



# Pacific Community Ventures

## Invest in Small Businesses and Big Ideas

Morgan Stanley



Pacific Community Ventures (PCV) advances economic, racial, and gender justice by investing in small business owners and their communities in California. As a nonprofit impact investor and community development financial institution (CDFI), PCV's mission-driven lending seeks to build up local business, create jobs with dignity, and strengthen historically marginalized communities.

From the moment a loan is approved – through PCV's Restorative Capital framework – to pro bono business advising throughout the life of the loan, PCV works alongside its clients every step of the way. For more than two decades, PCV's holistic approach has benefited thousands of small business owners, who have in turn created and grown tens of thousands of jobs.<sup>1</sup>

<sup>1</sup> About Us, Pacific Community Ventures. <https://www.pacificcommunityventures.org/about/>

# Restorative Lending for Underestimated Entrepreneurs

PCV believes that everyone deserves a fair shot. That's why they focus on the places and communities where capital typically doesn't flow.

In 2021, only 13% of Black business owners and 20% of Latinx business owners in the U.S. received the full amount of financing they sought — relative to 40% of white business owners,<sup>2</sup> according to a survey by the twelve Federal Reserve Banks.

In contrast, 90% of PCV's invested capital in 2021 was distributed to entrepreneurs of color and women across California; 86% flowed into economically distressed communities. PCV has integrated a “decolonial” lens into its lending practice by removing barriers — like a minimum credit score to apply — that historically marginalized groups face in traditional loan approval processes.



## Community Support

People are at the heart of PCV's programs — and it has a vested interest in the success of the entrepreneurs it supports.

Bringing together technology and a network of experts, PCV offers small business mentoring to its loan recipients through its Business Advising program. The award-winning<sup>3</sup> platform matches business coaches with entrepreneurs getting their new ideas off the ground.

Whether it's financial management, marketing, or operations, small business owners receive tailored, hands-on — and 100% free and confidential — support. And the results speak for themselves. Companies working with PCV's mentors increase their annual revenue by 20%, on average.<sup>4</sup>

<sup>2</sup> Small Business Credit Survey, Federal Reserve Banks of Atlanta, Boston, Chicago, Cleveland, Dallas, Kansas City, Minneapolis, New York, Philadelphia, Richmond, St. Louis, and San Francisco.

<sup>3</sup> Small Business Advising and Mentoring, Pacific Community Ventures. <https://www.pacificcommunityventures.org/small-business-services/business-advising/>

<sup>4</sup> Small Business Advising and Mentoring, Pacific Community Ventures. <https://www.pacificcommunityventures.org/small-business-services/business-advising/>

# Good Jobs, Good Business

At PCV, empowering local businesses goes hand in hand with creating good jobs with dignity. Its Good Jobs Innovation Lab uses behavioral economics, applied research, and data analytics to promote business models that create a more equitable, inclusive economy.

## What is a “good job,” according to PCV?

There are five key pillars:

- Career-building opportunities
- A fair and engaging workplace
- A living wage
- Basic benefits
- Wealth-building opportunities

PCV has also integrated this framework into its investment process, extending loan rebates to companies that make progress on 11 measurable “good job” attributes, like paid time off and employer-subsidized health insurance.<sup>5</sup>

# The Impact of a Recoverable Grant to PCV

Recoverable grant funds will allow PCV to extend loans to entrepreneurs seeking to build and grow their businesses — whether it’s increasing inventory, expanding their space, purchasing equipment, or making health and safety improvements for employees. In particular, it will benefit Black, Indigenous, Latinx, AAPI, and other historically marginalized and underestimated entrepreneurs, as well as their communities.

## What Is a Recoverable Grant?

Recoverable grants are just what they sound like – a grant that can potentially return capital to your MS GIFT account. Donors can use recoverable grants to fund specific revenue generating programs and initiatives – and if the nonprofit achieves their goals, the organization then returns the money to your MS GIFT account, where it can be used for additional grantmaking. Note, given the nature of recoverable grants, the recovery of funds is not legally binding between the donor and grantee organization and the donor may not receive their full recovery payment.

If you’d like to support PCV with a recoverable grant from your MS GIFT donor advised fund reach out with your advisor to [recoverablegrants@morganstanley.com](mailto:recoverablegrants@morganstanley.com), or [explore our full menu](#) of recoverable grant opportunities on CapShift’s website.

<sup>5</sup> 2021 Impact Report, page 16. Pacific Community Ventures. <https://www.pacificcommunityventures.org/wp-content/uploads/sites/6/pcv-4-AR-Impact-Report.pdf>

# Important Information

## MORGAN STANLEY GLOBAL IMPACT FUNDING TRUST

The Morgan Stanley Global Impact Funding Trust, Inc. is an organization described in Section 501(c) (3) of the Internal Revenue Code of 1986, as amended. Morgan Stanley Global Impact Funding Trust ("MS GIFT") is a donor-advised fund. Morgan Stanley Smith Barney LLC ("MSSB") provides investment management services to MS GIFT. Back-office administration is provided by RenPSG, an unaffiliated charitable gift administrator. MS GIFT has engaged CapShift LLC ("CapShift") to provide certain administrative and support services to MS GIFT's Recoverable Grant offering. CapShift is an impact investing platform that empowers philanthropic and financial institutions, along with their clients, to mobilize capital for social and environmental change.

Recoverable grants are a form of charitable giving. Recoverable Grants are irrevocable gifts made to nonprofit public charities and must comply with all guidelines of the U.S. Internal Revenue Service ("IRS"), including but not limited to ensuring that no Prohibited Benefits are conferred to any Disqualified Persons or supporting organizations, Private Non-Operating foundations, or for direct or grassroots lobbying purposes, as those terms are defined under the applicable IRS rules and regulations. While there is potential for grant recovery to the donor's MS GIFT account, donors should be prepared that funds may not be recovered and that there is no guarantee of impact results. Recovery of funds is not legally required and is performed on a best-efforts basis as determined by each nonprofit in accordance with the terms outlined in the applicable Letter of Intent (LOI).

MS GIFT and CapShift assembled this collection of nonprofit organizations ("List"). The List is not comprehensive, but is intended to stimulate philanthropic ideas and encourage philanthropic giving. The Recoverable Grants included in this List are an illustration of a form of charitable giving that may complement a donor's impact goals but there are many other charities and philanthropic endeavors to consider, and we encourage you to explore any other options that appeal to you and your family.

This material is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. It is also not a solicitation or endorsement by CapShift, MS GIFT, or MSSB on behalf of the charities named.

If you choose to support any of the charities or philanthropic endeavors listed or any other charity that you separately identify, we recommend that you evaluate the charity or philanthropic endeavor, and make your own independent decision as to its legitimacy and merits. Although the statements of fact and data included in this List have been obtained from, and are based upon, sources that MS GIFT, MSSB, and CapShift believe to be reliable, we do not guarantee their accuracy, and any such information may be incomplete or condensed.

While we believe that MS GIFT provides a valuable philanthropic opportunity, contributions to MS GIFT are not appropriate for everyone. We recommend donors consult their own legal and tax advisors before making a donation. Other forms of charitable giving may be more appropriate depending on a donor's specific situation. Of critical importance to any person considering making a donation to MS GIFT is the fact that any such donation is an irrevocable contribution. Although donors will have certain rights to make recommendations to MS GIFT as described in the Donor Circular & Disclosure Statement, contributions become the legal property of MS GIFT when donated.

The Donor Circular & Disclosure Statement describes the risks, fees and expenses associated with establishing and maintaining an MS GIFT account. Read it carefully before contributing.

MSSB and MS GIFT will not receive referral fees from any of the charities for inclusion on the List or for donations from clients. MSSB is part of a diversified financial services company with millions of clients in several countries around the world. MSSB routinely enters into a variety of business relationships for which either MSSB receives compensation or pays for services, and such business relationships may include relationships with charities on the List, or with their employees or agents.

MSSB, its affiliates and employees, including Financial Advisors and Private Wealth Advisors, do not provide legal or tax advice. You should consult your own tax advisor for matters involving taxation and tax planning, and your attorney for matters involving trust and estate planning, charitable giving, philanthropic planning and other legal matters.

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