

Building the Invisible Pipes: Why Place-Based Impact Investing Needs Systems, Not Just Capital

By: Audrey Selian¹

¹Artha Networks & ImpactforBreakfast.com

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Abstract

Place-based impact investing is often treated as a question of capital availability. Yet in many U.S. cities, capital is present and still fails to reach community-rooted enterprises, particularly those led by historically excluded founders. This article argues that the central constraint is not a lack of capital or innovation, but a lack of connective infrastructure: the shared systems that allow people, capital, and ideas to move with context, accountability, and trust. Drawing on nearly a decade of ecosystem-building work in Philadelphia, the article examines how fragmentation—rather than scarcity—limits local investment outcomes and how deliberate stewardship can address the “missing middle” in place-based finance. Through the case of OptImpact, a regionally stewarded investment platform in Philadelphia, it is illustrated how shared digital infrastructure and coordinated governance can make local ecosystems visible, lower transaction costs without flattening nuance, and support learning across investors, intermediaries, and entrepreneurs. The article concludes that place-based impact investing is not only a financial strategy but also a necessary civic practice today, requiring sustained investment in the often-invisible systems that enable equitable, durable capital flows.

Introduction

In many American cities today, we’re witnessing disparity and divides where capital is not absent. What *is* too often absent is the connective tissue that allows capital to move with intention, context, and accountability into the communities where it could do the most good, under the stewardship of those who know these places best.

Over the past decade, impact investing has matured in many ways: with language, in ambition, and in sophistication. Investors today speak far more fluently about equity, inclusion, and systems change than ever before. Yet on the ground, particularly in neighborhoods led by people of color and historically excluded entrepreneurs, the experience remains frustratingly familiar. Promising innovations and ventures struggle to be seen, trusted, and financed, even as capital pools nearby search for ‘meaningful local impact’. This gap is not a failure of goodwill, *per se*, though it’s hard not to miss the lack of deeply committed, proactive leadership. It is, however, a clear failure of infrastructure.

When Capital and Community Operate in Parallel

Across U.S. cities, the pattern repeats. Community-based enterprises are deeply embedded in local realities, responding with heart and mind to needs in housing, workforce support and

development, climate resilience, food systems, and economic mobility challenges. At the same time, foundations, family offices, donor-advised funds, and individual investors of all kinds express growing interest in deploying capital closer to home, particularly as economic volatility sharpens awareness of local interdependence. (And let's face it, in parts of the United States today, particularly at the neighborhood level, indicators of wellbeing—such as life expectancy, economic security, and access to care—compare unfavorably with outcomes in some emerging markets, challenging long-held assumptions about resilience and prosperity at home.)

Yet these two worlds often operate in parallel rather than in partnership.

Entrepreneurs—especially those from minority communities—lack visibility beyond their immediate networks. Investors lack efficient, trustworthy ways to discover, assess, and collaborate around place-based opportunities, and often the urgency or appetite to step out beyond their usual *modus operandi*. Intermediaries work hard to bridge these gaps and make a living doing it, but often without shared tools or common infrastructure that serve as a ‘tide to lift all boats’. Ecosystem research in Philadelphia has consistently shown that these outcomes are driven less by a lack of actors or capital than by fragmentation itself—disconnected pipelines, uneven visibility, and limited coordination across institutions serving entrepreneurs of color. The result is persistent, annoying fragmentation: duplicated effort on one side, missed opportunity on the other, and an underlying lamentation that all of this is very hard work.

What is missing is neither innovation nor capital. It is systemic connectivity; shared infrastructure (plumbing, if you will) that allows people, capital, and ideas to find one another within all the glorious complexity of a city or place.

ImpactPHL: Stewardship at the Center of the Ecosystem

In Philadelphia, this challenge is being addressed through a deliberately ecosystem-led approach over at least the last 8 years. ImpactPHL—a long-standing convener of investors, intermediaries, and civic partners—has taken on the role of steward and connector of a shared regional investment infrastructure.

ImpactPHL's work sits at the intersection of education, investor engagement, entrepreneur support, and ecosystem coordination. Its mandate has never been simply to move capital, but to strengthen the conditions under which capital can move more equitably and intelligently over time. From this role emerged <http://OptImpact.org>, not as a standalone product, but as an enabling layer designed to support the city and region's collective capacity to invest in itself.

OptImpact: Rendering the Ecosystem Visible

OptImpact, powered by [Artha Networks Inc.](#) was built around a simple but powerful premise: if place-based impact investing is to scale, the ecosystem itself must become simply more visible to investors, to entrepreneurs, and to one another. And this kind of visibility doesn't work on giant social media platforms, even the professional ones. It happens inside the safe spaces of dedicated communities of practice that congregate around shared mission and purpose.

The persistent challenge in local investing is the structural “missing middle”: capital needs that are too large for grant-subsidized microloans and too small to be efficiently served by conventional lenders or institutional investors. Addressing this gap is not simply a matter of raising new funds; it requires shared infrastructure that lowers transaction costs, improves coordination, and allows multiple actors to participate around smaller, place-based opportunities.

The OptImpact platform brings together investment opportunities, investors, intermediaries, and knowledge resources in a shared digital environment. It allows participants to see who is active in the region, what kinds of capital are available, which ventures are emerging, and where collaboration is possible. In doing so, it lowers friction without flattening nuance; an essential balance in place-based work.

Rather than asking entrepreneurs to endlessly repackage themselves for different audiences, OptImpact standardizes core information while preserving context. Rather than asking investors to start from zero each time, it offers structured pathways for discovery, diligence, and co-investment grounded in local realities. Crucially, it supports learning across stakeholders, not just transactions between them.

Since launch, the platform has made visible well over a billion dollars in active impact opportunities, engaged hundreds of regional participants, and supported a growing pipeline of diligenced investments. While these figures matter, their deeper significance lies in what they reveal: when ecosystems can see themselves, latent capacity becomes manifest. And then it becomes actionable.

Vignette: What Connectivity Looks Like in Practice

One of the quieter but most telling moments in OptImpact’s evolution involved a small group of Philadelphia-based enterprises working at the intersection of economic mobility and climate resilience.

Individually, none of these ventures fit the profile that typically attracts institutional attention. Their capital needs were modest. Their models blended earned revenue with community partnerships. Their impact was tangible but not easily reduced to a single metric.

Through OptImpact, these enterprises became visible not only as individual opportunities, but as part of a local pattern. An investor initially exploring workforce development encountered climate-adjacent enterprises they would not otherwise have seen. A foundation interested in catalytic capital could observe where flexible financing, rather than grants alone, might unlock progress. Conversations that previously would have required months of introductions unfolded within weeks.

No single transaction here or on any platform defines success. What matters is the slow but promising shifts in behavior we’re starting to see: investors learning together, enterprises gaining clarity and confidence, and intermediaries coordinating rather than competing. This is what systemic connectivity looks like in practice: not scale for its own sake, but coherence.

Laura Kind McKenna’s recent investment in **Naturaz**, a Black-owned personal care company founded by Mumbi Dunjwa in the Philadelphia region, exemplifies the critical shift from fragmented capital allocation to intentional systemic stewardship. Her commitment—motivated by a desire to direct wealth to under-resourced local entrepreneurs and foster a fairer economy—was activated through the connective infrastructure of ImpactPHL’s OptImpact platform. This was not a one-off transaction reliant on personal networks, but a deliberate engagement with a shared ecosystem tool designed to render local ventures visible and investable. McKenna’s approach embodies the very thesis that place-based impact investing requires systems, not just capital: by leveraging OptImpact, she bypassed traditional gatekeeping, discovered a high-potential founder aligned with her values, and channeled funds into community-rooted growth. Her investment demonstrates how shared infrastructure like OptImpact transforms latent goodwill into actionable, accountable capital flow, proving that when ecosystems are made visible, investors can move beyond talk to become true stewards of local resilience and inclusion

Why This Matters Now

The current moment adds urgency to this work. Economic pressure, extreme social polarization, and widening inequality under misguided political leadership at federal levels have heightened awareness that resilience is and must be—in essence—local. Cities are rediscovering that social outcomes—housing stability, health, employment, climate adaptation—are what matter to people, and are deeply interconnected. We’re all realizing (again) that siloed approaches are no longer adequate.

In cities like Philadelphia, these dynamics are especially visible in neighborhoods that have long been rich in enterprise and innovation yet structurally disconnected from mainstream financial systems.

As our collective sensibilities rise to the opportunity of collaboration around social impact outcomes in our own backyards, the need for connective infrastructure for the flow of particularly mission- and impact-oriented capital becomes unmistakable. Impact investing cannot remain an activity that happens *to* communities rather than *with* them. Nor can it rely on informal, personal, idiosyncratic networks that privilege familiarity over fairness. Nothing destroys hope faster than anecdotes confirming that meritocracy doesn’t exist; these entrepreneurs, especially when they are mission-driven, merit attention.

Platforms like OptImpact do not replace relationships; they support and extend them. By institutionalizing transparency and shared learning, they reduce reliance on gatekeeping structures that have historically excluded Black and Brown founders. They also create space for catalytic capital—capital willing to lead, learn, absorb risk, and de-risk for others—to play its intended role as a bridge rather than a bottleneck.

Trust, Conviction, and Replication

The development of this kind of connective infrastructure requires not only good governance but patient belief. In Philadelphia, that belief has been reinforced by early and committed philanthropic supporters, including and led by Halloran Foundation, who recognize that

durable impact depends on systems that outlast individual grants or transactions, and who are also deeply committed to thinking along the long arc of human wellbeing outcomes. Their support reflects a growing understanding that ecosystem infrastructure—while often invisible—is foundational to equitable capital formation.

Philadelphia’s experience is not unique, nor should it be. The challenges OptImpact addresses exist manifold in every major U.S. city and are increasingly present in smaller ones. What differs is not need, but readiness.

The case for replication is therefore not about copying a white-label platform wholesale. It is about adopting a shared architecture, one that cities can adapt to local governance, priorities, and culture while maintaining common principles around transparency, accessibility, and collaboration. It’s also about putting the right energy, demeanor, and mindset at the curative heart of a network.

Such architectures allow regions to learn from one another, to benchmark progress, and to attract capital that values both place and portfolio. In this way, local investing becomes not a niche activity, but a credible and necessary component of mainstream capital allocation.

Precedent and Best Practices in Systems-Oriented Place-Based Impact Investing

The OptImpact model builds upon a growing body of research and practice demonstrating that place-based impact investing is most effective when capital is paired with coordinated systems, governance, and technical capacity. Prior initiatives such as the Harlem Children’s Zone, Purpose Built Communities, and StriveTogether illustrate the importance of backbone organizations, cross-sector alignment, and shared measurement frameworks in achieving durable community outcomes.^{1 2 3} Similarly, the field of impact investing has increasingly emphasized the role of ecosystem builders and intermediaries in de-risking capital and translating investment into measurable social outcomes.^{4 5}

Replicating the OptImpact Model: A Systems Framework

The OptImpact model is designed to be adaptable across diverse regions. Replication works best when local leaders treat OptImpact as a systems-building effort—sequencing governance, outcomes, infrastructure, and capital—rather than a stand-alone investment strategy. The framework below summarizes the core stages communities can follow to build a durable OptImpact ecosystem.

Stage	Core Function	Key Activities	Outputs / Outcomes
1. Convene & Anchor	Neutral systems integrator (backbone)	Identify a trusted convening entity; establish cross-sector governance; align on a shared vision	Aligned leadership; clear decision rights; trust-based collaboration
2. Define Shared Outcomes	Common goals, measures, and accountability	Co-create an outcomes framework; define indicators and targets; agree on measurement cadence	Shared metrics; consistent reporting; coordinated accountability
3. Build/Launch Infrastructure	Data, capacity, and delivery supports	Develop data-sharing agreements; invest in provider capacity; deliver coaching /technical assistance (TA); strengthen implementation supports	Improved service quality; interoperable systems; stronger organizations
4. Coordinate Capital	Blended and sequenced investment strategy	Align philanthropic, public, and private capital; de-risk innovation; fill system gaps; scale effective solutions	Efficient deployment; reduced duplication; scaled evidence-informed solutions
5. Learn & Adapt	Continuous learning and adaptive governance	Monitor outcomes; run learning cycles; iterate strategy; publish transparent updates	Sustained impact; resilient ecosystem; continuous improvement culture

Ultimately, place-based impact investing is not only a financial strategy. It is a civic practice.

Models like OptImpact and ImpactPHL ask investors to become stewards of their local systems rather than just allocators of capital. They ask entrepreneurs to be seen not as exceptions, but as integral actors driving positive progress in regional economies. And they ask all of us to invest in the often-invisible infrastructure, whether it is wrapped as a public good or a private initiative, that makes this level of critical visibility and collaboration possible.

OptImpact.org is one expression of this shift: from transactions to stewardship, from fragmentation to connectivity, from singular to plural thinking. Its lesson is both simple and demanding: when we design for connection and coordination, capital follows. When we design for trust, outcomes deepen. And when we invest in the ecosystem, communities gain

the tools to shape their own futures. This seems a rallying cry worth considering today for many American cities, and beyond.

Endnotes

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