



## **Northland Foundation to receive \$5 million Program Related Investment from The McKnight Foundation**

*PRI will help further the Northland Foundation's mission in northeastern Minnesota and enhance organizational capacity*

(September 19, 2011)

The Northland Foundation has been approved for a \$5 million, 10-year program related investment (PRI) by the Board of Trustees of The McKnight Foundation.

The McKnight Foundation established the Northland Foundation and the five other Minnesota Initiative Foundations in 1986. McKnight has continued to support Northland's work since then with more than \$51 million in grants and now a PRI to better serve the needs of people and communities in northeastern Minnesota.

An alternative to a traditional grant, a PRI is a low-cost loan provided at below-market rates to strategically strengthen the charitable work of the recipient. The use of PRIs was pioneered by the Ford Foundation starting in 1968 and is beginning to regain popularity among some larger foundations nationally. Upon repayment, PRI lenders may reinvest the same dollars in other mission-relevant work in the future.

“For 25 years, The McKnight Foundation has benefited from an effective partnership with the Northland Foundation to serve the people of northeastern Minnesota,” stated Neal Cuthbert, vice president of program at McKnight. “The real power in this new PRI is knowing that our investment in the hands of Northland will pay for itself many times over, on behalf of the people and the communities in that region of the state.”

The PRI to the Northland Foundation will directly and immediately enhance the Business Finance Program, which provides gap lending to stimulate job creation and community vitality. Also benefitting in the near term is the Assisted Living initiative, which provides affordable housing and care for older adults, as well as dozens of jobs in McGregor, Buhl, and Hoyt Lakes, Minnesota. This latest investment by the McKnight Foundation will have lasting impact in Northland's overall philanthropic capacity.

“A PRI of this magnitude gives us flexibility at a time when funding is harder to come by. More importantly, it will enable us to transform facets of our organization and financial structure and lift the Northland Foundation to a new level of strength and stability,” said Tom Renier, Northland Foundation President. “It is a game-changer in our ability to serve northeastern Minnesota now and for years to come.”

(more)

### About the Northland Foundation

Now celebrating its 25<sup>th</sup> anniversary, the Northland Foundation is a resource for people, businesses, and communities working toward prosperity through economic and social justice in Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis Counties. The Grant Program directs resources to nonprofits addressing children and youth, strengthening families, poverty alleviation/self-reliance, and programming to help older adults remain vital and independent. The Business Finance Program provides loans to help grow a sustainable economy. The KIDS PLUS Program is focused on improving the well-being of children and youth. Visit [www.northlandfdn.org](http://www.northlandfdn.org) for more information.

### About the McKnight Foundation

The McKnight Foundation seeks to improve the quality of life for present and future generations through grantmaking, coalition-building, and encouragement of strategic policy reform. Founded in 1953 and independently endowed by William L. McKnight and Maude L. McKnight, the Minnesota-based family foundation had assets of approximately \$1.9 billion and granted about \$96 million in 2010. Visit [www.mcknight.org](http://www.mcknight.org) for more information.



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610 Sellwood Building ▪ 202 West Superior St., Duluth, MN 55802  
218.723.4040 ▪ 800.433.4045 ▪ f. 218.723.4048 ▪ [www.northlandfdn.org](http://www.northlandfdn.org)