

**URSP 3050**  
Special Topics in  
Urban Studies 1

**Weeks 12 & 13: Investing**

Chapter 6

Take Back Finance:  
Investing in Futures

How do we store and use our surplus and savings so that people and the planet are supported and sustained?

How do we invest for the future?

(TBTE, p. xiv)

**Key Ideas**

1. What does it mean to invest for the future?
2. What's SROI?
3. What's CERIOI?

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2. What's SROI?
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Three examples from TBTE

1. La Caja Laboral, Spain (pp. 162-163)
2. The State of Kerala, India (pp. 169-170)
3. Norway (pp. 170-171)

### Key Ideas

1. What does it mean to invest for the future?
2. What's SROI?
3. What's CEROI?

To illustrate, let's take Homeboy Industries, discussed in chapter 3, and measure a hypothetical SROI. This social enterprise targets at-risk youth, aiming to keep them out of jail and help them build worthwhile lives in the community. In the equation given in the figure, the total investment in Homeboy might amount to \$200,000 per year. Let's say that each year the enterprise keeps ten young people out of jail. The cost of keeping one person in prison per year may be something on the order of \$70,000. So the monetary proxy for what is saved by keeping ten young people out of prison for one year is \$700,000. When the total investment is deducted, the remainder is \$500,000, and when this amount is divided by the total investment, the SROI that results is a figure of 2.5. This means

#### SOCIAL RETURN ON INVESTMENT (SROI)

$$\frac{\left\{ \begin{array}{l} \text{Social or environmental} \\ \text{return (in \$)} \end{array} \right\} - \left\{ \begin{array}{l} \text{Investment} \\ \text{(in \$)} \end{array} \right\}}{\text{Investment (in \$)}} = \text{SROI}$$

### Key Ideas

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#### COMMUNITY ECONOMY RETURN ON INVESTMENT (CEROI)

<p>COMMUNITY ECONOMY RETURNS</p> <ul style="list-style-type: none"> <li>• increased well-being</li> <li>• reduced ecological footprint</li> <li>• increased collectively controlled surplus</li> <li>• increased ethical trade</li> <li>• expanded commons</li> </ul>	-	<p>COMMUNITY ECONOMY INVESTMENTS</p> <ul style="list-style-type: none"> <li>• investments that support survival for all</li> <li>• investments that make it easier to consume less</li> <li>• investments in enterprises that support surviving well</li> <li>• investments in enterprises that distribute surplus to people and the planet</li> <li>• investments in fairer encounters</li> <li>• investments that expand our commons</li> </ul>	= CEROI (a different future)
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How does your case study initiative fit with the CEROI?

### Next Week

The collective actions that people are taking to invest most transparently to build a future for all.

**HOMEWORK**

REFLECTIONS Due next Thursday

CASE STUDY

Last chance for our input next Thursday