



**EMBARGOED UNTIL
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GroundBreak Announces Investments of Nearly \$1 Billion in First-of-Its-Kind Effort to Expand Equitable Wealth-Building Opportunities in Minneapolis-St. Paul

Coalition shares progress toward an ambitious, 10-year vision to create a more equitable Minneapolis-St. Paul region, with financial tools expected by late next year.

MINNEAPOLIS, MN – GroundBreak, a coalition of over 40 philanthropic, private, and public institutions working to create a more equitable Minneapolis-St. Paul (MSP) region, announced investments of nearly \$1 billion (\$926.75 million) to expand wealth building opportunities with a current focus on aspiring Black homebuyers, entrepreneurs, and commercial developers. This is a significant step toward the coalition’s goal of mobilizing \$5.3 billion over the decade to expand equitable wealth-building through an innovative approach shaped by community members.

GroundBreak, launched in May 2022, aims to transform financial systems through a nation-leading effort to expand opportunity and shared prosperity. Unlike a traditional joint fund, GroundBreak is working to fundamentally change how capital flows within a region, building on proven financial tools and strategies, deep collaboration across philanthropic, financial, corporate, and public institutions, and collective investments.

Ahead of a Tuesday morning community gathering, the coalition released a [report](#) outlining its progress and detailing its early commitment of \$926.75 million for financial tools and products that are expected to be available in the region by the end of 2024.

“Today marks an important step forward in our work to create a more wholly just, equitable, and abundant Twin Cities,” said **Tonya Allen, President of McKnight Foundation**, and a founder of the coalition. “GroundBreak is harnessing the collective power and abundance of our communities, leaders, and institutions to rewrite the narrative and help create a region where all residents have the opportunity to thrive. As we move forward, we remain committed to this goal and to the people who

provided our mandate – to unlock capital in a systematic and dependable way over time, so all residents can bring their aspirations to life right here in Minneapolis-St. Paul.”

GroundBreak’s approach was shaped through a community-design process that engaged 170 individuals and 120 organizations. Over the course of six months and 23 meetings, community leaders and technical experts identified financial tools and products that help expand reliable access to capital. Proposed solutions included bridging financial gaps and unlocking financing with flexible terms. By removing barriers, GroundBreak seeks to address long-standing community requests for greater and consistent access to capital.

“Our charge is to make the financial system work for everyone. We want anyone seeking to buy a home or start a business to get the support they need for their dream to become a reality,” **said Jen Ford Reedy, President of the Bush Foundation.** “This is a big, broad, cross-sector effort. It will take a lot of time and commitment from a lot of people. The burden is on institutions with capital to put that money to work in ways that help more good happen for more people.”

As detailed in GroundBreak’s [report](#), a key strategy of the effort is finding innovative ways to unlock funds from financial institutions, recognizing most capital is held by banks. Unlike a fund that eventually spends down its assets, GroundBreak is seeking to fundamentally change how money flows in the Minneapolis-St. Paul region.

As the coalition works to increase shared prosperity for all residents, it has focused on the experience of Black wealth builders who face some of the nation’s starkest wealth disparities. According to recent [data](#), Minnesota [ranks sixth worst](#) in the nation on racial income inequality. White middle-class Minnesotans earn approximately \$46,500 more per year than Black households in the same income percentile.

GroundBreak will leverage Minnesota’s relative prosperity and assets to implement its vision. The Twin Cities has the 15th largest metropolitan economy in the nation and is home to [15 Fortune 500 companies](#). By developing solutions that unlock financing for Black wealth builders, GroundBreak aims to increase opportunity and access for other groups who have been affected by historic policies and practices that extracted and limited wealth-building opportunities. GroundBreak leaders see its efforts as also providing a nation-leading model that can be replicated across other communities and in other regions.

“At Huntington, we support GroundBreak because it’s working to make our region a place where everyone, no matter their race or background, can thrive. When people have a chance to achieve their aspirations, we all benefit,” **said Darrel German, Minnesota President for Huntington Bank.** “Through GroundBreak, we have a once-in-a-generation opportunity to fundamentally change what is possible by expanding access to flexible capital and financing.”

GroundBreak’s approach uses well-known tools, like special purpose credit programs provided by financial institutions and low-cost capital and grant pools often led by philanthropic organizations and other investors. GroundBreak identified that by creating a new financial system for the region,

10/30/2023

institutions could enable a large amount of capital to intentionally flow toward financial tools and products for aspiring homeowners, entrepreneurs, and commercial developers. Through the innovation, every \$1 in flexible capital can unlock over \$3 in private-market capital.

“This approach creates a heightened, shared responsibility by institutions, organizations, and the public sector – those that control capital – to change the systems for how money flows so investments get to people who need them yet have not been able to access them,” **said Jeanne Crain, President and CEO of Bremer Bank.** “This cohesive, coordinated approach can create new generations of homeowners, business owners and entrepreneurs, generating wealth where it hasn’t existed and shrinking regional disparities.”

Institutions making early financial commitments include Bremer Bank, Bush Foundation, GHR Foundation, Huntington Bank, M.A. Mortenson Companies Inc. Margaret A. Cargill Philanthropies, McKnight Foundation, Pohlad Family Foundation, Securian Financial and U.S. Bank. In addition to private investments, approximately \$175 million in state funding for first generation homebuyers along with Minnesota Housing mortgage lending can also be harnessed to advance GroundBreak’s goals. Private financial commitments will be spread across three-to-ten-year terms, and the coalition will continue its work to secure capital investments from state and national sources.

GroundBreak's next phase of work is focused on implementation and developing pathways for capital to be deployed through existing nonprofit organizations, banks, and community development financial institutions. The coalition is working to begin deployment of resources by the end of next year.

“Rather than endlessly debating what our region could do or should do for racial equity, GroundBreak’s systematic approach to deploying capital at scale provides an on-ramp for every organization to act now,” **said Kevin Bennett, senior program officer at the GHR Foundation.** “By leveraging our collective will and intentional action, we can together create a future that is more prosperous for all.”

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GroundBreak Coalition includes over 40 philanthropic, private, and public institutions committed to creating a Minneapolis-St. Paul region that is dramatically more just, inclusive, equitable, and climate-ready. Subscribe to GroundBreak’s monthly [newsletter](#) to receive future news and updates.

www.groundbreakcoalition.org