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Venture Philanthropy in 2009: Developments in the Field Since "Virtuous Capital"

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**VENTURE PHILANTHROPY IN 2009
DEVELOPMENTS IN THE FIELD SINCE “VIRTUOUS CAPITAL”**

BY

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CHAPTER ONE: INTRODUCTION

Private philanthropy has grown considerably during the last decade; foundation giving increased 197 percent to over \$36.4 billion between 1995 and 2005 (Black, Wing, & Pollack, 2008). At the same time, the problems in our social sector— lack of educational opportunity, environmental stress, poverty, and inequitable access to quality healthcare—have not gone away, and some may argue, have gotten worse. “Discontent in organized philanthropy today runs deep in some quarters. For years, leaders in the philanthropic world have worried about the effectiveness of their work. Although the amount of money given away each year continues to rise, there are lingering doubts about what the billions of dollars backed by good intentions have ultimately produced” (Frumppkin, 2002). This discontent has led philanthropists to explore alternative funding models aimed at producing more measureable, replicable, and scalable results. “Foundations need to find new ways to make grants that not only fund programs but also build up the organizational capabilities that nonprofit groups need for delivering and sustaining quality” (Letts, Ryan, & Allen, 1997).

In 1997, the Harvard Business Review published an article by Christine Letts, William Ryan, and Allen Grossman entitled “Virtuous Capital: What Foundations Can Learn from Venture Capitalists”. This article proposed a method for alleviating the discontent with the philanthropic sector by providing one of the first published frameworks for the field of venture philanthropy. The article illustrated the various ways in which the venture capital model of investment could revolutionize and improve outcomes in the social sector. The principles of venture capitalism outlined by Letts, Ryan, & Allen (1997) form the framework for venture philanthropy and include: assessing risk, developing performance measures, maintaining close relationships with

grantees, providing larger, more concentrated amounts of funding, working with grantees for longer periods, and developing an exit strategy to free up resources for the next investment.

Since 1997, there has been significant growth in the field of venture philanthropy as foundations around the world embraced the venture capitalist concepts of investment as “new philanthropy”— well suited to the “new economy” of the late 1990s and early 2000s and the perfect instrument for taking advantage of the enormous wealth generated in the late 1990s:

Propelled by a stream of new ideas, technology, and modes of organizing work, the new economy is transforming the nature of work, business, and the larger economy... There have been significant shifts in the way business organizations must operate in this emerging digital age. There is a parallel shift underway in the social sector as philanthropy and nonprofits grapple with venture philanthropy—a new mode of philanthropy that emerged conceptually, organizationally, and financially from the new economy.

- Scott, 2001

Embedded in the principles of the “new economy”, the term “new philanthropy” broadly refers to “a variety of late-twentieth-century developments, including the significant growth of individual giving in the 1990s, the creation of new foundations, the rise of such new funding mechanisms as charitable gift funds and e-philanthropy, the expansion of community foundations, and the emergence of venture philanthropy” (Cobb, 2002). The concept of venture philanthropy promised to reform the nature of charitable foundation-giving from a focus on traditional programmatic investments to a focus on building organizational capacity and growth. “Rather than simply being a purveyor of charitable funds for deserving organizations of all sorts, venture philanthropy promised to turn donors into hard-nosed social investors by bringing the discipline of the investment world to a field that had for over a century relied on good faith and trust.” (Frumppkin, 2002). This focus on results and organizational effectiveness was seen as the panacea for the field. “Many advocates promote venture philanthropy as an antidote to what they

see as the failings of mainstream philanthropy. They say an unwillingness by many foundations to support innovation among charities, to support their long-term infrastructure needs, and to demand tangible results from grantees has hindered the effectiveness of many groups” (Hempel, 2007).

Parallel to the emergence of “new philanthropy”, was the emergence of the field of social entrepreneurship in the non-profit sector. Social entrepreneurship also has roots in public discontent; discontent for how social service organizations organized and ran their programs. “Major social sector institutions are often viewed as inefficient, ineffective, and unresponsive. Social entrepreneurs are needed to develop new models for a new century” (Dees, 1999). According to J. Gregory Dees, a leading researcher in the field of social entrepreneurship, the definition of social entrepreneurship is as follows:

Social entrepreneurs play the role of change agents in the social sector, by:

- Adopting a mission to create and sustain social value (not just private value),
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Engaging in a process of continuous innovation, adaptation, and learning,
- Acting boldly without being limited by resources currently in hand, and
- Exhibiting heightened accountability to the constituencies served and for the outcomes created.

- Dees, 1999

With the rise of social entrepreneurship came the launch of thousands of new non-profit organizations seeking to make transformational change in the social sector. In 1998, there were 1,158,738 registered non-profit organizations in the United States, representing \$1.99 billion in assets. Today, there are 1,515,495 registered non-profit organizations in the United States, representing \$4.04 billion in assets (The Urban Institute National Center for Charitable Statistics, 2008). The explosive growth in innovative, entrepreneurial social organizations necessitated the growth in like-minded, innovative funding and investment models, organized around similar

principles of creating and sustaining social value, accountability, bold action, and constant innovation and learning. These principles guide the field of venture philanthropy and the marriage between the venture philanthropists and social entrepreneurs, working together to create lasting social impact.

A chief force behind this popular trend is the honest desire of donors, especially young entrepreneurs turned donors, to see social change happen as a result of their giving... The language and the metaphors used by venture philanthropy speak to deep-seated desires of these new donors to have an impact and measure the effects of their philanthropy.
- Frumpkin, 2002

This study will examine the evolution of the field of venture philanthropy since the late 1990s and will provide an updated guide to the types of organizations utilizing venture philanthropy strategies across the United States and internationally. The purpose of this research is to investigate how the field has changed as it has matured, to identify the key players and learnings of organizations across the field, and to develop a framework for the types of organizations that have been the most successful in implementing the venture philanthropy model.

CHAPTER TWO: REVIEW OF THE LITERATURE

The Catalysts for Venture Philanthropy

The field of philanthropy underwent significant changes at the end of the 20th century. As described in Dr. Lucy Bernholtz's 1999 work, *Foundations for the Future: Emerging Trends in Foundation Philanthropy*, factors such as major shifts in the culture of the country, changing demographics, and an unparalleled creation of new wealth during the dot.com boom acted as significant catalysts for changes in the field of philanthropy:

The new wealth created by technological advances has transformed certain segments of American society at an unheard of pace. The simultaneous demographic revolution is leading to an anticipated transfer of wealth between generations that has no historical peer. Unlike their predecessor institutions, new philanthropists and new foundations have an industrial framework within which to build, as the nation is currently home to more than 44,000 foundations. New donors are building on these existing models, applying the same business values and technological tools that generated their wealth to their philanthropy and revising traditional grantmaking strategies to fit their definitions of success.

- Bernholtz, 1999, p.3

At the same time, there was a significant shift in the way philanthropies and non-profits in general operated, with increasing calls for more accountability in the sector and more business-like approaches:

In the last decade, the focus for foundations, both emerging and established, has been away from the government model and toward the private sector... This shift in perspective, from a strictly corporate and government model to one centered around entrepreneurial action, captures much of what is being talked about, and to some, put into action, in foundation philanthropy.

- Bernholtz, 1999, p.5-6

By the mid-1990s, the venture capital industry—along with a burgeoning technology and finance media—began to view itself, according the technology bible Red Herring, as “modern day Medici’s”... Meanwhile, language of social entrepreneurship began to take hold among a new generation of non-profit organizations and independent sector leaders. Media and marketing savvy, these new organizations and their leaders were able

to translate the goals of their non-profits into a business lexicon—and the new money found a receptive market.

- Scott, 2001, p.3

Around the world, philanthropists and entrepreneurs embraced the venture capitalist concepts of investment as “new philanthropy”— well suited to the “new economy” of the late 1990s and early 2000s and the perfect instrument for taking advantage of the enormous wealth generated in the late 1990s:

Propelled by a stream of new ideas, technology, and modes of organizing work, the new economy is transforming the nature of work, business, and the larger economy... There have been significant shifts in the way business organizations must operate in this emerging digital age. There is a parallel shift underway in the social sector as philanthropy and nonprofits grapple with venture philanthropy—a new mode of philanthropy that emerged conceptually, organizationally, and financially from the new economy.

- Scott, 2001

Embedded in the principles of the “new economy”, the term “new philanthropy” emerged. “New Philanthropy” broadly refers to “a variety of late-twentieth-century developments, including the significant growth of individual giving in the 1990s, the creation of new foundations, the rise of such new funding mechanisms as charitable gift funds and e-philanthropy, the expansion of community foundations, and the emergence of venture philanthropy” (Cobb, 2002).

The concept of venture philanthropy promised to reform the nature of charitable foundation giving from a focus on traditional programmatic investments to a focus on building organizational capacity and growth. “Rather than simply being a purveyor of charitable funds for deserving organizations of all sorts, venture philanthropy promised to turn donors into hard-nosed social investors by bringing the discipline of the investment world to a field that had for over a century relied on good faith and trust.” (Frumpkin, 2002). This focus on results and

organizational effectiveness was seen as the panacea for the field. “Many advocates promote venture philanthropy as an antidote to what they see as the failings of mainstream philanthropy. They say an unwillingness by many foundations to support innovation among charities, to support their long-term infrastructure needs, and to demand tangible results from grantees has hindered the effectiveness of many groups” (Hempel, 2007).

Defining Venture Philanthropy

In 1997, the Harvard Business Review published an article by Christine Letts, William Ryan, and Allen Grossman entitled “Virtuous Capital: What Foundations Can Learn from Venture Capitalists”. This article proposed a method for alleviating the discontent with the philanthropic sector and provided one of the first published frameworks for the field of venture philanthropy. “Foundations need to find new ways to make grants that not only fund programs but also build up the organizational capabilities that nonprofit groups need for delivering and sustaining quality” (Letts, Ryan, & Allen, 1997). The principles of venture capitalism outlined by Letts, Ryan, & Allen (1997) that form the framework for venture philanthropy include the following:

- **Assessing Risk:** “Foundations generally face little risk when making grants... Because their funds are not at risk...program officers generally feel little pressure to learn and apply organizational lessons on the next round of grants” (p. 38).
- **Developing Performance Measures:** “Foundations do not share one important goal of nonprofits. The nonprofit has a very explicit need to keep its organization healthy in terms of staff, revenue, and basic operating systems; the foundation, with its focus on program efficacy and its practice of making one-, two-, or three-year grants, does little to support those long-term goals” (p.38).
- **Maintaining a Close Relationship with Grantees:** “The bulk of a foundation’s work comes even before a grant is made... Once a grant has been made, the foundation assumes an oversight role... rather than a partnering role to develop capable management and adaptive strategies” (p.38)
- **Providing Larger, More Concentrated Amounts of Funding:** “The common practice for foundations is to parcel out those limited dollars to a much higher number of recipients than a venture business would. The result is that a foundation grant covers only a small proportion of a nonprofit’s costs” (p.39).

- **Working with Grantees for Longer Periods:** “Many foundations simply state that they will not fund any program for more than two or three years. Most of them believe that to offer support for a longer period would make the recipients overly dependent... That line of reasoning has led to foundations’ time horizons being out of sync with those of their grantees” (p.40).
- **Developing Exit Strategies:** Foundations will challenge nonprofit organizations to demonstrate that they can sustain a program after a grant terminates. But unlike businesses, nonprofits cannot expect to have investment bankers and their clients waiting to step in with another infusion of capital. Thus when the grant runs out, nonprofit organizations are left to mount a time-consuming search for funds to cover ongoing operations and expansion of programs” (p.40).

Although it has evolved since its inception, the field of venture philanthropy today retains many of same characteristics of venture capitalism as those first extolled by Letts et al. in 1997. In a March 2005 paper, Warren Tranquada and John Pepin define venture philanthropy in its current context (both in the U.S. and internationally) as follows:

- **Close relationship between the investor and the organization:** A hands-on approach is taken by the investor in the management, governance, and accountability of the organization and/or its venture.
- **Extended relationships:** Typical VP relationships last from three to five years. Generally, VP relationships are intended to be longer than traditional funder-grantee relationships and efforts are made to reduce the burden of applying for funding on an annual basis.
- **Larger investments:** VP focuses on increasing the amount of the investment per organization and offering this to a decreased number of organizations. VP is built on the belief that building organizational capacity and removing funding constraints improves the ability of organizations to make sustainable and scalable impact.
- **Increased risk management and accountability:** Investors take on some of the risk and accountability that comes with investment in an organization. Because they are investing and partnering in an entire program, they have the same accountability as the organization running the program.
- **Stringent performance measures:** VP seeks higher standards of outcomes measurement, measured regularly in order to assess program performance. Outcomes are not measured in terms of operational statistics (such as number of participants), but rather against the impact of the change (such as reduced unemployment).
- **Adoption of exit strategies:** VP seeks to invest in organizations whilst helping them develop strategies to sustain their impact after the initial investment is complete. Exit strategies also provide investors with the confidence that their investments will produce sustainable programs that can expand or grow even after their involvement has ended.

Likewise, a 2008 article by Michael Moody in the *Nonprofit and Voluntary Sector Quarterly* reiterates that a similar set of core principles and practices to define the field of venture philanthropy:

One representative definition comes from the Center for Venture Philanthropy in Silicon Valley. Their model distills venture philanthropy practice down to five key elements: 1) Investments in a long-term (3-6 year) plan for social change; 2) A managing partner relationship; 3) An accountability-for-results process; 4) Provision of cash and expertise; and 5) An exit strategy. Venture philanthropy involves close monitoring of predetermined performance goals and measurements as well as joint problem solving with nonprofit investees throughout the long-term duration of the funding.

- Moody, 2008, p.332

Issues and Controversies in the Field

As one often finds with most new developments and changes in a field, venture philanthropy as a concept is not without its detractors. One of the most vocal critics of venture philanthropy is Bruce Sievers, the Executive Director of the San Francisco-based Walter and Elise Haas Fund. Sievers' 2001 lecture, entitled *If Pigs Had Wings: The Appeals and Limits of Venture Philanthropy*, explores the transferability of the venture capital process to the social sector, and identifies four major issues with this transfer.

There are several reasons to ask, Is the VC model so self-evidently successful, even in its own realm of activity, that it prima facie demands to be transferred to the nonprofit sector? My answer is—not surprisingly--no. I think there is a need to explore both the actual historical experience of VC investing and, more importantly, the particular claims made for its relevance to the nonprofit sector.

Sievers, 2001, p.3

The first problem identified by Sievers (2001) is the issue of the bottom line. "...What is the equivalent of the bottom line in the nonprofit world? I would suggest there is none, or, perhaps more accurately, there are many. Nonprofit activity has a complex and intangible range of aims

that often elude simple classification and measurement” (p.4). Sievers (2001) believes that the concept of a “double bottom line” is likewise misused. He believes that many benefits that nonprofits offer their clients are intangible, and cannot be defined with performance metrics as easily as profit goals can be defined.

The second problem that Sievers (2001) identifies is the idea of “going to scale”. “The vast majority of nonprofits come into being to meet highly differentiated social needs or particular visions. They are designed to fill niches not satisfied through other mechanisms of society.” (p.6). Sievers believes that maintaining the “exciting, nimble, creative, localized, and sometime wacky pluralism of the nonprofit world” should be a key goal in the social sector, and philanthropy should not always focus on what is scalable and replicable.

The third problem area identified by Sievers (2001) is the issue of control. “Such [highly engaged] involvement can certainly benefit the chosen organizations, but it also raises sensitive issues of power and control. There is a significant difference between an owner and a donor” (p.8). Sievers describes the experience of the Roberts Enterprise Development Foundation (REDF) with their “failed” investments, hypothesizing that it was a poor working relationship between the philanthropy and the grantee that led to the majority of problems implementing a high engagement strategy.

The fourth issue outlined by Sievers (2001) is the concept of venture philanthropists having an “exit strategy”. “Venture philanthropists sometimes suggest financial self-sufficiency as a goal to trigger the end of an investment cycle. But this is a dubious goal, because there are in fact only three streams of possible revenue for nonprofits: contributed, earned, or government” (p. 9). Sievers (2001) points out that even if a nonprofit wants to become self-sufficient, it may require

a shift in mission to adopt an earned-income strategy, or may require a significant investment in fundraising capacity, which may detract from the actual work of the organization.

In the rest of the literature, one frequently cited criticism is that the main proponents of the venture philanthropy movement were themselves arrogant and out-of-touch with the realities of the sector:

It might seem surprising, but a number of interviewees were quite candid in their assessments of the problems caused by the “hubris” of some early venture philanthropy promoters, including themselves in some cases, who brashly criticized the established foundation world and vowed to fix what they saw as a dysfunctional management culture in the nonprofit sector. Some talked about this initial attitude more as “confidence” whereas others called it “arrogance”; many said that the problems caused by this attitude forced changes in the field.

- Moody, 2008, p.334

Related to the perception that the main advocates of the field were overconfident, another widespread criticism of venture philanthropy is that many in the field underestimated how difficult it would be to put the principles of venture philanthropy into practice:

Despite the hype, after a few years of experience with high-engagement grant making, venture philanthropists are considerably more sober. They have found that developing a hands-on relationship with grantees is extremely complicated.

- Cobb, 2002, p.132

Despite these criticisms, venture philanthropy has not gone away, and in fact, there seem to be more organizations practicing venture philanthropy strategies than even in the early years. “Today, the field of venture philanthropy has evolved as individual organizations focus on refining their own distinctive approaches and as proponents make more modest claims about the model” (Moody, 2008).

Profiling Venture Philanthropy Funds

A 2002 survey conducted by the Venture Philanthropy Partners profiled 42 organizations in the venture philanthropy field (see Appendix A for a list). According to Venture Philanthropy Partners' website, the purpose of the original survey was:

- To provide a comprehensive listing of organizations that are involved in venture philanthropy and related forms of high-engagement grantmaking in the United States;
- To provide a detailed profile of each fund to show the different approaches and techniques being used;
- To create uniform and consistent data points for tracking and examining emerging trends in high-engagement grantmaking.

According to their report, Venture Philanthropy Partners relied on “extensive surveys of the philanthropic literature and mainstream media” and interviews with “a number of leaders in the field” as their methodology. Venture Philanthropy Partners analyzed the results of the survey into ten major categories of data; their high-level results from this survey are as follows:

Age of Organizations and Fund Structure: “Many of the organizations surveyed are very young. Approximately two-thirds (63 percent) of the funds listed here were incorporated after January 1, 1999, and, more important, only four of the organizations began their grantmaking activities (at least in their current high-engagement form) before 1998. Eighteen organizations categorize themselves as donor-advised funds (16 of which are Social Venture Partners [SVP] models), 13 are public charities, five are private foundations, and six fall into various other categories” (p. 32).

Geographic Distribution: “While venture philanthropy began with pockets of activity on the East and West Coasts, the 42 funds that responded to this year’s survey are based in 18 states, primarily due to the spread of the SVP model. California is home to the most high-engagement grantmakers, with 11, followed by New York with six and Texas with four” (p.32).

Mission Focus: “Most organizations have a specific mission focus for their grantmaking activities. Eighteen of the organizations (42 percent) focus on improving youth-serving or education-based organizations, while seven focus on organizations working with poor and transitional workforce populations. Five organizations report having multiple foci for their grantmaking activities. These organizations address two or three causes—often having a specific fund targeted at each cause. Four organizations have not yet determined an area of focus, and five organizations, all donor-advised, do not plan to have a particular focus for their grants” (p.33).

Capitalization: “The amount of money within high-engagement grantmaking organizations is still very small when compared to the full amount of foundation grantmaking in the United States. Based on the responses we received, we estimate that the total capitalization of the 42 funds is just over \$400 million dollars (excluding the large and established Edna McConnell Clark Foundation, which is in the process of shifting the focus of its \$600 million-plus foundation primarily to high-engagement grantmaking). We estimate that these organizations made grants of just over \$50 million last year, compared with \$27.6 billion in grants in the foundation world as a whole” (p. 33).

Value of Nonmonetary Support: “One of the widely accepted characteristics of high-engagement grantmaking is its high level of assistance to nonprofit partners beyond financial support. When asked to estimate the value of the nonmonetary support provided to grant recipients, 15 of the organizations indicated that it was more valuable than the monetary grants, and nine indicated that it was equal to the amount of the monetary grants” (p.34).

Strategic Management Assistance: “The 42 organizations varied in terms of how they provided (or anticipated providing) nonmonetary support. Strategic management assistance is provided to grantees primarily through staff, investors, and/or outside consultants. Twenty-two of the 42 organizations report that their own staff members provide (or will provide) assistance for grantees, 21 said their investors provide (or will provide) assistance, and 21 said they use (or will use) outside consultants or advisors to provide assistance to grantees” (p.34).

Identification of Grant Recipients: “Roughly one-third (13) of respondents indicated that they do not accept unsolicited proposals for funding but rather seek out qualified organizations themselves. This number is almost double last year’s tally of seven. A similar number of organizations (15) indicated that they used a hybrid process for identifying grant recipients, combining the traditional process of accepting applications with the newer approach of actively seeking out qualified nonprofits. Seven organizations do not seek out organizations but rely solely upon broad requests for proposals. Three organizations indicated that they have created an incubator for nurturing promising ideas and developing them into organizations” (p.35).

Grant Size and Duration: “Because of the greater number of SVP organizations in this year’s survey, the size of the grants is skewed toward smaller investments. Fourteen respondents indicated that their largest grant was in the range of \$25,000 to \$75,000. This year, 67 percent of the organizations said that their grants tend to cover four to seven years, compared with only 22 percent last year. Most organizations begin their grant relationships with smaller, one-year planning grants that, in most cases, lead to a longer-term funding relationship based on collaboratively developed benchmarks established during the planning year” (p.35).

Sustainability: “Of the 32 organizations that indicated that financial sustainability of grant recipients was a goal, 16 had not yet developed a plan for how this would be achieved. Because most high-engagement grantmakers are young and make long-term grants, very few have reached the point in their grantmaking where they have exited a relationship. Of those

organizations that have considered methods for sustainability, 10 mentioned that they would work with grant recipients to generate revenue, and nine mentioned working to improve the development function or bringing in new funders” (p.36).

Outcomes: “There is still very little agreement among survey respondents on common metrics for success. Seventeen of the 42 organizations have not yet developed or did not share how they would measure success for their grantees. Of the 25 that did, almost all indicated that they would work with a potential grant recipient to develop specific benchmarks for success. Three organizations indicated that they had developed social return on investment (SROI) or balanced scorecard tools to measure each investment” (p.36).

JPA Europe Limited and Aperio conducted the most current survey of the field in April 2008 for the European Venture Philanthropy Association conference on revenue generation. The purpose of this survey was to “explore patterns between venture philanthropy investors, funds and client organizations across ninety-six venture philanthropy organizations” (JPA Europe Limited, 2008). JPA Europe Limited and Aperio used a document analysis methodology, collecting data solely from the websites of the organizations reviewed (see Appendix B for a list). JPA Europe Limited and Aperio found the following results:

Geographic Divide: “The findings indicate a stronger presence of funds in the USA compared to the rest of the world, although the number of funds in Europe has increased in recent years and the venture philanthropy movement is starting to develop elsewhere such as in Japan, China, India and Argentina”(p. 13).

Mission-Based Destination of Funds: “VP funds tend to invest in multiple causes. However this research suggests that, in most regions, the funds that specify a single cause invest in youth or education related service organisations. The USA has proportionately more funds that invest in other specialised causes which do not appear to have been developed elsewhere in the world, in particular the promotion and preservation of religion and investment in biotechnology research” (p.14-16)

Geographic Destination of Funds: “The majority of funds specify where their clients’ operations should be located in order to receive funding. The research suggests that there is a relationship between the geographic destination of investments and the mission in which funds are willing to invest. Funds investing in youth or science-related organisations tend to specify domestic operations whereas faith-based, technology or environment-related funds have a more international sphere of activity” (p. 17-18).

Founders of Venture Philanthropy Funds: “Foundations were found to be the main founders of VP funds. In addition, regional disparities were found as the USA’s venture philanthropy movement traditionally rose out of the dot.com boom and the UK and European movement from financial institutions. In addition, it appears as though corporate venture philanthropy is on the rise. Corporate foundations may not necessarily describe themselves as venture philanthropists, but there are some that do apply venture philanthropy principles” (p.18-21).

Source of Funds: “The main sources of ongoing funding were found to be foundations, corporations and individuals. Most funds use a portfolio of these sources” (p.21-23).

Destination of Funds: A small number of funds, based in the USA, have a membership structure to their funds allowing members to pick and choose where their money is invested. As might be expected, corporate VP funds tend to rely on companies for their funding. When looking at the mission-related destination of a fund and its ongoing source of funding, member-funded and private equity-funded organisations tend to invest in a variety of causes” (p.24).

Need for Further Research

Since venture philanthropy is still a relatively new field and most of the organizations practicing venture philanthropy strategies are less than fifteen years old, there is a significant need for more research into the field. “There has been little scholarly analysis of the important development of venture philanthropy. Such analysis can offer insights into the construction, legitimation, and initial evolution of an ostensibly ‘new’ organizational field and ‘new’ professional culture” (Moody, 2008).

While venture philanthropy still makes up only a small percentage of total philanthropy, many in the field believe that its potential impact outweighs any negatives: “Even though venture philanthropy currently represents only a small share of total giving, it has the potential to significantly change the nonprofit capital market” (Romirowsky, 2007).

Venture philanthropy deserves scholarly attention because it has notoriety and influence beyond its modest scale... Moreover, the very public rise of venture philanthropy has, however modestly or experimentally, influenced the concepts and practices used by some

more traditional grantmakers and has certainly contributed new concepts to the public conversation about philanthropy.

- Moody, 2008, p. 326

An investigation of how the field has changed as it has matured, the identification of the key players and learnings of organizations across the field, and the development of a framework for the types of organizations that have been the most successful in implementing the venture philanthropy model will help to address the gaps in research about this nascent field.

CHAPTER THREE: METHODOLOGY

Research Questions

The purpose of this research is to investigate how the field has changed as it has matured, to identify the key players and learnings of organizations across the field, and to develop a framework for the types of organizations that have been the most successful in implementing the venture philanthropy model. Therefore, I investigated the following research questions:

- 1) Who are the major players utilizing venture philanthropy strategies today? How does this list differ from those utilizing venture philanthropy strategies in 2002?
- 2) What significant changes have occurred in the field since 1997 and what trends do these changes represent?
- 3) What characteristics are associated with the most successful venture philanthropy organizations?

Research Design

This research was a hybrid between basic and applied research, as it sought to establish a conceptual framework for successful venture philanthropy organizations, while at the same time providing useful information about the maturation of the venture philanthropy field for those actively engaged in the non-profit and philanthropic sectors. The research can also be classified as a study. For this particular study, I looked deeply at the field of venture philanthropy. The results of this particular study include data regarding the trends in the field and profiles of some of the players. However, given the design, the results of the study will not be generalizable to the entire field or to other fields. As the main ethical consideration of most studies is informed

consent, I obtained informed consent from all organizational representatives that I contacted to participate in the survey.

Instrumentation

In order to answer the research questions posed above, I replicated with modification the 2002 Venture Philanthropy Partners survey entitled “Venture Philanthropy 2002: Advancing Nonprofit Performance Through High-Engagement Grantmaking”¹. According to Venture Philanthropy Partners’ website, the purpose of the original survey was:

- To provide a comprehensive listing of organizations that are involved in venture philanthropy and related forms of high-engagement grantmaking in the United States;
- To provide a detailed profile of each fund to show the different approaches and techniques being used;
- To create uniform and consistent data points for tracking and examining emerging trends in high-engagement grantmaking.

This survey was at one time an annual survey, with reports for 2000, 2001, and 2002, and it is widely recognized as a valuable resource in the field and quoted from extensively in all of the literature. However, Venture Philanthropy Partners has not re-issued the survey since 2002, leaving a considerable gap in this type of research about the venture philanthropy field for the past seven years.

The original survey included questions in the following sections, which I also included in my modified version:

- I. Fund Contact Information
- II. Fund Description and Structure (*mission, incorporation year, year of initial grants, legal structure*)
- III. Lessons Learned and Observations (*top three lessons, biggest impediments to success, feedback from grantees, refinements to your model, relationships with local philanthropic community*)
- IV. Fund Management and Staffing (*lead executive, number of full-time staff*)

- V. Grant Selection, Assistance, & Engagement (*subject focus for grants, geographic focus for grants, process for identifying grantees, criteria for evaluating grantees, length of grantee relationship, exit strategies, grant-size range, organizations funded to date, quality of working relationship with grantees, value of non-monetary support, staff time required to administrate your grants, role on grantees' board of directors*)
- VI. Outcomes (*how to assess success for each grant, for your fund overall*)
- VII. Fund Capitalization and Financial Information (*total capital in the fund, total capital pledged, annual operating budget, total amount granted to date, number of grants made to date*)
- VIII. Funding Sources (*level of investment – financial or non-financial – of the investors, investors' perceptions of the fund, services provided to investors, inclusion of private equity, effects of economy on the fund*)
- IX. Other Information (*a request for any additional information that may be useful*)

In addition to these questions, I developed other items related to the factors associated with each organization's success to date, questions regarding perceptions of how the field has changed over the past decade, and questions regarding where the organizations see the field trending in the future. See **Appendix A** for a copy of the survey instrument.

Sampling

The original survey by Venture Philanthropy Partners (2002) profiled 42 venture philanthropy organizations across the United States and internationally. I issued my modified version of the survey to these 42 organizations, as well as to the additional organizations profiled in JPA Europe 2008 paper, *Existing Venture Philanthropy Funds Characteristics: A Preliminary Overview*. Also, I scanned the philanthropic literature and mainstream media for any newer organizations that have not been previously identified, and sent the survey to them as well. See **Appendix B** for a list of organizations surveyed.

Data Collection

In order to keep costs low, I converted the survey to an electronic format utilizing Qualtrics (<http://www.qualtrics.com>) online survey software, and emailed the online survey link to the

prospective organizations on June 16, 2009. I sent a follow-up e-mail with the survey link to all organizations that had not responded on June 24, 2009, July 1, 2009 and July 7, 2009 in order to encourage maximum participation. The e-mail that accompanied the survey included a description of the research project, as well as a list of the research questions and information regarding informed consent. For participation in the survey, I incentivized participants with a promise to send them a copy of the final, edited report, which should be useful to anyone in the field.

Data Analysis

The data I receive from the survey responses will be analyzed using basic statistical techniques for qualitative data. So that the data from 2002 can be easily compared to the data collected in 2009, I have included charts to display the analysis of the demographic and background information, such as fund size, geographic and subject focus, and age of the organizations profiled, similar to those charts provided in the 2002 Venture Philanthropy Partners survey report. Additionally, I developed other charts to display the trends and changes in the field graphically, as well as to summarize and display the data regarding the factors of successful venture philanthropy organizations.

Limitations

As mentioned above, this research design is a study, and as such, one of the major limitations will be a lack of external validity. The organizations that I plan to survey will include those identified by the 2002 and 2008 surveys, as well as any additional organizations to which I find references in the literature and popular media. Therefore, the sample will not be randomly

selected, but rather selected by convenience and the results will not be generalizable across the entire venture philanthropy field, or to other types of philanthropic organizations.

Another concern of this study will be the level at which the venture philanthropy organizations' representatives provide candid answers to the survey questions. As it is essential for this study to describe the actual organizations surveyed, I was not able to promise complete anonymity for their responses, only confidentiality. This lack of anonymity may have resulted in participants withholding information, or exaggerating the positive aspects of their organizations.

A further limitation is time. I will conduct this entire research study over a limited period of one semester in fulfillment of the capstone course requirements, which allows for very little time for follow-up and data analysis. This time limitation may therefore result in a truncated analysis, and will not allow me to follow-up with organizations from which I receive incomplete data.

Significance

By updating the 2002 Venture Philanthropy Partners survey results, this research provides valuable insights into how the field of venture philanthropy has changed over the past decade, as well as to where the field may be trending in the future. By profiling the success factors of venture philanthropy organizations, this research provides valuable insights to both current practitioners in the field, as well as those philanthropies considering a venture philanthropy strategy. Likewise, this research adds to the growing body of academic literature on venture philanthropy as a conceptual framework for philanthropic giving. The Pace University Public Administration program benefits from this research, as the results may be utilized to supplement current coursework in social entrepreneurship and philanthropy.

CHAPTER 4: FINDINGS

Data were collected using Qualtrics (<http://www.qualtrics.com>) online survey software and emailing the online survey link to the prospective organizations. I sent the original email request on June 16, 2009 and sent a follow-up e-mail with the survey link to all organizations that had not responded on June 24, 2009, July 1, 2009 and July 7, 2009 in order to encourage maximum participation.

I surveyed 113 venture philanthropy organizations. Participation in the survey was declined by two organizations and ninety-two organizations did not respond to the survey link at all. Nineteen organizations completed the survey, for a response rate of 17 percent (Table 1).

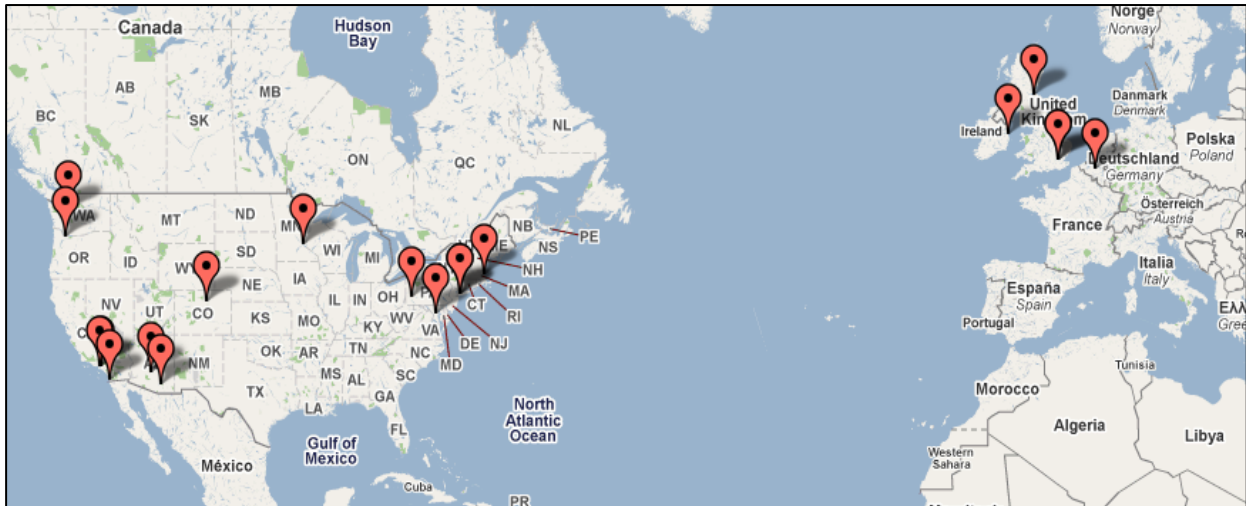
Table 1: Organizations Completing the Survey

ALFANAR
Alzheimer's Drug Discovery Foundation
European Venture Philanthropy Association
Inspiring Scotland
Jewish Venture Philanthropy Fund - Los Angeles
Los Angeles Social Venture Partners
New Profit Inc.
NYC Venture Philanthropy Fund
One Foundation
Pittsburgh Social Venture Partners
San Diego Social Venture Partners
Social Venture Partners Arizona
Social Venture Partners Boulder County
Social Venture Partners Greater Tucson
Social Venture Partners Minnesota
Social Venture Partners Portland
Social Venture Partners Seattle
Venture Philanthropy Partners
Venturesome

Fund Structure

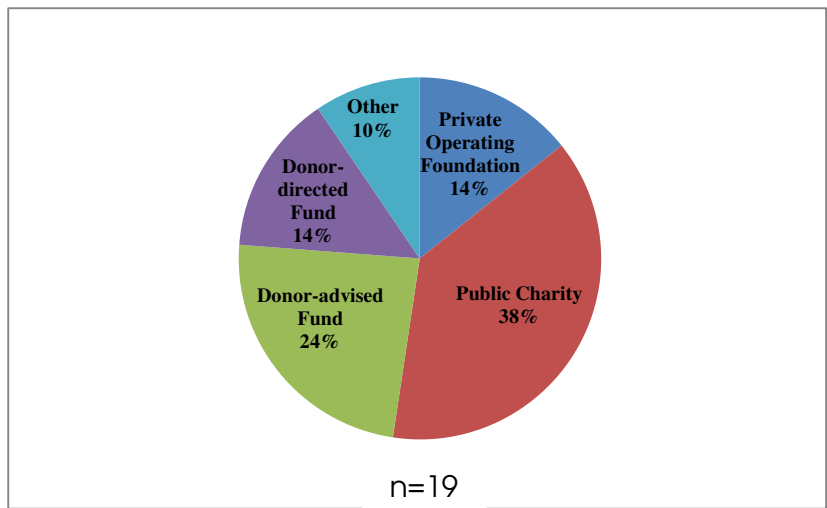
The organizations that completed the survey consisted of organizations across the United States and Europe, representing the spread of the venture philanthropy model (Figure 1).

Figure 1: Map of Participating Organizations



While the majority of the funds operate legally as public charities, 38 percent also operate as either donor-advised funds or donor-directed funds (Figure 2).

Figure 2: Legal Structure of the Fund

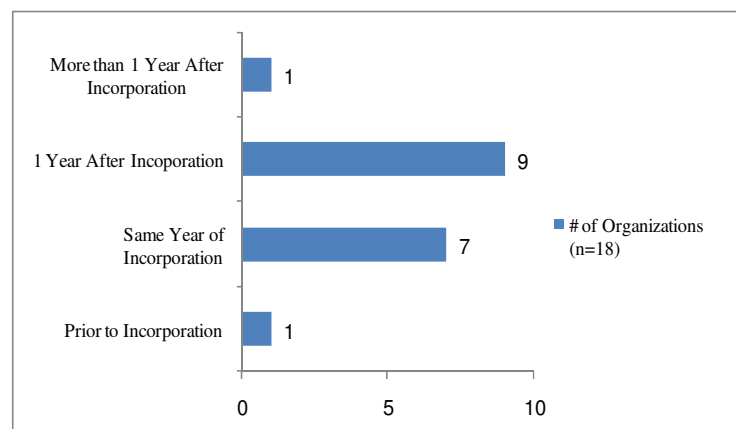


The majority of organizations surveyed were incorporated within the last decade, with only three organizations incorporated prior to the year 2000 (Table 2). The majority of the organizations surveyed awarded their first grants within one year of their incorporation (Figure 3).

Table 2: Year Incorporated and Year of First Grant

Year Incorporated	Year of First Grant
1997	1997
1998	2000
1999	2000
2000	2001
2000	2001
2001	2001
2001	2002
2002	2002
2002	2003
2002	2002
2003	2000
2004	2004
2004	2004
2004	2005
2005	2005
2006	2007
2007	2008
2008	2009

Figure 3: First Grants Made by Year of Incorporation



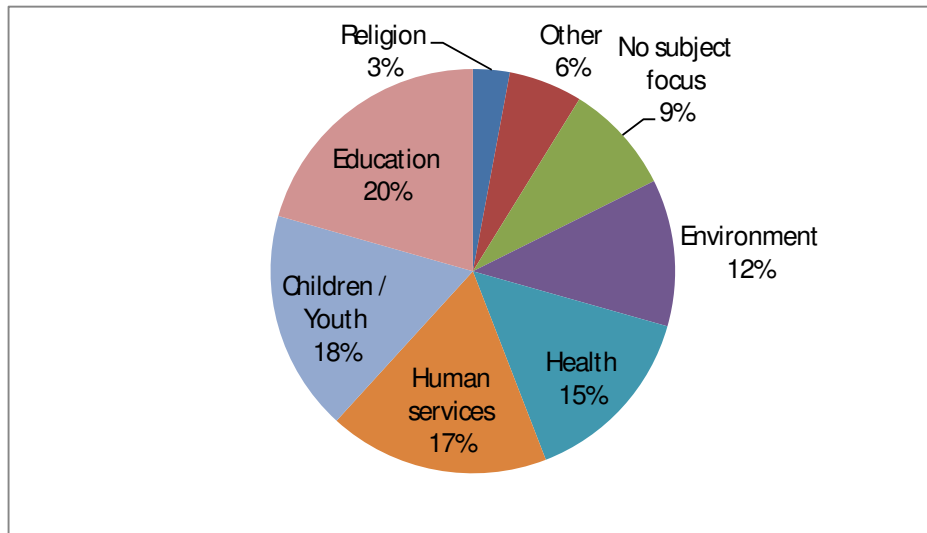
The organizations surveyed used a mix of funding sources for their venture philanthropy funds, with resources coming from a combination of individual donors, foundations and member/partners most frequently (Table 3).

Table 3: Source of Funding

#	Answer	Response	%
1	Foundation	6	29%
2	Individual Donors	10	48%
3	Corporate	2	10%
4	Members / Partners	6	29%
5	Other (please describe)	3	14%

Most of the organizations surveyed have a specific mission focus, or foci, for their grantmaking activities. Thirteen of the organizations (38%) focus on children, at-risk youth or educational organizations, while other major foci include human services (17%), health (15%), and the environment (12%) (Figure 4).

Figure 4: Subject Focus of Grants



Nearly all of the organizations surveyed have a specific geographic focus for their grantmaking activities, with most focusing on the local or state level (Figure 5). Venture philanthropy funds in the United States tend to focus on organizations within their local

community, city, or state (76%) while funds in Europe focus more on serving organizations across the entire country or several countries, such as the Arab region or all of Europe (Table 4).

Figure 5: Geographic Focus of Grants

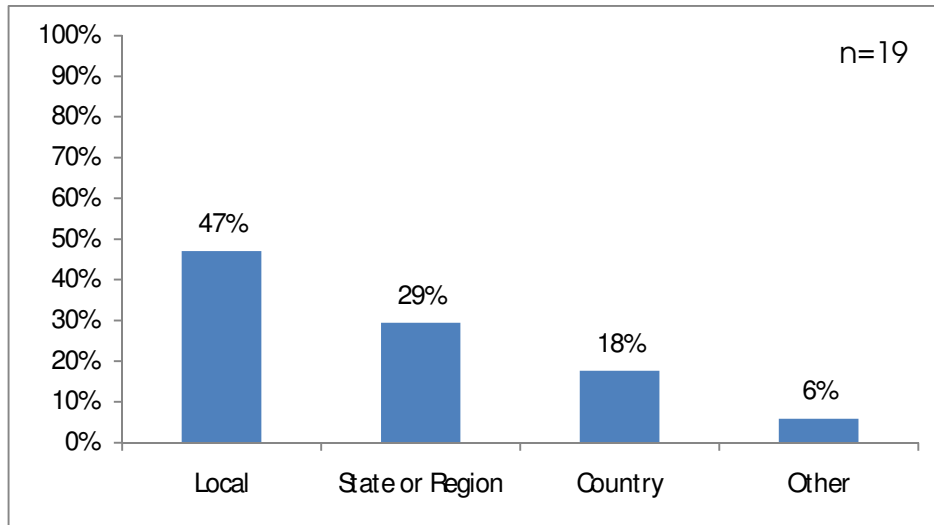


Table 4: Geographic Focus of Grants by Location of Fund

Geographic Focus	Location of Fund	
	U.S.	Outside of U.S.
Local, State or Region	71%	0%
Entire Country or Multiple Countries	0%	29%

Grant Selection, Assistance, & Engagement

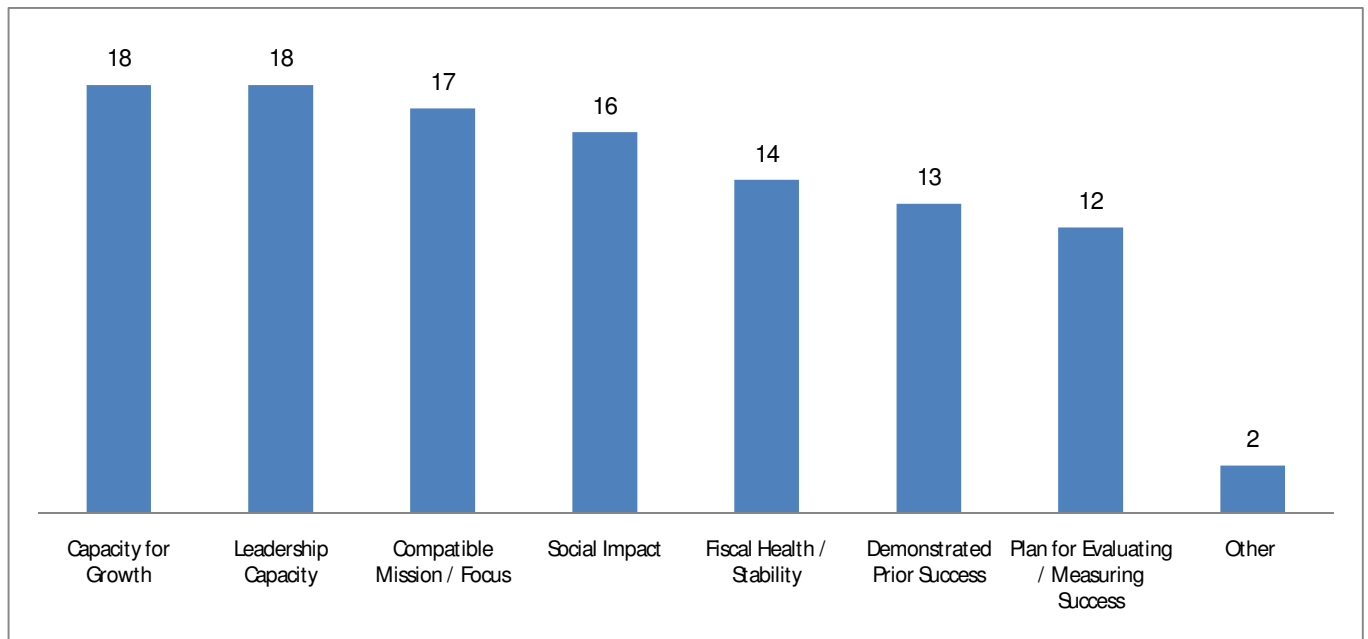
A little more than half (11) of the respondents indicated that they use a hybrid process for identifying grant recipients, combining the traditional process of accepting applications with the newer approach of actively seeking out qualified nonprofits. Four organizations do not seek out organizations but rely solely upon broad requests for proposals, while five organizations actively seek out organizations (Table 5).

Table 5: Process for Identifying Grantees

#	Answer	Response	%
1	Accept applications	4	19%
2	Seek out appropriate organizations	5	24%
4	Hybrid approach of seeking out organizations and accepting applications	11	52%
3	Other (please describe)	1	5%
	Total	21	100%

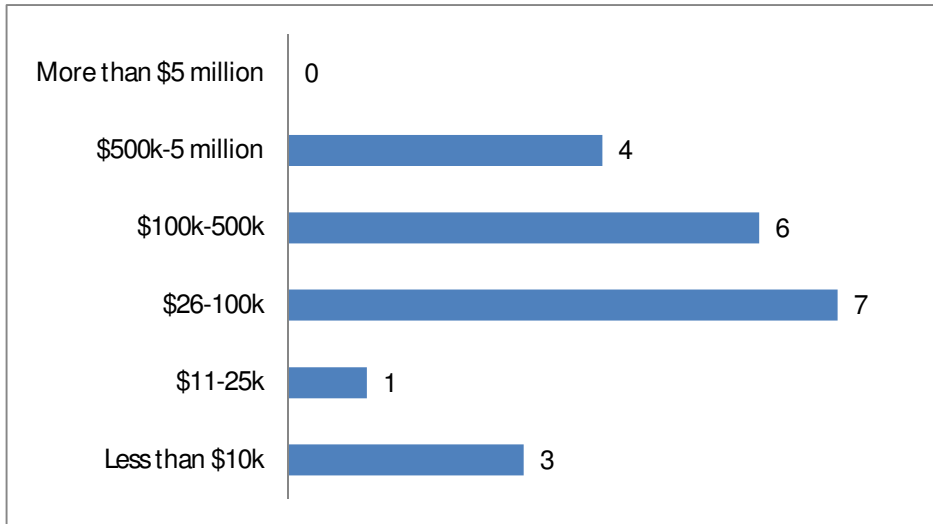
When selecting grant recipients, the most frequently mentioned organizational characteristics sought in grantees was capacity for growth and strong leadership (mentioned by 18 organizations each). Other traits mentioned often were compatible mission or focus (17), social impact (16), fiscal health or stability (14), demonstrated prior success (13), and having a plan for evaluating or measuring success (12) (Figure 6).

Figure 6: Criteria Used to Evaluate and Select Grantees



Thirteen of the organizations surveyed provide grants in the average range of \$26,000 - \$500,000 over the full term of their engagement, with four organizations offering grants over \$500,000 and four organizations offering average grants of \$25,000 or less (Figure 7).

Figure 7: Average Grant Size over Full Term of Grant



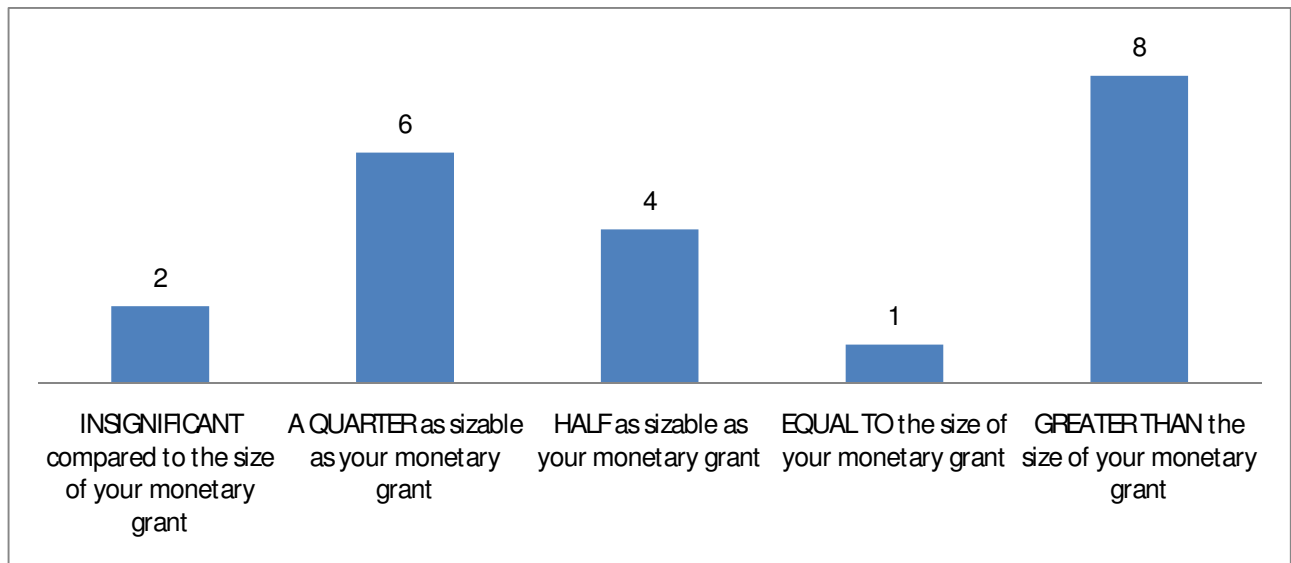
Fifty-two percent of the organizations surveyed said that their grants tend to cover on average an engagement of three to five years, while 39 percent of the funds surveyed engage with their grantees for three years or less (Table 6).

Table 6: Average Anticipated Length Relationship Grant Recipients

#	Answer	Response	%
1	1 year or less	2	10%
2	1-3 years	6	29%
3	3-5 years	11	52%
4	More than 5 years	2	10%
	Total	21	100%

When asked to estimate the value of the nonmonetary support provided to grant recipients, eight of the organizations indicated that it was more valuable than the monetary grants, and twelve indicated that it was less sizable than the monetary grants (Figure 8).

Figure 8: Size of Non-Monetary Support as a Percentage of Monetary Support



The working relationships between the venture philanthropy funds and their investees vary across the organizations surveyed. Several organizations stated that they primarily serve as a link for their grantees to expertise and pro-bono services, whereas other funds engage more directly in providing hands-on support to their investees. The types of support offered by the organizations surveyed includes strategic planning, marketing, board governance, financial development, human resource development, operations, information technology, business planning and financial modeling, performance management, and coaching and mentoring.

Seventy-two percent of the funds surveyed list financial sustainability as a goal for their grantees. Methods for ensuring that grantees meet this goal include working on strategies to leverage and diversify funding, connecting grantees with expertise, reviewing business cases and forecasts, and developing milestones and targets jointly with grantees.

Lessons Learned and Factors for Success

The organizations surveyed offered advice for other venture philanthropists regarding the lessons they have learned through their engagement in the field across four thematic areas – Leadership and Capacity Building, Expectations, Taking Risks and Measuring Impact, and Building Internal Capacity (Table 7).

Table 7: Lessons Learned

Leadership & Capacity Building	<ul style="list-style-type: none">• Focus on picking organizations with strong visionary leaders• Leadership is essential• Capacity building is as important or more important than grant making• General operating grants serve the nonprofits better than specific project grants
Expectations	<ul style="list-style-type: none">• Things rarely go as planned. Set goals and expectations and be willing to adjust frequently• Be explicit about what type of grantees you are looking for and what you expect from them and for them.• Some organizations say they want your money and your help, but some just want your money
Taking Risks and Measuring Impact	<ul style="list-style-type: none">• Change takes time, the non-profit world is highly complex and the lack of functioning capital market creates significant dysfunction that non-profit leaders are managing. You need to listen & respect the experience of the non-profit leaders. It may seem crazy what they are saying but it is often true. Have respect. You do not know everything.• Always be prepared to be adaptable• It is not all about growth. Think social change & how to tackle the ROOT causes of the problem. Fix it not alleviate it. That is the exciting challenge!• Scale is more than numbers• Look for organizations that change the landscape as well as lives – don't be afraid of charities with 'immeasurable' results
Building Internal Capacity	<ul style="list-style-type: none">• Invest in your own capacity so you can be the best for your grantees.• It is important to keep abreast of developments in the field and to continue to learn and grow as a philanthropist.• Take time to develop your organizational culture. This will carry you through the rocky times, and will organically build your fund over time.• Build partnerships with other funders and service providers to leverage your own resources• Utilize members' peer networks for recruitment and marketing• Utilize members' individual strengths and passions - it will keep them inspired and involved.

When asked to describe the three top factors for success, the organizations described factors across four key action areas critical for success: Set Expectations, Perform Due Diligence, Build Relationships, and Cultivate a Positive Attitude (Table 8).

Table 8: Factors for Success

Set Expectations	<ul style="list-style-type: none"> • Partners must understand their role in participation • Be clear on where you can add value • A clear understanding of our role with the nonprofits we support • Knowing what assets we have to bring to the table and being clear about those with the nonprofit community
Perform Due Diligence	<ul style="list-style-type: none"> • Selecting community investments with the strongest possibilities for social return on investment • An understanding of the charity, its needs and its environment • Clear, understandable criteria for grantmaking • A rigorous investment and evaluation process. • Strategic focus and rigorous process, including selection criteria
Build Relationships	<ul style="list-style-type: none"> • A solid process for choosing grant recipients and managing the relationship. • Build trust with the non-profit so you can have the open & challenging but respectful conversations • Taking time to build a strong, trusting, mutually respectful relationship. • Meeting the organization where it is at. • Fostering relationships of trust whereby grant recipients can be forthcoming with information • A lead partner assigned to the grantee that serves as a relationship manager and project manager. • Focus on ultimate outcomes for those served • Creating goals and benchmarks and then regularly measuring progress.
Cultivate a Positive Attitude	<ul style="list-style-type: none"> • Having a collaborative spirit • Having an open mind • Having an appetite for risk • Having perseverance • Having humility • Having focus

When asked to describe the three top impediments to success, the organizations described four major areas of impediment: Culture Clash, Lack of Understanding, Dearth of Resources, and Market Inefficiencies (Table 9).

Table 9: Impediments to Success

Culture Clash	<ul style="list-style-type: none"> • A lack of cultural fit with non-profit or VP being perceived as arrogant, not listening • Culture for venture philanthropy still hasn't been developed sufficiently • Ego. The funder does not have all of the answers and neither does the grantee. • Arrogance about bringing business acumen to the nonprofit sector
Lack of Understanding	<ul style="list-style-type: none"> • Often difficult to easily explain the concept or model of VP • Partners not understanding non-profit world • Venture philanthropy approach of blending funding and non-funding support blurs ownership of project between grant maker and grantee
Dearth of Resources	<ul style="list-style-type: none"> • Lack of resources (money, support, people) • Lack of time • Difficulty recruiting investors or members
Market Inefficiencies	<ul style="list-style-type: none"> • Lack of rational capital market for nonprofits • Lack of transparency in the market - no common language, no benchmarks • Lack of deal flow (usually scalable social enterprises) • Fixation on growth • Difficulty of measuring social return on investment (SROI) • Lack of peer learning (VP to VP) • Limited number of organizations ready to grow • Difficulty of building a pipeline of truly innovative and effective nonprofits to invest in • Lack of funders willing to take hand off of successful grantees

Also, respondents were asked how they define success for both their overall funds, and the organizations in which they invest. When describing success for their funds, organizations tended to measure success in one of two ways – through measurements of investor satisfaction and engagement, or through measurements of social return on investment (SROI) across their portfolio (Table 10). When describing success for their individual investments, organizations tended to measure success through a measurement of sustainability after the grant engagement ended, or through the achievement of agreed upon benchmarks with the specific organization (Table 11).

Table 10: Measurements for Success of Fund

Investor Satisfaction and Engagement	<ul style="list-style-type: none"> • Are we attracting new partners? Ratio of giving. • Amount raised year-to-year (and/or number of member-investors, which is directly related). • Partner survey/investor testimonials • Are members staying interested and involved -- and are they continuing to learn and push themselves and the Fund? • The development of our investor community • Donor satisfaction and donor growth • Impact to our investors
Social Return on Investment (SROI)	<ul style="list-style-type: none"> • Meeting our goals (social impact) • Leverage achieved through our work and successful, sustaining nonprofits • The number of charities helped, the number of charities that achieved what they set out to achieve with the money, the number of charities that increased their capacity/social impact as a result, and the return flow of capital • Social Return on Investment - what does society gain from the grantees work • The success of our investments and our contributions to the field • Number of successful grantees • Impact to investees (grantees) • Investee (grantee) satisfaction and organizational health

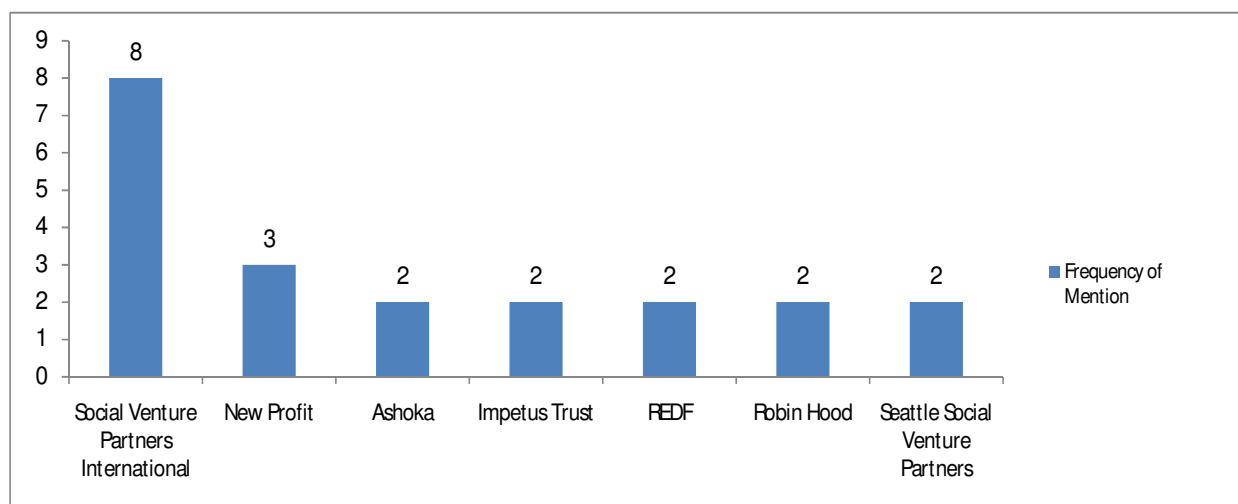
Table 11: Measurements for Success of Individual Investments

Financial Sustainability	<ul style="list-style-type: none"> • Are we attracting new partners? Ratio of giving. • Amount raised year-to-year (and/or number of member-investors, which is directly related). • Partner survey/investor testimonials • Are members staying interested and involved -- and are they continuing to learn and push themselves and the Fund? • The development of our investor community • Donor satisfaction and donor growth • Impact to our investors
Achievement of agreed upon benchmarks	<ul style="list-style-type: none"> • Benchmarks agreed upon between our organization and the grantee organizations • Capacity objectives and the nonprofit's outcomes are achieved against pre-agreed targets • (1) Achievement of their capacity building plans (which lay out developmental milestones) (2) Outcomes produced for those served by the grantee (3) Social Return on Investment - what does society gain from the grantees work • Through meeting benchmarks that show we have moved the needle for a grantee. Typical logic model sorts of outcomes. • We require reports and presentations to the partners twice a year. These measure progress towards goals outlined in the work plan.

Leaders in the Field and Trends

Organizations were asked to list up to five other venture philanthropy funds that they would identify as a leader in the field. Social Venture Partners' network of funds was mentioned the most often (8), followed by New Profit (3) (Figure 9). Other organizations mentioned by respondents included Ashoka, Impetus Trust, REDF, Robin Hood, Seattle Social Venture Partners, Acumen Fund, Bridgespan, Calgary Social Venture Partners, Dallas Social Venture Partners, Draper Richards, Echoing Green, Edna McConnell Clark, EVPA (European), NATAN, Noaber Group, One Foundation, Skoll Foundation, Social Venture Network, Social Venture Partners Arizona, Social Ventures Australia, and Thrive Foundation for Youth.

Figure 9: Leaders in the Field



When asked to describe how the field of venture philanthropy has evolved over the past ten years, the respondents all centered around two themes – that the field has become more mature, and that the impact of venture philanthropy on philanthropy in general has grown and spread (Table 12).

Table 12: How the Field Has Evolved Over the Past 10 Years

Matured	<ul style="list-style-type: none"> It has grown up and become a bit more aware of the complexities of the non-profit world (it is not as simple that non-profits were doing it wrong in the first place). It has begun to understand how you create real change - the importance of advocacy vs. scaling services that the state ought to be providing. Ten years ago, it was barely even a field, so it has only found its legs in that time. It's morphed in a few ways with different orgs utilizing staff, volunteer or consulting expertise to deliver the value. It has also gained some credibility in bringing valuable business models, assets and perspectives to the nonprofit space in a proactive way. It's also helping to diminish the idea that nonprofits need to operate on very low margins to be worthy of donors' money. The approach has been refined and execution improved. Much greater awareness of nonprofit capacity needs, but not enough funding for those needs. Deeper understanding of the challenges of funding nonprofit growth and building capacity. In Europe it has been collaborative (positioned as complementing other social finance providers), networked (EVPA) and strongly linked to the private equity community (at individual, firm and industry levels)
Impact has Spread	<ul style="list-style-type: none"> There is much more clarity about who we are and what we are here to provide and from that we have also been able to show clearer impact. Increasing growing interest in last five years from funders Trickled down into more of the general philanthropic community. Lessons are being used by foundations, philanthropists, nonprofits... Become more mainstream with more funders focusing on multi-year grants, capacity building, and outcomes Made some progress on creating a capital market for social impact organizations, but still have a long way to go.

Due to the recent international economic crisis, organizations were asked whether the crisis has affected their capital base or funding; 71 percent of respondents stated that it has affected them (Table 13). Of the ways in which they have been affected, organizations listed three major areas – that the value of their investments has declined, that they have lost members or investors, and that their giving levels of current investors/members have declined (Table 14).

Table 13: Has Capital Base or Funding Been Affected by the Economic Crisis

#	Answer	Response	%
1	Yes	12	71%
3	No	3	18%
2	Unsure	2	12%
	Total	17	100%

Table 14: Impact of Economic Crisis

Loss of investment value	<ul style="list-style-type: none"> • Our stock values have gone down. • Our capital held on deposit is no longer earning us an income through interest - we therefore have significantly less income. • Not liquidating assets - therefore tighter cash vs. planned requirements.
Loss of members/investors	<ul style="list-style-type: none"> • We have lost investment partners due to economic downturn • Our funds come primarily from our members and the recession has caused us to lose members this year and made it more difficult to recruit new members. • Decline in partners renewing and joining • Our growth has stagnated over the last year.
Decline in giving	<ul style="list-style-type: none"> • Investors giving less or postponing grants • Fewer members this year - some individuals have had to "sit out" this year. • First year partners have declined

When asked to assess where, in their opinion, they saw the field of venture philanthropy trending in the future, respondents centered on three themes – that there will be more cooperation across the sector, increased demand for more vigilance, outcomes, and transparency, and increasing globalization (Table 15).

Table 15: Future Trends in Venture Philanthropy

More Cooperation Across the Sector	<ul style="list-style-type: none"> • Individuals will be interested in being more involved with their donor dollars • Increasing awareness of the value of each sector working together/more cooperation among social, business, government sectors; consolidation in the nonprofit sector; increasing interest in social enterprises • Collaborating with more funders and community foundations • The proliferation of forms of social impact organizations and the need to have appropriate funding strategies for all of them - no one size fits all funding strategy. Venture funders will need to be able to support traditional nonprofits, social enterprises, and social purpose businesses. • VP will become the finance of choice for social entrepreneurs with scalable models
Increased Vigilance, Demand for Measurable Outcomes, and Transparency	<ul style="list-style-type: none"> • The economy will increase the importance of having a solid business model • Will require more transparency • The current economic crisis only makes the focus on sustainability even more necessary than ever. • More investor vigilance in the private sector will benefit venture philanthropy. • Increased call for outcomes • Increased IRS regulation

Globalization

- Development of a community of practitioners - shared learning especially around measurement of impact both of orgs and VP funds. Should improve the quality of VP going forward.
- As it spreads, more lessons to be learned from other regions of the world other than the West
- Greater focus on social enterprise rather than charities as source of investment. It will globalize (first Europe, now into Asia, some Africa initiatives)
- Globalization trends will be the biggest factor.

CHAPTER 5: ANALYSIS OF FINDINGS

This chapter will examine the findings in relationship to the research questions and compare the findings from this study to those found by Venture Philanthropy Partners in 2002.

Comparison to Venture Philanthropy Partners 2002 Results

Venture Philanthropy Partners organized the results of their survey into ten major categories of data, which I used as well to compare the results of this study to their results below.

Age of Organizations and Fund Structure

In 2002, Venture Philanthropy Partners found that many of the organizations they surveyed were less than three years old. The organizations responding to this survey were still relatively young organizations, mostly incorporated in the early 2000s, but the majority of the organizations (15) were five years or older. Concerning fund structure, results from this study were consistent with VPF's results in 2002 with the majority of organizations organized as donor-advised funds or public charities.

Geographic Distribution

In 2002, Venture Philanthropy Partners documented that the VP model was spreading from pockets of activity on the East and West coasts to 18 states. This study found that the spread continues, with venture philanthropy organizations located in almost every state in the U.S. and the model growing outside the U.S. at a very fast rate. One of the major trends cited by the respondents is that the field will continue to grow and globalize.

Mission Focus

Venture Philanthropy Partners described that most of the organizations they surveyed in 2002 had a specific mission focus and that many focused their work on youth-serving or education-

based organizations. This trend continues to hold with the organizations surveyed in 2009, with thirteen of the organizations (38%) focused on children, at-risk youth or educational organizations. Other prominent areas of focus included human services (17%), health (15%), and the environment (12%).

Capitalization

Due to the small number of respondents, this survey was not able to estimate accurately the level of capitalization within the venture philanthropy community. Of the ten respondents that did include an amount of total capital amount, only one had a fund size over \$500k. This is consistent with Venture Philanthropy Partners' findings that the amount of money within venture philanthropy organizations is still very small when compared to the full amount of foundation grantmaking.

Value of Nonmonetary Support

One of the surprising findings of this study was how many organizations listed the value of their non-monetary support as greater than or equal to the value of their monetary support. In 2002, Venture Philanthropy Partners found that 15 of the organizations indicated that it was more valuable than the monetary grants, and nine indicated that it was equal to the amount of the monetary grants. In this study, eight organizations classified their non-monetary support as greater than their monetary support and only one classified it as equal. In contrast, twelve organizations classified their support as valuable as half of their monetary support or less.

Strategic Management Assistance

Similar to Venture Philanthropy Partners' 2002 findings, the venture philanthropy organizations surveyed vary in the ways in which they provide assistance to their grantees. Funds

described that their own staff, volunteers, investors, and/or outside consultants or pro-bono services provided the support.

Identification of Grant Recipients

In 2002, Venture Philanthropy Partners documented a trend towards an increasingly amount of VP organizations not accepting unsolicited proposals for funding but rather seeking out qualified organizations themselves. Results from this survey indicate that while there are still a number of organizations utilizing that strategy, most organizations now use a hybrid approach, combining the traditional process of accepting applications with the newer approach of actively seeking out qualified nonprofits.

Grant Size and Duration

In contrast to Venture Philanthropy Partners' 2002 findings that most of the organizations surveyed offered grants in the range of \$25-\$75k, most of the organizations responding to this survey reported slightly higher average grant size ranges of \$26k-100k (33%) or \$100k-\$500k (29%) over the life of the engagement with their grantees. Another interesting finding was that many of the organizations did not plan to engage with their grantees for a long period, as is typical with the characteristics of venture philanthropy funds. Fifty-two percent of the organizations surveyed said that their grants tend to cover on average an engagement of three to five years, while 39 percent of the funds surveyed engage with their grantees for three years or less. This is a change from 2002, when 67 percent of Venture Philanthropy Partners' respondents reported that their grants tend to cover an engagement of four to seven years.

Sustainability

In 2002, Venture Philanthropy Partners reported that half of the 32 organizations that indicated that financial sustainability of grant recipients was a goal had not yet developed a plan

for how this would be achieved; this survey's respondents were able to list several methods for supporting financial sustainability. The methods that respondents listed included working on strategies to leverage and diversify funding, connecting grantees with expertise, reviewing business cases and forecasts, and developing milestones and targets jointly with grantees.

Outcomes

While respondents to Venture Philanthropy Partners' 2002 survey were unable to agree on common metrics for success for either their funds or their investments, respondents to this survey centered on two major metrics for measuring success for each. When measuring the success of the overall fund, respondents looked at investor satisfaction, levels of giving, and engagement, as well as at the overall success of their investees in gaining social returns. When measuring the success of individual grantees, respondents looked at the financial sustainability of their investee organizations, and the organizations' progress against predefined benchmarks for success specific to that organization.

Analysis of the Research Questions

In addition to offering a longitudinal comparison of the results of the 2002 Venture Philanthropy Partners' survey, this study also sought to address the following research questions:

- 1) Who are the major players utilizing venture philanthropy strategies today? How does this list differ from those utilizing venture philanthropy strategies in 2002?
- 2) What significant changes have occurred in the field since 1997 and what trends do these changes represent?
- 3) What characteristics are associated with the most successful venture philanthropy organizations?

The Major Players

At the beginning of this research project, the first challenge was to locate the names and contact information for venture philanthropy organizations to survey. In collecting the names, I identified 113 venture philanthropy organizations across the globe. This list is more than twice as large as the list of 42 organizations Venture Philanthropy Partners surveyed in 2002, and now includes many organizations outside of the United States. Nearly all of the organizations surveyed by Venture Philanthropy Partners in 2002 are still in existence and practicing venture philanthropy. These factors together denote both the tremendous growth in the field over the past ten years and the staying power of the early adopters of the venture philanthropy model.

Within the study, respondents were asked to identify up to five venture philanthropy organizations that they would consider leaders in the field. Social Venture Partners' network of funds was mentioned the most often, followed by New Profit. It is not surprising that the Social Venture Partners' network was mentioned most often as a leader in the field, as eight of the respondents represent a Social Venture Partner network organization. They are also one of the oldest venture philanthropy organizations, incorporated in 1997. According to their website, they have 2,000 SVP partners active in 24 cities throughout North America and Japan. Similarly, it is not surprising that New Profit was mentioned frequently as well. It is also one of the older venture philanthropy organizations, incorporated in 1998. Their portfolio includes many premier non-profit organizations, and they bring together social entrepreneurs and philanthropists across the sector annually in their *Gathering of Leaders* conference.

Other organizations mentioned by respondents also frequently appear in the academic and popular media as leaders in the field and represent a group of organizations across the world. This list included Ashoka, Impetus Trust, REDF, Robin Hood, Seattle Social Venture Partners,

Acumen Fund, Bridgespan, Calgary Social Venture Partners, Dallas Social Venture Partners, Draper Richards, Echoing Green, Edna McConnell Clark, EVPA (European), NATAN, Noaber Group, One Foundation, Skoll Foundation, Social Venture Network, Social Venture Partners Arizona, Social Ventures Australia, and Thrive Foundation for Youth. Interestingly, two of the organizations in the list, Ashoka and Bridgespan, are not themselves venture philanthropy funds, but are leaders in the social enterprise field and contribute to the field of venture philanthropy through their research.

Significant Changes in the Field

When asked to describe how the field of venture philanthropy has evolved over the past ten years, the respondents all centered around two themes – that the field has become more mature, and that the impact of venture philanthropy on philanthropy in general has grown and spread.

In terms of maturity, ten years ago, the field was just beginning to be defined, and many organizations that exist today were not yet formed. Likewise, many in the field were not familiar with venture philanthropy as an alternate form of giving or its principles. Respondents also discussed the fact that many early entrepreneurs in the field may have overestimated the challenges of working with the nonprofit sector and of bringing good ideas to scale. This conforms to data collected in prior research (Cobb, 2002; Moody, 2008) that many of the early advocates of the field were overconfident and underestimated how difficult it would be to put the principles of venture philanthropy into practice.

Despite the recognition of the difficulties of bringing business models to bear in the nonprofit sector, organizations responding to the survey were also able to describe that there is success and measurable impact in the field now. Respondents discussed that grantees have more clarity about the purpose and principles of venture philanthropy, and that there is growing interest from other

types of funders to collaborate with venture philanthropists to increase impact. Respondents also felt that their work was having an impact on other philanthropists, and that the lessons learned have been helpful to the entire philanthropic community.

Respondents also discussed that the spread of venture philanthropy funds has resulted in progress towards creating a capital market for social impact organizations. The negative impact caused by a lack of a viable capital market for nonprofit capacity building and growth has been recognized in the academic literature (see Romirowsky, 2007, Kramer & Cooch, 2007) as well as in this study, and it is exciting to note that venture philanthropy may bring progress in this regard.

Characteristics of Success

When asked to describe the three top factors for success, the organizations surveyed described factors across four key action areas critical for success: Set Expectations, Perform Due Diligence, Build Relationships, and Cultivate a Positive Attitude.

In terms of setting expectations, organizations advised that funds should be clear on the outset about how they can add value and what they bring to the table. Likewise, funds should spend time building their own capacity so that they are well positioned to assist their grantees.

Organizations also advised that funds should complete a mandatory process of due diligence, and to spend time up front selecting investments that have the strongest possibility for success, both as an organization and in terms of impact on the community. The respondents advised that defining a clear process for evaluating and selecting investments was a major factor in what kinds of outcomes one could expect to see.

Third, respondents advised their colleagues to spend time building relationships and trust with their investees. Trust was mentioned several times as a factor for success, in terms of

promoting open dialogue between funders and investees about the challenges they face, and encouraging grantees to be forthcoming with information to head off problems quickly and collaboratively.

Finally, respondents focused on personality attributes that foster success. Respondents included such traits as a collaborative spirit, an open mind, an appetite for risk, perseverance, humility, and focus, which all speak to the challenging nature of the work.

When asked to describe the three top impediments to success, the organizations described four major areas of impediment: Culture Clash, Lack of Understanding, Dearth of Resources, and Market Inefficiencies.

A lack of cultural fit was seen as a significant impediment to success, as the field of high-engagement grantmaking requires extensive time spent between grantors and investees, and requires significant trust. Respondents felt that the culture clash could sometimes be an effect of style differences between for-profit or business investors and nonprofit investees, including some arrogance about bringing business acumen to the nonprofit sector.

The second impediment to success was a general lack of understanding about the concept or model of venture philanthropy, though this is likely to fade as an impediment as the field matures and grows more stable. However, many organizations still face misconceptions related to where the role of the grantor stops and the role of the grantee begins as the venture philanthropy model requires grantors to become closely invested in the success of their investments.

The third impediment to success mentioned most frequently by respondents was that of a lack of resources. Whereas in the general nonprofit sector a lack of resources might mean a lack of money, for venture philanthropists this is more often defined as a lack of support, time, or people. This is likely due as well to the nature of the high-engagement style of grantmaking,

which requires more from investors than a traditional grantor-grantee relationship, especially over the long term.

The fourth impediment to success for venture philanthropists is a lack of rational capital market for nonprofits. Respondents indicated frustration with an inability to hand off successful organizations to other funders, or to find other means to support the financial sustainability of their investments. Respondents also discussed that the fixation on growth and bringing ideas to scale limited the types of organizations in which they could invest and that there did not seem to exist a pipeline of viable nonprofit organizations that met their investment criteria.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

Summary of Findings

This goal of this study was to investigate of how the field of venture philanthropy has changed as it has matured, to identify the key players and learnings of organizations across the field and to develop a framework for the types of organizations that have been the most successful in implementing the venture philanthropy model.

Changes in the Field

According to the data collected in this study, over the past ten years the field of venture philanthropy has “found its legs” and approaches to venture philanthropy have been refined and execution has improved. The responding organizations cited a deeper awareness of the challenges faced by nonprofits, especially in terms of building capacity, going to scale, and replicating their models. They believe that the field has gained credibility as an alternate form of philanthropy, and brought credibility to the idea that using for-profit concepts and perspectives in the nonprofit sector can be a successful strategy.

The field is globalizing and the concepts of venture philanthropy are spreading rapidly. The lessons learned over the past ten years across the field have improved outcomes and influenced the general philanthropic community, as evidenced by an increasing focus on capacity building and multi-year grant making across the world. Growing cooperation between “traditional” funders and social entrepreneurs will likely increase impact and sustainability for innovative organizations across the nonprofit sector. The data collected in this study support the view that venture philanthropists have “influenced the concepts and practices used by some more traditional grant makers” and “contributed new concepts to the public conversation about philanthropy” as posited by Moody (2008).

Key Players and Learnings

The key players identified by this research include 113 venture philanthropy organizations located across the globe. This includes nearly all of the organizations surveyed by Venture Philanthropy Partners in 2002, which are still in existence and practicing venture philanthropy. These factors together denote both the tremendous growth in the field over the past ten years and the staying power of the early adopters of the venture philanthropy model. Specific to this study, the major players identified by respondents were the Social Venture Partners' international network and New Profit, both organizations of great reputation established in the late 1990s at the beginning of the venture philanthropy boom.

There were several key learnings shared by respondents in this study that are applicable to the field at large. First, leadership is essential – both the internal leadership of the fund, as well as the leadership of the investments. Second, setting expectations at the outset is critical for success, as things “rarely go as planned.” Third, change takes time and one must be flexible and adaptable in order to achieve real transformation in the nonprofit sector. Fourth, creating change is not always about growing organizations or replicating great ideas – “scale is more than numbers.” Fifth, funds need to invest internally; venture philanthropists cannot effectively work with their investments in tackling these persistent social problems without a significant investment in their own capacity, capabilities, and leadership.

Framework for Successful Organizations

This research establishes an initial framework for successful venture philanthropy organizations upon which further research may expand.

Successful organizations complete a mandatory process of due diligence, during which the criteria for investment are clearly determined and explained. They spend time ensuring that the

cultural fit between the investors and investees is strong, and that all players understand the limitations of fixed and rigid approaches to problem solving, whether those approaches hail from the for-profit sector or the non-profit sector. They set clear expectations at the beginning of the investment relationship, establishing a transparent understanding of roles and responsibilities, as well as explaining the principles and values of the venture philanthropy model. Successful organizations dedicate significant time building trust between the fund and the investee and communicate regularly to avoid misunderstandings. Leaders and staff of successful organizations exhibit characteristics such as a collaborative spirit, an open mind, an appetite for risk, perseverance, humility and focus. Finally, successful venture philanthropy organizations understand that the capital market for nonprofits is still under development and irrational, and that they play a key role in cultivating this market and alleviating the gap in capital services for nonprofits.

Potential Application of Findings

One can apply the findings from this study in a number of ways to help improve the practice of venture philanthropy organizations. Two sets of data in particular should help practitioners – the collection of lessons learned and the list of factors for success and impediments to success.

The lessons learned detailed in the study include actionable advice for new and growing venture philanthropy organizations. The set of recommendations, framed by four themes - Set Expectations, Perform Due Diligence, Build Relationships, and Cultivate a Positive Attitude – provide helpful advice that venture philanthropists may utilize daily in the ongoing operations of their funds.

The list of factors for success and impediments to success assembled in this study provide guidelines for best practice in the field and highlight the key challenges that venture

philanthropists face in creating social change. One could use these factors to conduct a self-assessment of his/her organization and to identify areas of improvement. Leaders could also use these factors in conversations with their board of directors and investors to help in the creation of benchmarks for success.

Academic researchers interested in the conceptualization of venture philanthropy as a new field within the broader philanthropic framework can use these results to test assumptions and to enhance their understanding about the impact of venture capital principles on the social sector.

Topics for Further Research

This study provides several potential topics for follow-up research. Using a case study methodology, one could examine venture philanthropy organizations in depth to see if the factors that respondents identified as factors for success, or impediments to success, hold true. A case study would also help to identify additional factors to build on the framework for successful organizations established in this research.

Other topics for further research could include an exploration of the future trends identified in this study, such as increased collaboration across the philanthropic sector, increasing demands for transparency and heightened regulation and globalization. An investigation of any of these future trends could add significant knowledge and data to the field and help to improve outcomes for existing venture philanthropy organizations.

Finally, one could repeat this survey in a few years to continue to track the longitudinal outcomes across the field and to continue to provide updated data regarding the key players, key learnings, factors for success, and future trends. The data collected would continue to provide practical, useful knowledge to venture philanthropists across the world; it will be interesting to see how the field changes and continues to mature over the next ten years.

As the field of venture philanthropy continues to grow and mature, decision-makers will be able to look to this and future research as a helpful baseline for best practice. With the advent of the White House's Social Innovation Fund in 2009, it is likely that venture philanthropy practices and social enterprise will continue to play a key role in philanthropic strategy for the near future.

ENDNOTES

¹ A copy of the Venture Philanthropy survey and the 2002 results are available on their website at:
<http://www.venturephilanthropypartners.org/learning/reports/report2002/report2002.html>

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APPENDIX A: SURVEY INSTRUMENT

Qualtrics Survey Software

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Venture Philanthropy Capstone Survey

Fund Contact Information

Organization Name

What is the legal structure of the fund?

- Private Operating Foundation
- Public Charity
- Donor-advised Fund
- Donor-directed Fund
- Other (please describe)

In what year was the fund incorporated?

Incorporation Year

If the fund has started making grants, in what year did it make its first grant?

Year of First Grant

How many full-time-equivalent staff members are employed by the fund?

- 0-10
- 11-25

- 26-50
- 51-100
- More than 100

What are your PRIMARY funding sources? (Select all that apply)

- Foundation
- Individual Donors
- Corporate
- Members / Partners
- Other (please describe)

Is there a subject focus for your grants? If so, what is it? (Select all that apply)

- Animal welfare
- Arts, culture and humanities
- Education
- Environment
- Health
- Human services
- International affairs
- Religion
- Other (please describe)
- No subject focus

Do you focus your grants geographically? If so, where?

- City / Town / Local Municipality

-
- State / Province
-
- Region
-
- Country
-
- No Geographic Focus
- Other (please describe)
-

What is the PRIMARY process that you use to identify grant recipients?

- Accept applications
- Seek out appropriate organizations
- Hybrid approach of seeking out organizations and accepting applications
- Other (please describe)
-

What criteria do you use to determine whether a candidate nonprofit organization is likely to be a good investment? (Select all that apply)

- Compatible Mission / Focus
- Fiscal Health / Stability
- Social Impact
- Capacity for Growth
- Demonstrated Prior Success
- Leadership Capacity
- Plan for Evaluating / Measuring Success
- Other (please describe)
-

What is the AVERAGE anticipated length of your relationship with your grant recipients?

- 1 year or less
- 1-3 years
- 3-5 years
- More than 5 years

What is the AVERAGE grant-size range for each recipient over the FULL TERM of the grant?

- Less than \$10k
- \$11-25k
- \$26-100k
- \$100k-500k
- \$500k-5 million
- More than \$5 million

If you were to make an approximation of the AVERAGE value of the non-monetary support services and management assistance you provide to grantees, would the value be?

- GREATER THAN the size of your monetary grant
- EQUAL TO the size of your monetary grant
- HALF as sizable as your monetary grant
- A QUARTER as sizable as your monetary grant
- INSIGNIFICANT compared to the size of your monetary grant

How many hours of staff time do you typically provide a grant recipient annually, on average?

- None
- Less than 10 hours

- 10-40 hours
- 41-100 hours
- More than 100 hours
- N/A

Do staff typically take a seat on grant recipients' board of directors?

- Yes
 - No
 - Sometimes (please explain)
-
- N/A

Is financial sustainability a goal that you set for your grantees?

- Yes
- No

If financial sustainability is a goal, what methods do you use, or plan to use, to ensure that your grantees meet this goal?

Please describe your working relationship with grant recipients, specifically the level of support you provide. (For example, does your staff provide direct assistance? Do investors work with the recipients? Do you engage outside consultants to provide assistance?)

Please provide details for your last fiscal year (amounts can be approximate):

	Last Fiscal Year (\$)
Total capital in the fund:	<input type="text"/>
Annual operating budget:	<input type="text"/>
Total amount granted:	<input type="text"/>
Number of grants made:	<input type="text"/>

What is the level of financial contribution of the investors?

	Investment (\$)
Minimum	<input type="text"/>
Average	<input type="text"/>

Besides funding, how else are investors involved, if at all?

Have your capital base and/or funding been affected by the current economic downturn?

Yes

- No
- Unsure

In what ways has your capital base and/or funding been affected?

What are the top three lessons that you have learned that would be of value for other venture philanthropists?

1

2

3

What do you think are the top three REQUIREMENTS FOR SUCCESS in the field of venture philanthropy?

1

2

3

What do you think are the top three biggest IMPEDIMENTS TO SUCCESS in the field of venture philanthropy?

1

2

3

What is the PRIMARY way that you measure the success of your individual grants?

What is the PRIMARY way that you measure the success of your fund?

Please list up to five organizations that you would identify as leaders in the field of venture philanthropy:

Organization 1	<input type="text"/>
Organization 2	<input type="text"/>
Organization 3	<input type="text"/>
Organization 4	<input type="text"/>
Organization 5	<input type="text"/>

In your opinion, how has the field of venture philanthropy changed or evolved over the last ten years?

In your opinion, what trends or changes will affect the field of venture philanthropy in the future?

Is there anything else you would like to share with us that would be valuable to other venture philanthropists?



Your Contact Information (OPTIONAL) *Please include an email address if you would like a copy of the final report*

Name	<input type="text"/>
Email	<input type="text"/>
Phone	<input type="text"/>
Website	<input type="text"/>

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APPENDIX B: LIST OF ORGANIZATIONS SURVEYED

Organization Name	Website
A Glimmer of Hope	www.aglimmerofhope.org
Absolute Return for Kids (ARK)	www.arkonline.org
Acumen Fund	www.acumenfund.org
Adventure Capital Fund	www.adventurecapitalfund.org.uk
Alfanar	www.alfanar.org.uk
Alzheimer's Drug Discovery Foundation	www.alzdiscovery.org
Benetech	www.benetech.org
Biobasix Solutions Inc.	www.biobasix.com
Blue Ridge Foundation New York	www.brfnny.org
BonVenture Management GmbH	www.bonventure.de
Bridges Community Ventures	www.bridgesventures.com
Calvert Fdn	www.calvertfoundation.org
Canopus	www.canopusfund.org
Chicago Public Education Fund	www.cpef.org
Children's Investment Fund Foundation	www.ciff.org
Common Good Ventures	www.commongoodventures.org
Community Action Network (CAN)	http://www.can-online.org.uk
Cystic Fibrosis Foundation	http://www.cff.org
d.o.b foundation	www.dobfoundation.com
Deshpande Foundation Venture Philanthropy	www.deshpandefoundation.org
Diageo Foundation	www.diageo.com
Draper Richards Foundation	www.draperrichards.org
E+Co	www.eandco.net
Echoing Green	www.echoinggreen.org
Edna McConnell Clark Foundation	www.emcf.org
Endeavor	www.endeavor.org
Entrepreneurs Foundation (various locations)	www.efbayarea.org
Equal Footing Foundation (NVTC)	http://www.efooting.org/bannister.shtml
European Venture Philanthropy Association	www.evpa.eu.com
Foundation PhiTrust	www.phitrust.com
Full Circle Fund	www.fullcirclefund.org
Futurebuilders England	www.futurebuilders-england.org.uk
George Avenue	www.noaber.com
Good Deed Foundation	www.heategu.ee/eng
Great Bay Foundation for Social Entrepreneurship	www.greatbayfoundation.org
Greater Milwaukee Foundation	www.greatermilwaukeefoundation.org
HelpArgentina - Argentine Venture Philanthropy Fund	http://www.insightargentina.org/
Impetus Trust	www.impetus.org.uk

Organization Name

Inspiring Scotland
Institute for a Competitive Inner City
Invest for Children
Investors' Circle
Israel Venture Network
Japonica Intersectoral Investment Bank
Jewish Venture Philanthropy Fund (Los Angeles)
Juevenile Diabetes Research Foundation
Kids&Future
Kirlin Foundation
Legacy Venture/Legacy Works
Multiple Myeloma Research Foundation
Muscular Dystrophy Association
NewProfit
NewSchools Venture Fund
Nonprofit Enterprise and Self-sustainability Team (NESsT)
NYC Venture Philanthropy Fund
Oltre Venture
PARSA Community Foundation
Partners in Ideas Fund
Philanthropic Ventures Foundation
Pilotlight
Pittsburgh Social Venture Partners
Power of Love
Private Equity Foundation
Project Redwood
REDF
Rinconada Ventures Foundation
Salesforce.com Foundation
Schwab Foundation
Shell Foundation
SHINE
Silicon Valley Community Foundation
Silicon Valley Social Venture Fund
Small World Group
Smile Foundation
Social Impact International
Social Venture Partners Arizona
Social Venture Partners Boston
Social Venture Partners Boulder County
Social Venture Partners Charlotte

Website

www.inspiringscotland.org.uk
www.icic.org
www.investforchildren.org
www.investorscircle.net
<http://www.israelventurenetwork.org>
www.japonicaintersectoral.com
www.jewishla.org/jvpf-la/news.asp
<http://www.jdrf.org.uk/>
<http://www.kidsfuture.or.kr>
www.efundllc.com
www.legacyventure.com
www.multiplemyeloma.org
<http://www.mda.org>
www.newprofit.com
www.newschools.org
www.nesst.org
www.nycvpf.org
www.oltreventure.com
www.parsacf.org
<http://www.idejupartneri.lv>
www.venturesfoundation.org
www.pilotlight.org.uk
www.psvp.org
www.poweroflove.org
www.privateequityfoundation.org
www.projectredwood.org
www.redf.org
www.rinconada.org
www.salesforcefoundation.org
www.schwabfound.org
www.shellfoundation.org
www.shinetrust.org.uk
www.siliconvalleyvcf.org
www.sv2.org
www.smallworldgroup.com
<http://www.smilefoundationindia.org>
www.social-impact.org
www.svpaz.org
www.svpboston.org
www.svpbouldercounty.org
www.svpcharlotte.org

Organization Name

Social Venture Partners Cincinnati
Social Venture Partners Cleveland
Social Venture Partners Dallas
Social Venture Partners Delaware
Social Venture Partners Denver
Social Venture Partners Greater Tucson
Social Venture Partners Los Angeles
Social Venture Partners Minnesota
Social Venture Partners Portland
Social Venture Partners Rhode Island
Social Venture Partners San Diego
Social Venture Partners Santa Barbara
Social Venture Partners Seattle
Social Venture Partners St. Louis
Social Venture Partners Toronto
Social Ventures Australia
Swan Ventures
The Broad Foundation
The Center for Venture Philanthropy of the Peninsula Community Foundation
The Global Fund for Children
The Hunter Foundation
The James Irvine Foundation
The One Foundation
The Rensselaerville Institute
The Robin Hood Foundation
The Sutton Trust
Tiger Foundation
Tmura - The Israeli Public Service Venture Fund
United Jewish Communities
UnLtd
Venture Philanthropy Partners
Venturesome
Vesper Society
Youth Ventures

Website

www.svpcincinnati.org
www.clevelandsvp.org
www.dsvp.org
www.svpde.org
www.svpdenver.org
www.svpgt.org
www.lasvp.org
www.svpmn.org
www.svpportland.org
www.svpri.org
www.sdsvp.org
www.svpsb.org
www.svpseattle.org
www.stlrbc.org
www.svptoronto.org
www.socialventures.com.au
www.swanventures.com
www.broadfoundation.org
www.siliconvalleycf.org
www.globalfundforchildren.org/
www.thehunterfoundation.co.uk
www.irvine.org
www.onefoundation.ie
www.rinstitute.org
www.robinhood.org
www.suttontrust.com
www.tigerfoundation.org
<http://www.tmura.org>
www.ujc.org
<http://www.unltd.org.uk/>
www.venturephilanthropypartners.org
www.cafonline.org/venturesome
www.vesper.org
www.genv.net