

## PRI Program Profiles

We invite PRI Makers Network members to share information about their PRI programs to help foundations considering this strategy understand the breadth of this tool and how it might help them achieve their objectives.

If you would like to submit a profile, please contact [Peter Berliner](#).

### Marion I. & Henry J. Knott Foundation

The Foundation's historic commitment to sustaining community institutions led to a cash flow loan program that provided no-interest loans based on delayed receivables such as grant agreements or other reimbursable expenses, with a small processing fee of between 0.75 and 2% depending on the length of the loan. The PRI program continues to provide much-needed, quick cash that helps the foundation's grantees continue serving their communities without disruption. [Great Saves Through Innovative, No-Interest Loans](#)

### Pearl M. and Julia J. Harmon Foundation

In 1981 the Harmon Foundation's Trustees decided to experiment with offering Program-Related Investments in the form of zero interest loans. (Foundation assets are now approximately \$43 million.) It was a time of hyper-inflation and charities were having to borrow at high rates just to begin building so rising costs would not make their buildings more expensive faster than they could raise money. The Foundation's goal was to establish a revolving fund of loan principal which would enable the Foundation to support more and larger projects than it could with its normal distribution. Bringing this pool of charitable capital into existence was a significant aspect of the decision to make loans. In the 25+ years since, the Harmon Foundation has made 103 Program Loans, about \$20 million. **Not one loan has defaulted.** Read more about how the Harmon Foundation considers its investments and implements its program. [PRIs at the Harmon Foundation](#)

### Small Foundations and PRIs

The Association of Small Foundations (ASF) shares the practices of some of its members: [Socially Responsible, Mission Related & Program Related Investments - ASF National Conference – 2006](#). See also its publications on PRIs and MRIs for sale through its [Bookstore](#).

### The Ford Foundation

The Ford Foundation was one of the founding users of program-related investments and their PRI program dates back four decades. In 1968, a statement from the Foundation announcing its new PRI program said: *The Foundation does not have nearly enough cash to meet all the demands on its agenda, so the program-related investments should be a way to stretch limited funds, as well as to attract the funds of others to good projects. PRIs will arm the Foundation with a range of options for achieving its objectives—the outright grant at one end, something a shade less than a regular market investment at the other, and in between such devices as guarantees, low-return stock and bond purchases, and even interest-free loans.* [History of PRIs at The Ford Foundation.](#)

### The Robert Wood Johnson Foundation

The Robert Wood Johnson Foundation seeks to improve the health and health care of all Americans. They are guided by a fundamental premise: they are stewards of private funds that must be used in the public's interest. They do several different kinds of grantmaking and believe that improving the ways these grants work together can enhance their measurable progress. In 2002, RWJF published a [chapter about its use of PRIs](#) as part of its RWJF Anthology and they come to the following conclusions:

1. PRIs are an appropriate, and underused, mechanism for foundations.
2. The Foundation's experience has demonstrated that nonprofit organizations, even struggling ones, do repay loans on time.
3. PRIs are difficult for both foundations and the organizations seeking loans.
4. The terms, such as interest rates and length of a loan, are sometimes onerous; flexibility should be built in.

5. PRIs should include some grant funding for marketing, technical assistance to borrowers, and loan administration activities.

In its two decades of experience with PRIs, The Robert Wood Johnson Foundation has tried a variety of approaches. They range from the relatively simple, such as gap financing for Our Community Hospital in rural North Carolina, to the more complex, such as pooling applicants for tax-exempt bond issues in the Community Health Facilities Fund and supporting a company that leases health professionals in rural Alabama. Even now, the Foundation is trying new hybrid approaches that combine grants with loan financing. There does not appear to be a single model that works best, and perhaps that is an advantage. PRIs can, and should, be flexible enough to meet the needs of borrowers and the marketplace. [The Robert Wood Johnson Foundation](#)

## **Mary Reynolds Babcock Foundation**

September 2007. This case study prepared by Calvert Foundation, describes the process by which the Mary Reynolds Babcock Foundation reinvigorated its PRI program to advance its mission of helping people and places move out of poverty and achieve greater social and economic justice. With an asset base of \$175 million, the goal was to increase PRIs to \$5-6 million over five years, or 3% of total assets. The case study explains how board and staff put policies and processes in place to formalize the program and ensure that it would meet the Foundation's social and financial goals. [Case Study: Growing and Formalizing Mary Reynolds Babcock Foundation's PRI Program](#)

Before MRBF decides to pursue a PRI, it considers whether this strategy makes the most sense for the foundation and the recipient. How do you decide? [When and Why to Consider PRIs? A Clear Look at the Fundamentals by Mary Reynolds Babcock Foundation](#)

## **Northwest Area Foundation**

Northwest Area Foundation has long been using PRIs to achieve its objectives. View slides from a presentation on the use of PRIs: [Impact Without Grants](#).

Decision-making at the Northwest Area Foundation: [Grants Due Diligence Check List \(including PRIs\)](#)

## **The F.B. Heron Foundation: Mission-Related Investing**

June 2007. Prepared by the Southern New Hampshire University's School of Community Economic Development, this case study explores the details of the F.B. Heron Foundation's rationale, exploration, and implementation of its mission-related investment strategy, and reviews the tools (including PRIs), specific investments, interim outcomes, and lessons learned. [Case Study: Expanding Philanthropy -- Mission-Related Investing at the F.B. Heron Foundation](#)

## **Link to More Information About PRI Makers Members**

- [Bank of America](#)
- [Otto Bremer Foundation](#)
- [Jacobs Family Foundation](#)
- [KL Felicitas Foundation](#)
- [John D. and Catherine T. MacArthur Foundation](#)
- [David and Lucile Packard Foundation](#)
- [Prudential Foundation](#)
- [Rasmuson Foundation](#)
- [Skoll Foundation](#)

[Resources for Members »](#)

[Getting Started with PRIs »](#)