

Interview with Christopher Rowe of Church Pension Group

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March 1, 2018

Anchor investors are crucial actors in the impact investing space. They identify investments and call attention to worthy opportunities that need support. Once an anchor investor has backed an investment, other institutions are often more willing to provide their own capital.

The Church Pension Fund (CPF) has achieved notable success as an anchor investor, particularly in the impact investing space. CPF manages approximately \$13 billion in assets and, through its affiliated companies, (collectively known as the Church Pension Group or CPG) provides retirement, health, and life insurance benefits to clergy and lay employees of the Episcopal Church. CPG also serves the Episcopal Church by providing property and casualty insurance as well as book and music publishing, including the official worship materials of the Episcopal Church.

Christopher Rowe, vice president of investments at CPF, explained that the organization seeks impact investment opportunities that offer competitive risk-adjusted returns that are consistent with its investment objectives and achieve important social goals.

Their impact investing priorities are aligned with the Episcopal Church's values. This has led CPF to focus its impact investing efforts on economically targeted social initiatives (e.g., urban redevelopment, [affordable housing](#), sustainable agriculture, and microfinance) and environmentally responsible programs (e.g., sustainable forestry, clean technology, and green buildings).

Church Pension Fund's Role as an Anchor Investor

As an anchor investor, CPF will provide the initial funding for an investment. CPF has cultivated a reputation over the years for being a thoughtful and strategic long-term investor in the impact investing space. When other institutions see a leader like CPF serving as an initial investor, it can build their confidence and encourage other investors to invest themselves. "All of this helps build momentum toward impact investments in a real way," said Rowe. "When others see us take the lead, they're more comfortable going in alongside us."

Providing Affordable Housing

CPF was an anchor investor in Avanath Capital Management's redevelopment of [Northpointe Apartments](#), a multifamily affordable housing complex in a low-to-moderate income neighborhood in Long Beach, California. "We were an investor in Avanath's first three funds," Rowe said. "We were proud to serve as an anchor investor in the redevelopment of Northpointe and build upon our nearly decade-long relationship."

Northpointe Apartments defies stereotypes of what affordable housing looks like. “It’s a gated community with a swimming pool, basketball court, and after-school programs,” Rowe said. The result is a community that people can enjoy living in and feel safe raising their children.

Northpointe Apartments also provides after-school childcare and homework help, which is an added benefit for parents who may be at work when their kids get home from school. Rowe highlights the fact that offering a safe place to live and reliable childcare is a win-win for residents and investors. Residents enjoy greater peace of mind living in a safe community, while benefiting materially because of the childcare option, which can be a lifeline given work schedules. In turn, rents are paid and there is greater pride in the community, which earns investors a return on their capital. “This is about looking for ways to support people, and in their success, we’re successful,” Rowe said.

Implementing Renewable Energy

CPF sees off-grid renewable energy as another win-win investment. In developing regions with limited access to energy, people often burn kerosene and other fuels in their homes. The resulting pollutants are not only harmful to people, but also the planet. Offering a clean source of renewable energy allows people to light their homes and cook safely. “If you think about the impact of having access to off-grid renewable energy in remote regions of the world, it really dramatically improves one’s quality of life,” Rowe pointed out.

CPF invested in the Developing World Markets’ Off-Grid, Renewable, and Climate Action (ORCA) Impact Note. “We were an anchor investing jointly with the United Methodist Church. Together, we each put in \$30 million,” Rowe said. The [ORCA Impact Note](#) finances social businesses that create renewable energy in developing countries.

Once clean energy is set up, people can buy access to it instead of burning harmful fuels. “This investment allows for the infrastructure to be built where solar-powered units are placed on residential rooftops in different regions of the world,” Rowe said. “The individuals, rather than paying for kerosene, just pay as they go to access the power generated from their rooftop solar panels.”

The Promise of Impact Investing

Rowe believes that impact investing has the potential to tackle many global challenges by working in partnership with governments, philanthropists, and other stakeholders. “There is much that can be done on the impact investing front,” Rowe said. “It will require creativity, it will require innovation, it will require collaboration, but at the end of the day I think we can continue to make a profound difference in the world.”