National Bank
Presbyterian Economic Development Corp.
Producers Livestock Loan Corporation (Colorado)
Prudential Insurance Company
Riverside Church (New York)
Rockefeller Brothers Fund
Rockefeller Foundation
Salomon Brothers
Small Business Administration
Stern Foundation
Taconic Foundation
Travelers Insurance
Trinity Church (New York)
Tygart Valley Development Association (West Virginia)
Union Trust Company (Baltimore)
United Church of Christ Board of Homeland Missions
United Methodist Church
United Presbyterian Church
U.S. Public Health Service
Value Line Investments (New York)
Wachovia Bank & Trust Company
Western Pennsylvania Banking Corporation
Wieboldt Foundation
Yale Associated Fund of the Yale Corp.

*Partial list.
Ford Foundation

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9—Ford Foundation (Ivan Mazzar); 10—top, KCET-TV,
center, Connecticut Housing Investment Fund; 12—
bottom, Ford Foundation (Declan Haun); 13—top and
center, Ford Foundation (Tyrone Dukes), bottom, Com-
munity Health Care Center Plan. All other photography
by Bob Fletcher for the Ford Foundation.