



Shared Capital Cooperative[®]

BUILDING ECONOMIC DEMOCRACY



Shared Capital Cooperative's Approach

- \$25 million national CDFI loan fund financing cooperatives
- Capital raised from individuals and other impact investors since 1980s
- Individual investors:
 - 200+
 - \$8.75 MM
 - Over 40% of outside capital
- Offering through private placement (Reg. D) and Reg A tier 2
 - Both accredited and nonaccredited
 - Investment available in 46 states and DC



Shared Capital Investment Notes

- Subordinated debt
- Fixed rate, fixed term
- Terms and return:
 - 5 years at 3.0%
 - 7 years at 3.4%
 - 10 years at 4.0%
- Minimum: \$500
- Average: \$30,000



Shared Capital's Experience

Individuals and Other Impact Investing

1. Diversifies capital sources
2. Has a high-level of renewals (80%+)
3. Money managers are a great resource
4. Private placement does not allow marketing but less costly



5 Questions to Ask Before You Start

1. What capital do we need, and on what terms?
2. Who already knows and cares about our work?
3. Do we have enough infrastructure and capacity?
4. What impact stories do we tell?
5. Is there other alignment /advancement of the mission?



Individual and Impact Investors

Effort	Individual Investors	Institutional investors	Money Managers
Identifying prospects	High	Medium-High	Medium
Diligence and closing	Low	High	High
Ongoing reporting / compliance	Low (to investors) Medium (securities)	Medium	Low



The Do's and Don'ts of Raising from Individual Investors

Do

- Consult a securities attorney
- Assess your capacity and infrastructure
- Have a plan for engagement and communication
- Tell your story to investors

Don't

- Don't take capital on terms that don't work for you
- Individuals: Don't assume who has money and who doesn't
- Institutions: Don't be a guinea pig when starting out





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