Northwestern Mutual Announces $100-Million Impact Investing Fund to Address Inequality and the Racial Wealth Gap

Fund will include both national and Milwaukee-based investments

MILWAUKEE, Aug. 10, 2021 /PRNewswire/ -- As part of its ongoing commitment to advancing diversity, equity, and inclusion, Northwestern Mutual announced today a new $100-million impact investing fund to deliver on the company's commitment to addressing inequality and the racial wealth gap in the U.S. The fund, which will direct investments to Black and African-American communities nationally and locally in the Milwaukee area, will focus on three key opportunities: physical and social infrastructure, access to capital for individuals and businesses, and healthy sustainable neighborhoods and communities.

The fund is an outcome of the company's Sustained Action for Racial Equity (SARE) task force, which launched in 2020 and is focused on making a bold, real, and long-term impact that drives equity and inclusion in Black and African-American communities.

"Northwestern Mutual has historically made substantial investments in the communities in which it operates and has a long-standing commitment to diversity, equity and inclusion. The Impact Investing Fund is intended to make measurable improvement in racial equity, while also generating a positive financial return for our policyowners," said Ray Manista, executive vice president and chief legal and compliance officer at Northwestern Mutual.

This investing combines with Northwestern Mutual's current programs, resulting in a comprehensive effort that is making a real difference:

An existing $15-billion socially responsible investing (SRI) portfolio within its general account which focuses on socio-economic and green investments broadly.

A $20-million investment announced in 2020 dedicated to investing in startup companies founded by Black entrepreneurs via its corporate venture capital fund, Northwestern Mutual Future Ventures (NMFV). To date, NMFV has made investments in five companies.

The Northwestern Mutual Black Founder Accelerator, a partnership with gener8tor launched in 2020 to invest in and support Black entrepreneurs to help close the funding gap for Black founders. The first cohort each received $100,000 and recently graduated the 12-week program. The second application period for the second cohort for this fall closes on August 15, 2021.

A commitment of $2.5 million for Milwaukee schools, nonprofits and local programming supporting educational pathways to close the achievement gap among talented-yet-underrepresented students in our hometown.

Additionally, over the last 30 years through the Northwestern Mutual Foundation, the company has invested $28 million to help underserved neighborhoods in the Milwaukee area with housing support, access to youth and family resources, food programs and more.

"We're working to drive breakthrough solutions to help close the racial equity gap with continued and dedicated support and investment," continued Manista. "This latest announcement is a testament to our ongoing commitment to drive change and demonstrable outcomes in our hometown and nationwide."

Investing close to home

The racial wealth gap in the U.S. is staggering and there are significant disparities between white and Black families, especially in terms of income, homeownership, and student loan debt. To that end, as part of this initial announcement, Northwestern Mutual has made an investment commitment to The Gateway Capital Fund, an African-American-led venture capital fund targeting Milwaukee County and the state of Wisconsin for investment opportunities. The Fund will make investments in companies seeking seed and early-stage investments. Managed by Dana Guthrie, founder of investment company Alchemy Angels, Gateway Capital Partners will serve as general partner of the Fund and will oversee its investment strategy and portfolio.

"If you're in the Milwaukee startup ecosystem and you're not fortunate enough to be able to raise a significant 'friends and family' round, it can be difficult getting an idea off the ground," says Guthrie. "Our fund is designed to be the first institutional check into promising young startups, giving them 15 to 18 months of runway to hit some key milestones that ultimately set them up to attract follow-on capital in the future. We are appreciative of Northwestern Mutual's commitment to our strategy and the Milwaukee community."

Nationally, Northwestern Mutual's Impact Investing Fund has already invested$30 million in funds specifically targeting Black, African-American and other underserved communities. Minority-owned businesses face challenges like the racial disparities seen for Black families. These businesses heavily rely on non-traditional financing sources like friends and families. When Black-owned business are able to access capital, they are financed with amounts significantly lower than White-owned businesses.

One of the funds Northwestern Mutual has committed to isSiebert Williams Shank's Clear Vision Fund. Siebert Williams Shank is a Black-owned business, and Clear Vision will make investments in minority-owned businesses with an emphasis on Black and Latino-owned businesses, enterprises that operate in or serve underserved markets, and businesses that foster inclusive growth through commercially sustainable business models.

About SARE
Sustained Action for Racial Equity (SARE) is Northwestern Mutual's dedicated task force, led by Chairman, President, and CEO John Schlifske, which takes a holistic look at actions that will have the greatest impact to drive sustainable change.

About Northwestern Mutual
Northwestern Mutual has been helping people and businesses achieve financial security for more than 160 years. Through a holistic planning approach, Northwestern Mutual combines the expertise of its financial professionals with a personalized digital experience and industry-leading products to help its clients plan for what's most important. With $308.8 billion in total assets, $31.1 billion in revenues, and $2 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to more than 4.75 million people with life, disability income and long-term care insurance, annuities, and brokerage and advisory services. The company manages more than $200 billion of investments owned by its clients and held or managed through its wealth management and investment services businesses. Northwestern Mutual ranks 90 on the 2021 FORTUNE 500 and is recognized by FORTUNE® as one of the "World's Most Admired" life insurance companies in 2021.

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company (N.M.),Milwaukee, WI (lifeand disability insurance, annuities, and life insurance with long-term care benefits) and its subsidiaries. Subsidiaries include **Northwestern Mutual Investment Services, LLC** (NMIS) (investment brokerage services), broker-dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company® (NMWMC) (investment advisory and services), federal savings bank; and Northwestern Long Term Care Insurance Company (NLTC) (long-term care insurance).

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For further information: Elizabeth DeLuca 1-800-323-7033, mediarelations@northwesternmutual.com

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