COLUMBIA BUSINESS SCHOOL

RISE

research initiative on social entrepreneurship

riseproject.org

RISE CAPITAL MARKET REPORT
The Double Bottom Line Private Equity Landscape in 2002–2003

by Catherine H. Clark
and Josie Taylor Gaillard
August 2003

Social Enterprise Program
Eugene M. Lang Center for Entrepreneurship

Sponsors

RISE is pleased to thank its generous sponsors:

RISE is a project of Columbia Business School. The Eugene M. Lang Center for Entrepreneurship and the Social Enterprise Program directly support RISE within Columbia Business School.

Known for offering the largest family of socially-screened mutual funds as well as award winning tax-free investment products, Calvert Group, Ltd. is one of the Washington, D.C. area's largest mutual fund management firms, with more than $8 billion in assets under management for over 220,000 investors.

Commons Capital, LP is a venture capital fund seeking strong financial returns and significant social and environmental impact. Commons Capital invests in "double bottom line" early-stage companies whose products, services, or corporate cultures promote a sustainable economy by delivering market solutions to major social and environmental challenges.

Expansion Capital Partners, LLC

Expansion Capital Partners, LLC is a venture capital firm that invests in expansion-stage clean technology enterprises which present compelling risk-return profiles and are outstanding corporate citizens.

The Rockefeller Foundation™

The Rockefeller Foundation is a knowledge-based global foundation with a commitment to enrich and sustain the lives and livelihoods of poor and excluded people throughout the world. The foundation also runs a small double bottom line investment fund, ProVenEx, which has investments in arts, workforce development, health and agriculture initiatives internationally.

The Surdna Foundation, established in 1917 by John Emory Andrus, currently manages programs in environment, community revitalization, effective citizenry, arts, nonprofit sector support, and organizational capacity-building. The foundation is interested in fostering catalytic, entrepreneurial programs that offer viable solutions to difficult systemic problems.

SJF Ventures is a community development venture capital fund that uses the tools of venture capital and in-depth management assistance to accelerate the growth of businesses whose successes are shared by employees, communities, the environment, management and investors.The fund invests in expanding ventures that create excellent employment opportunities in the eastern United States.

Underdog Ventures, LLC has developed a new model of customized community venture capital funds combined with a model of customized philanthropy. Underdog Ventures partners with a group of investors committed to financial, community and environmental results. Underdog Ventures creates innovative and customized investments to meet the specific needs of its investors, each of whom has a dedicated fund that invests in specific areas of their choice.

COLUMBIA
BUSINESS
SCHOOL

RISE research initiative on social entrepreneurship

RISE CAPITAL MARKET REPORT
The Double Bottom Line Private Equity Landscape in 2002–2003

by Catherine H. Clark
and Josie Taylor Gaillard
August 2003

Social Enterprise Program
Eugene M. Lang Center for Entrepreneurship

For additional copies of this report, please contact:

RISE
Columbia Business School
317 Uris Hall
3022 Broadway
New York, NY 10027
Phone: 212.854.6802
Fax: 212.854.3486
E-mail: info@riseproject.org

Design by MANOVERBOARD

Library of Congress Cataloging-in-Publication Data

Clark, Catherine H.

Rise capital market report: the double bottom line private equity landscape in 2002-2003 / by Catherine H. Clark and Josie Taylor Gaillard

Includes bibliographical references.

ISBN 0-9744174-1-6

Contents

RISE CAPITAL MARKET REPORT
The Double Bottom Line Private Equity Landscape in 2002–2003

Click below to jump directly to each section.

FINDINGS

APPENDICES

Contents

Click below to jump directly to each table or chart.

LIST OF TABLES AND CHARTS

I. Message from the Director

On behalf of Columbia Business School, I am pleased to introduce this inaugural report of Columbia Business School's Research Initiative on Social Entrepreneurship (RISE).

RISE is supported within Columbia by the Eugene M. Lang Center for Entrepreneurship and the Social Enterprise Program. They share an interest in preparing future leaders to understand the ways that entrepreneurial activity in the private, nonprofit, and public sectors can have impacts beyond the financial bottom line. We call this application of entrepreneurial discipline and passion to deep-seated societal and environmental problems "social entrepreneurship."

Launched in early 2002, the mission of RISE is to study and disseminate to students and practitioners knowledge of for-profit and nonprofit social entrepreneurship. RISE focuses on key issues in the current practice of social enterprise, social investing, and social venturing, with special attention to three broad areas: markets, metrics, and management.

The aim of this first RISE Capital Market Report is to shed some light on a quiet but emerging portion of the capital market for social entrepreneurship. **The basic questions we sought to answer are: Are there sources of equity capital that will make it more likely for a company with both financial and social or environmental objectives to succeed? How much capital is available from these sources and what are their own objectives for success?** In short, should the CEO of the next Ben & Jerry's, Stonyfield Farm or Patagonia turn to these funds to raise capital for their emerging venture?

Our initial research revealed the emergence of a new breed of funds — funds that are interested in supporting social entrepreneurs, that are successfully raising money to form institutional investment pools, and that are quietly investing in dozens, if not hundreds, of early-stage social ventures. The funds were extremely diverse, but they do share some common characteristics and practices.

We began our research into the emerging landscape of socially and environmentally motivated private equity investors by focusing in the United States. We collected names of funds and sent a survey to them. We selected our survey sample from surveys received according to criteria designed in consultation with our board of advisors, an extraordinarily experienced group of fund managers, entrepreneurs, investors, and researchers. In the report, we refer to the funds that matched our criteria as the "double bottom line" (DBL) investment market, as that was the term most universally preferred by the funds we surveyed. In addition, RISE has also created a Double Bottom Line Investor Directory, available at www.riseproject.org. Designed primarily for entrepreneurs in search of capital, the directory can be used to search for DBL funds by location, industry and social or environmental area, and includes contact information, investment criteria, and portfolio examples.

We want to thank our sponsors, board of advisors, student managers, and the many other people who contributed time and energy to make this work possible. Josie Gaillard, recent graduate of the Haas School of Business at the University of California at Berkeley and our survey manager, deserves special thanks for her co-leadership of this project over the past year. Without her dedication, insight, and clear-headedness, this report would not have been possible. In addition, one of our advisors, Tony Lent of EA Capital, deserves special recognition for his many hours of insightful advice; from refining our survey questions to helping us frame our conclusions, his leadership improved our work at every stage.

We hope this report will spur more conversations and greater understanding of how capital can be deployed creatively to catalyze change and to develop new forms of returns in our complex world. We welcome your comments.

Best wishes,

Catherine Clark

Catherine Clark
Founder and Director, RISE
Adjunct Assistant Professor, Columbia Business School
August 2003

II. Project Goals and Method

This report presents findings from the RISE Social Investor Survey, which aimed to understand the emerging financial market for early-stage social and environmental private equity investing in the U.S. The survey was the first national survey of investment funds and organizations that make early-stage equity investments in scalable for-profit ventures and that do so with the intent of positively impacting social or environmental problems. The survey was administered via the web in two phases, in October 2002 and January 2003.

We asked 1,254 venture capital funds and other funding organizations recommended to us by peers to answer a series of questions about their funding interests, intentions, practices, and performance. The target respondent was a managing partner or director at the fund. Funds included here reported to us that they have social or environmental intent, at least some of the time, that they have put dollars into ventures acting in one of our 10 social or environmental interest areas, or they indicated in other ways that they try to affect social or environmental problems through their investment activities. We had four other principal criteria for inclusion in addition to social or environmental intent. Investment entities and funds were required to:

- Invest at least 1% of their assets through equity
- Have at least one office located in the U.S., or invest at least partially in the U.S.
- Be involved in early-stage investing defined as seed- through expansion-stage
- Be incorporated as an institutional investor, operating as a stand-alone or subsidiary fund, either for-profit or nonprofit, but not acting as an individual or angel investor

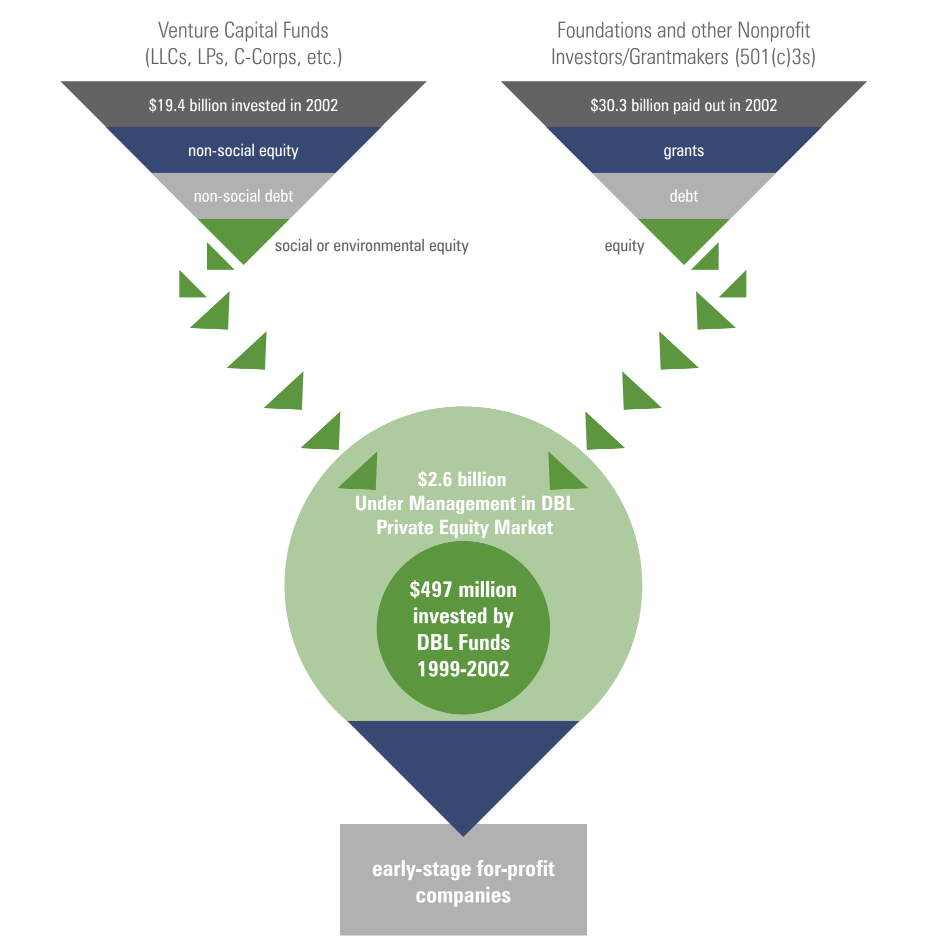
Of the 76 funds that responded to the survey, 59 met our criteria and are included in this report. A slightly larger group of funds is profiled in our RISE Double Bottom Line Investor Directory, available at www.riseproject.org. Also available on that site is a full copy of our survey instrument. A more complete description of our survey method and inclusion criteria may be found in Appendix D.

III. Overview of DBL Market

1. Over $2.6 Billion is Under Management in the Double Bottom Line Private Equity Market

The double bottom line private equity investing market is a subset of the private equity and nonprofit capital markets, and comprises at least 59 funds with over $2.6 billion under management. Funds reported that over $1.9 billion of total capital is available for investing in companies for social or environmental purposes.

1 DBL Private Equity Market



Each of the funds in our survey identified itself as interested in investing to achieve social or environmental impact as well as financial return — an approach this group prefers to call "double bottom line" investing. There are also many other funds and foundations which share the goals and interests of these funds, but which invest through vehicles other than equity. This report focuses a lens on for-profit and nonprofit funding vehicles that use early-stage equity investments to reach their goals. Figure 1 shows the subset of the social investing market we targeted. From this point on, when we use the term DBL market, we mean the portion of the double bottom line market in which funds invest at least 1% of their assets through private equity.

2. The DBL Capital Markets Spans Sectors, Industries, and Objectives

DBL funds invest in a variety of industry sectors, including health, computers and electronics, energy and utilities services, communications, food, fabricated goods, agriculture and mining, wood, paper, and forestry, finance, transportation, fabric and apparel, retail, chemicals, metals, technology, automotive and aerospace, education and publishing, tourism, and real estate.

DBL funds make investments in many social and environmental interest areas, including environment, energy, women-owned enterprises, community development (including a focus on underserved rural and urban communities), health, minority-owned enterprises, education, agriculture, international development, and the arts.

Each fund has its own social and environmental goals within these interest areas, and goals and areas of desired influence are diverse. For example, fund goals include promoting energy efficiency globally, improving K–12 education in the U.S., enhancing food security in Africa, and promoting economic opportunity for low-income communities. Full mission statements for each fund are available in the RISE Double Bottom Line Investor Directory at www.riseproject.org.

3. Four Fund Types Make Up the DBL Market

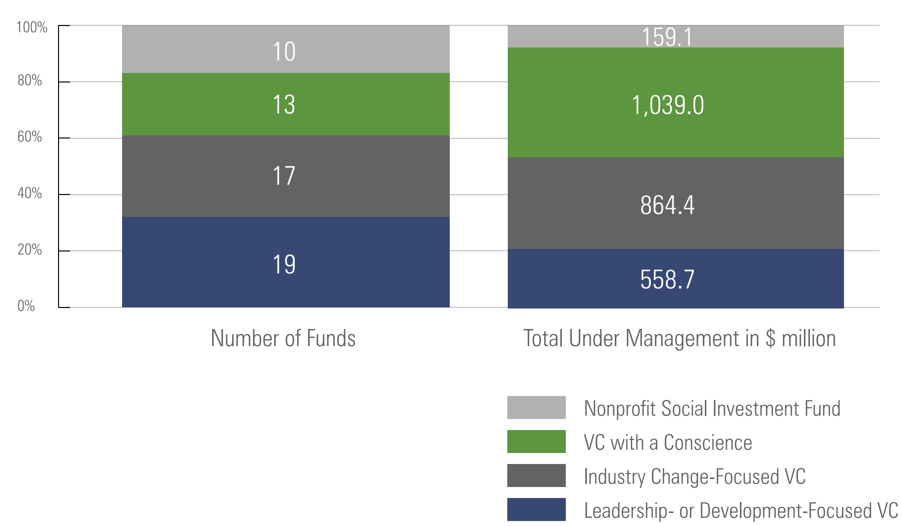
While united by a desire to achieve social or environmental impact through private equity investing, this group of funds must be described as diverse, if not fragmented, given the range of approaches and the language its members use to describe what they do. Four fund "types" emerged. While these investor types are neither exhaustive nor exclusive, they provide a rough idea of the richness of the group.

The VC with a Conscience. This type of fund markets itself as a mainstream venture capital (VC) fund, but has made a commitment internally to devoting some portion of capital — often less than 50% — to deals or to entrepreneurs with explicit social or environmental goals. About 22% of DBL funds are of this type.

The Industry Change-Focused VC Fund. This type of fund invests in an industry niche in which the primary product or service of the business is inherently pro-social or pro-environmental, for example in charter schools or renewable energy technologies. These funds generally prefer to emphasize their financial goals and accomplishments when describing themselves publicly, although many of them are explicit with investors or entrepreneurs about their social or environmental objectives. About 29% of DBL funds are of this type.

"Invest in industries you know, not in social missions you know."
- Chuck Lacy, Barred Rock Fund

2 DBL Fund "Types"



The Leadership- or Development-Focused VC Fund. This type of fund invests in businesses whose social purpose is accomplished not by the product or service they provide, but by who owns or manages the business, where it is located, or whom it employs. This type includes funds that work to create jobs in low-income areas, invest in minority- or women-led companies, and invest in economically depressed areas. Community development venture capital funds are among funds of this type. These funds are often entirely explicit about their ownership, leadership, location, or employment objectives, but their portfolio companies often do not consider themselves to be social ventures. About 32% of DBL funds are of this type.

The Nonprofit Social Investment Fund. This type of fund or funding activity exists within a private foundation or public charity legal form and makes equity investments in private companies as a means to support the mission of the nonprofit entity. Many of these funds invest through a 50 year-old nonprofit investment vehicle called the program-related investment (PRI), or through similar vehicles.[1] These funds are explicit about their social or environmental mission and are often at the forefront of efforts to evaluate the impact of their investments.[2] About 17% of DBL funds are of this type.

4. DBL Funds Act Like VC Funds but Screen for Additional Criteria

By and large, double bottom line funds operate like typical small- to medium-sized venture capital funds. They say they concentrate on identifying great entrepreneurs, building successful business

[1] PRIs have become more popular over the last 7-10 years as a means for nonprofits and foundations to achieve mission-related goals in the private sector (Brody et al., 2002).

[2] The DBL funds included here represent a small subset of foundation and charitable investments, in which the charity makes an equity investment in a for-profit company. Nearly all charities that have endowments invest them in the stock and bond markets with the primary goal of growing their endowment for future cash needs of the organization. Some charities also make investments for social purposes, as a small portion of their ongoing endowment management (see Emerson, 2003). Some foundations and charities use PRIs to achieve their charitable goals. In 1999, 82 foundations made 240 PRIs, totaling $279 million, equal to approximately 1.2% of the $23.3 billion in grants made by foundations in that year (Renz, 2001). Research suggests that loans are the most common form of PRI investment, making up more than half of PRIs made (Brody et al., 2002). Included here as DBL funds, however, are nonprofits that make at least 1% of their investing in the form of equity in early stage, private companies and most seem to make these investments as part of their program activity, not as part of their endowment investing.

models, aligning with strong co-investors, and actively managing their portfolio companies through participation on their boards. Even the foundations and nonprofit hybrids in this group (about 17% of the funds) use VC techniques to actively manage portfolios such as taking seats on boards. Nearly all of the funds report that they measure their success first in financial terms, and then on social or environmental terms.

5. Over 57% of DBL Funds Invest Some or All of the Time with Explicit Social or Environmental Intent

A significant portion of DBL funds reported that they invest with explicit social or environmental intent and use social or environmental screens in selecting investments. At least 22% of the funds are completely explicit about their social or environmental intent and screen all deals with some social or environmental criteria. Another 35% invest at least some of the time with explicit social or environmental intent. The remaining 43% either invest in social and environmental issue areas without any explicit intent or do not exclude social or environmental deals from their portfolio. Even though not all funds have explicit social goals, all chose to be included in our study, and all invest in areas that they or others deem socially or environmentally important.

6. DBL Funds Prefer the Terms “Double Bottom Line” or “Sustainable” Over “Social”

DBL fund managers use more than 12 different terms to describe the investment approach examined in this report. As a group, the fund managers in the survey expressed a strong preference to call their activities “double bottom line” or “sustainable” rather than “social,” “mission-driven,” ”progressive,” or “triple bottom line.” It is also clear that common language is continuing to evolve.

7. DBL Funds Aim to Foster Positive Impacts Rather than Curb Negative Behavior

The DBL market is significantly different from its post-IPO public equity counterpart in the type of investment screens it uses. Few DBL funds use negative screens, the primary tool used historically by the $163 billion public equity socially responsible investment (SRI) market. Such screens are intended to limit the harm done to social or environmental systems by the companies in which these funds invest and to raise the standards of behavior of large public companies.

Rather than using negative screens, DBL funds employ positive screens to foster positive impact on social or environmental systems by the companies in which these funds invest. The most popular positive screens explore the values of a company's management, the fit of its products or services with the fund's goals, or its employment policies and locations. DBL funds work to build positive attributes and social or environmental impacts into new, growing companies and markets.

DBL funds also seem to be relatively consistent in the types of positive social screens they use. For the most part, ventures are not selected because they do advocacy for consumers on their packaging or because they donate portions of their profits to charity. Instead, ventures are most often being screened for the value of their core product or service in making a positive impact, by the values and professionalism of their staff and operations, or by the positive impact they can have on communities due to where they are located and whom they hire.

8. Only Half of DBL Funds Evaluate the Social or Environmental Impact of Their Investments

DBL funds are slightly less confident about their impact than about their commitment to achieving it: 54% described their commitment to social or environmental impact as "very high," but only 22% described actual impact achieved as "very high." Only half of the funds report that they evaluate the social or environmental impact or returns of their portfolio, and just half of those ask entrepreneurs at the time of investment to describe the kind of impact they hope to achieve. Funds use a diverse set of tools and practices to evaluate impact; as of yet, there is no standard practice in the field.

9. Over 32% of DBL Funds Invest Outside the U.S.

The DBL group is surprisingly internationally oriented. We included only funds that have at least one office located in the United States or that invest at least in part in companies based in this country. We found that over 32% of those funds also invest abroad. This seems atypical for venture capital funding, which is usually quite locally focused. This situation may merit further inquiry at a later stage. It may be that conditions in the U.S. are more favorable for DBL investing than elsewhere and therefore funds maintain offices here, even if significant portions of their portfolio operate elsewhere.

10. DBL Target Returns and Investment Levels Mirror the Overall Market

The DBL funds generally have both fund-wide and deal-level financial targets that are in line with today's VC hurdle rates. Fund managers consider their social or environmental screens to be supplementary to their financial screens. Perhaps most important, fund managers do not believe the non-financial screens will result in lower financial return for their funds. The DBL funds have invested over $497 million from 1999-2001 in 426 deals, of which 343 were in DBL areas. Total DBL fund investments represented about 6% of the overall VC market in 2002. Funding levels between 2001 and 2002 decreased 44% in the overall VC market and 41% in the DBL market, although the total number of deals completed in the DBL market increased by 13% over that period, while the number of deals in the overall VC market decreased.

11. The DBL Market is Still Maturing and Financial Performance Data Are Inconclusive

In many respects, our data seem to show that the DBL funding market is still maturing. First, most funds are managing less than $25 million, which is a relatively small fund size considering that most of the funds are structured as venture capital funds. Second, average deal size from 1999 through 2001 can be projected from the data to be around $1 million, also relatively small compared with VC average deal size of $6 million over this period. Third, nearly half of the funds in the study are raising money, and fourth, nearly all believe there will be more capital available in their area in the future.

The ultimate sign of a mature investment segment or asset class is a set of clear and relatively consistent financial returns. As a group, DBL funds do not have a clear story to tell about their financial success. Only 39 out of the 59 funds answered our questions about financial return data, and 21 of those said they did not have data to report. Nearly half of the funds are currently raising money. When asked about exit data, funds indicated that, collectively, more than 67% of their existing portfolios are being held, as opposed to being sold, acquired, or written off. We do not know the age of the funds nor did we collect information on their exit or mark-to-market policies, so the exit data is far from conclusive. Given the current depressed venture capital investment climate it is difficult to determine whether the problem experienced by DBL funds in exiting their investments reflects broader market conditions or is specific to the DBL investment market. More return data should become available over time, which will help answer this critical question.

12. Co-Investment is Key to Future Growth and Exits

By and large, DBL funds prefer to co-invest with mainstream VC funds, not other DBL funds, viewing larger mainstream funds as the key to getting investments to scale and exit. Given the relatively small size of the DBL market, this seems entirely reasonable, but it also means that the social or environmental objectives of individual portfolio companies have to be highly aligned with their financial objectives in order to survive the growth and exit phase.

> **"Never sell a deal to other investors mainly on environmental or social merits; it is only about the business when raising serious money."**
> **- Tony Lent, EA Capital**

13. A First Benchmark

This study is a first attempt to describe the DBL investor landscape. We believe we have captured a significant portion of the funding market, but we are certain there are many funds that have not been included here.

To estimate the size of the entire DBL market, we look to the community development venture capital segment, where we know approximately $300 million is managed by fund members of the Community Development Venture Capital Alliance (CDVCA). Further, we know that approximately $190 million of this was managed by 19 funds actively investing through equity or near-equity vehicles as of December 2000 (Rubin, 2001). Approximately 50% of those 19 funds are represented in our study, as are a few others that did not appear in the Rubin study. This capture estimate is certain to vary across segments, but we believe it is conservative to assume that we captured less than one third of the industry and that there could be anywhere between $2 and 6 billion in private equity available to DBL businesses. A more reliable estimate, however, would require further study.

IV. Survey Findings

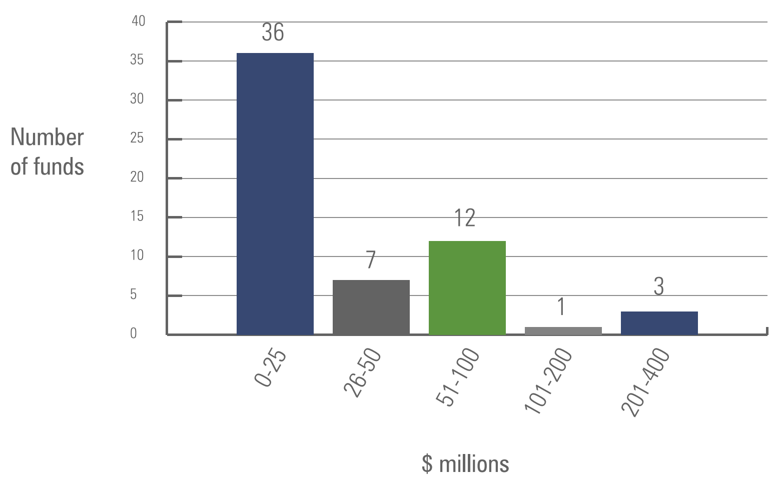
Capitalization

TOTAL CAPITAL UNDER MANAGEMENT: Funds reported over $2.62 billion under current management.

DOUBLE BOTTOM LINE CAPITAL: Funds reported that over $1.9 billion of total capital under management is available or already invested for social or environmental purposes. Over half of funds reported that 100% of their funds are available for investing in social or environmental areas and 62% reported that over 75% of their funds are available for investing in social or environmental areas.

FUND SIZE: Over 60% of the funds manage less than $25 million, 20% manage between $51 and $100 million, and 5% manage between $201 and $400 million (see Figure 3). A full list of fund sizes for the 59 funds is in Appendix B.

3 Total Funds Under Management



Amount of money under management by DBL funds.

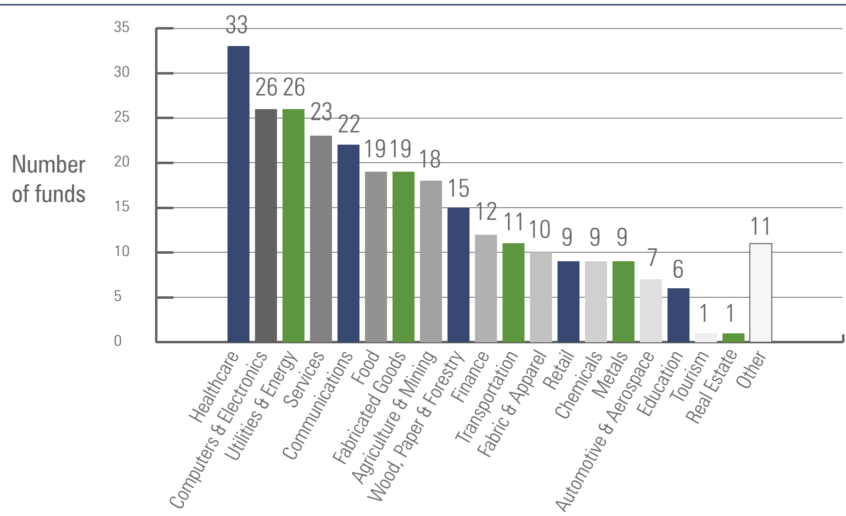
When asked about capital available for investing in social or environmental areas, 69% of fund managers said their fund has set aside $25 million or less.

FUND-RAISING: Forty-eight percent of funds are currently raising capital.

Investment Areas

INDUSTRIES: Funds invest in a variety of industry sectors. Health, computers, and utilities lead the list (see Figure 4).

4 DBL Investment by Industry

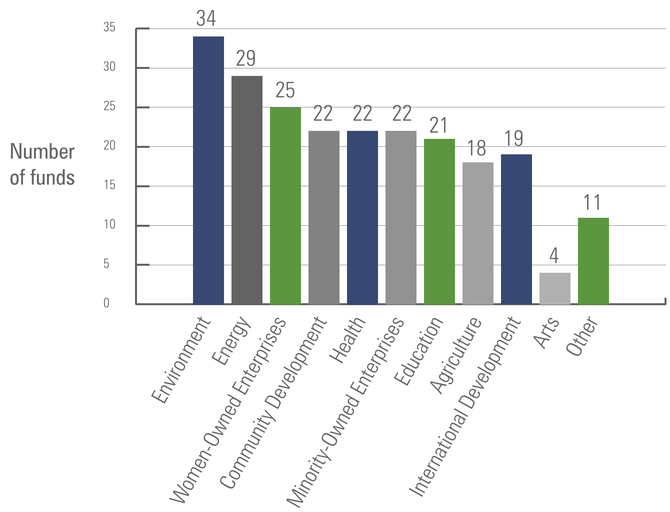


"Other" responses include:
-No limitations
-New market tax credit investments
-Nanotechnology
-Manufacturing
-Small- and medium-sized businesses

Industry areas in which funds have made or seek to make equity investments.

SOCIAL AND ENVIRONMENTAL AREAS: Funds invest in many social and environmental interest areas (see Figure 5). Environment and energy were the two most frequently selected when funds could select as many areas as they wished to describe their fund. Over 83% of the funds invest in more than one social or environmental area, and, on average, funds invest in four areas. Each fund's selection of social or environmental investment areas is in Appendix C.

5 DBL Investment by Social or Environmental Area



"Other" responses include:
-Invest primarily for financial returns
-Invest in support of social purpose
-Have strong social or environmental requirements
-Do not explicitly include but have a foundation
-Social intent based on location in low-mod income areas
-Invest in women-led companies but with no social objective in terms of industry or outcome

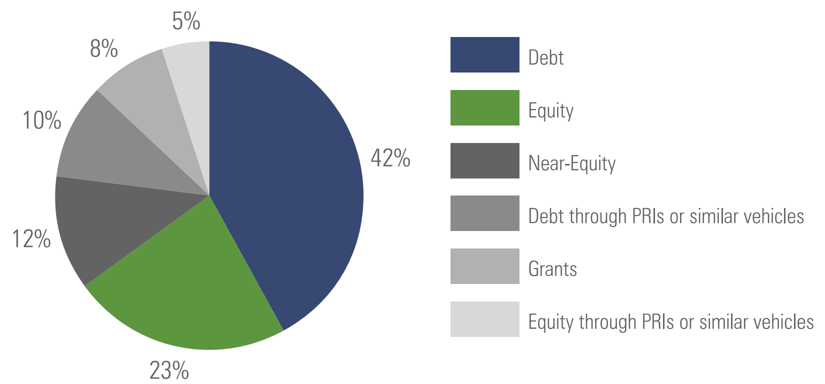
Social or environmental areas in which funds have made or seek to make equity investments.

Fund Structures and Investment Instruments

LEGAL FORM: Most funds are legally structured as limited liability corporations (LLCs) or limited partnerships (LPs). Several are dedicated divisions within private corporations, usually structured as C-Corporations (C-Corps). About 17% are philanthropic funds or charitable organizations that make PRIs and do other forms of early-stage equity investing from a 501(c)3 legal form.

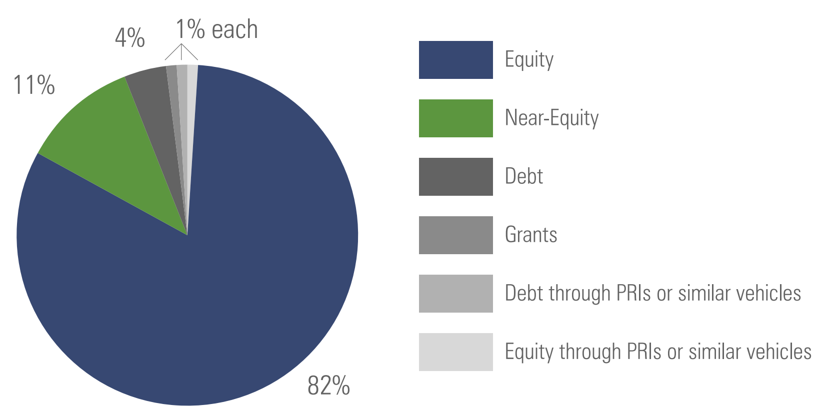
Several funds have innovative structures that combine LLC and nonprofit fund structures. For example, the New York City Investment Fund, which aims to improve the local economy in New York City, uses its LLC for for-profit investing and its sister 501(c)3 fund, the Civic Capital Corporation, to work with nonprofits able to complement its civic mission in economically sustainable ways. The Sustainable Jobs Fund also has a sister 501(c)3, the Sustainable Jobs Development Corporation, which provides technical assistance and services to the fund's portfolio companies.

6 Investment Instruments Used by 501(c)3s



10 funds responding.

7 Investment Instruments Used by LLCs, LPs and C-Corps



48 funds responding.

INVESTMENT INSTRUMENTS: Funds included in our study were those that conduct at least 1% of their investing through equity vehicles. Still, the percentage of funds that use other vehicles in their portfolio is high — over 31% of funds responding.

We also learned that approximately 28% of investment among the 501(c)3 nonprofits and foundations is structured as equity or PRI equity (see Figure 6), as compared with 82% of investing by LLCs, LPs and private corporations (see Figure 7). For nonprofits, DBL equity investing is usually done in addition to other forms of investing and grant-making in pursuit of their mission.

Stage and Size of Deals

INVESTMENT STAGE: We focused on early-stage funds (seed- through expansion-stage investing). Most of the funds are not as active in seed-stage investment as they are in early expansion-stage growth investment, and most require that the companies are far enough along to be earning revenue.

AVERAGE DEAL SIZE: The average deal sizes for most of the funds was between $250,000 and $3 million; 20% of the funds reported average deal sizes less than or greater than this amount. As a near though imperfect point of comparison, the median deal size across all stages in the VC industry as a whole was $6.5 million in 2002 (Ernst & Young/VentureOne, 2003).

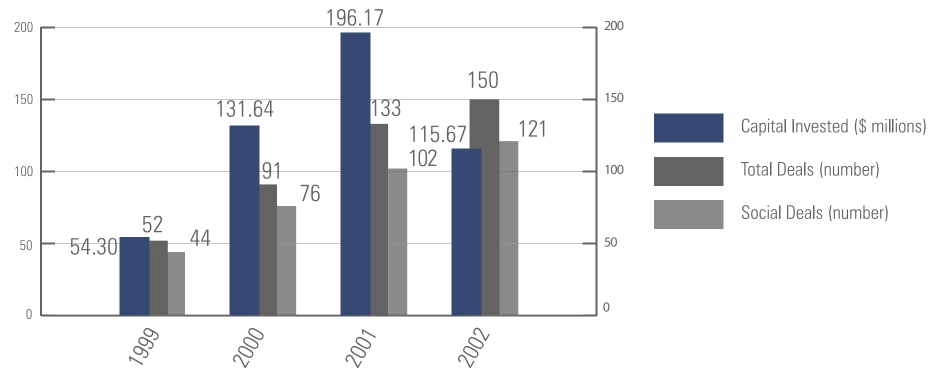
Investment Levels

DOLLARS INVESTED: The DBL funds reported that they invested $497 million from 1999 through 2002. The funds reported doing 426 deals during that time, of which 343 were deals in social or environmental areas. From 2001 to 2002, the capital invested by this group declined from $196 million to $116 million, or 41%. The total number of deals increased from 133 to 150, or

"The best way to have environmental impact is to invest in companies whose core product or service is an improvement for the environment and that will succeed in the marketplace."
- Sanjay Wagle, Expansion Capital Partners

13%, while the number of social or environmental deals increased from 102 to 121, or by 19% (see Figure 8).

8 DBL Investment Levels, 1999-2003



**Capital invested and deals completed by DBL funds between 1999 and 2002.
29 funds responding.**

To put this in perspective, in 2002, venture capital-backed companies in the United States received $19.4 billion in 2,056 financing rounds, totals that are 66% lower in dollars invested and 79% lower in number of financing rounds than the peak in 2000. Overall, venture investment dropped 44% from 2001 to 2002 (Ernst & Young/VentureOne, 2003).

DBL investments did not peak in 2000 with the overall VC market, but did so a year later in 2001. In 2002 the total amount of capital invested by DBL funds declined as it did in the overall VC market, but the number of deals increased, so DBL funds seem to have completed more investments of a smaller average size than the overall VC market.

Using the information above, and after removing the nonprofit DBL funds, we calculate that in 2002 the capital invested in social and environmental deals captured in this survey represents about 0.6% of capital invested by venture capital funds, total deals completed by DBL funds represent about 6.2% of total VC deals, and social and environmental deals represent 5.1% of total VC deals in the same year.

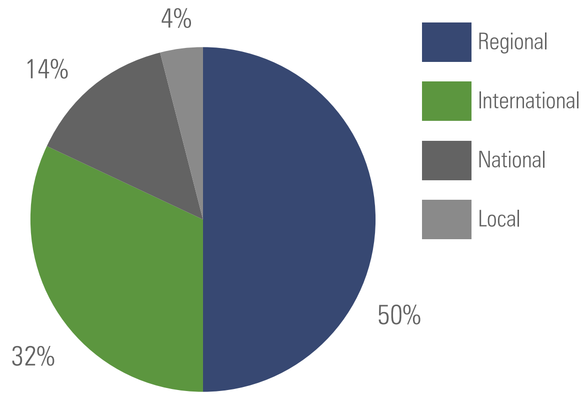
Geography

FUND LOCATION: More fund headquarters are located on the coasts than in the middle of the country, with a heavy concentration in the East Coast (New York, Massachusetts, Pennsylvania, Washington, DC, and Virginia) and some clusters in California and the Pacific Northwest (see Figure 9). There are also three international funds included in the group, two located in Canada and one in the United Kingdom.

9 Fund Location	Number of Funds
New York	9
California	7
Massachusetts	5
Pennsylvania	4
Virginia	3
Washington, DC	3
Washington	2
Vermont	2
Ohio	2
Maine	2
Canada	2
Connecticut	2
Colorado	2
West Virginia	1
Utah	1
United Kingdom	1
New Jersey	1
New Hampshire	1
Mississippi	1
Maryland	1
Kentucky	1
Illinois	1
Idaho	1
Hawaii	1
Florida	1
Delaware	1
Arizona	1
Total	**59**

GEOGRAPHIC FOCUS OF INVESTMENTS: Most funds are regional (50%), defined as investing in three or more states, followed by international (32%), investing in the United States plus at least one other country, and national (14%), investing in more than one region or the entire United States. Just 4% of funds are local, defined as investing in two or fewer states (see Figure 10). The international focus of funds includes Canada, Western Europe, the Caribbean, Latin America, and southern Africa. We eliminated funds without any U.S. investments from our survey sample.

10 Geographic Focus of DBL Funds



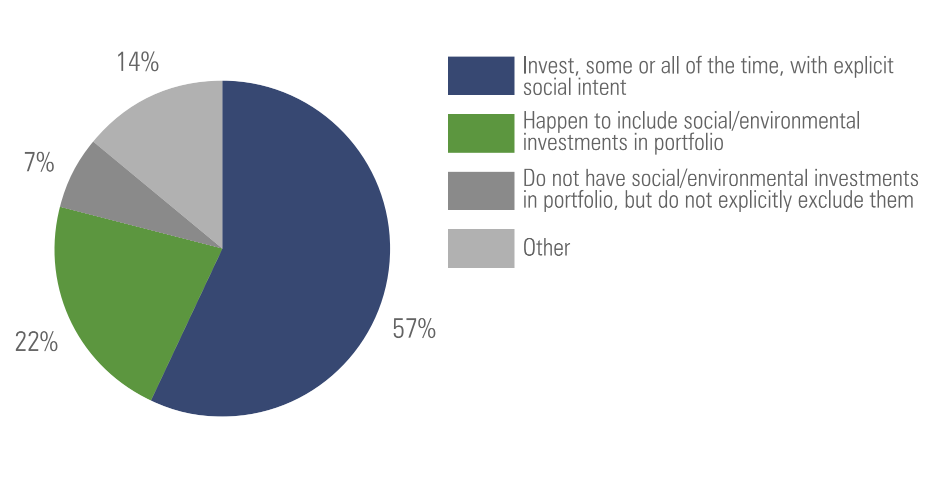
Social and Environmental Goals and Language

SOCIAL AND ENVIRONMENTAL INTENT: Funds varied with regard to the portion of their investments made with "explicit social intent": 57% invest with "explicit social intent" some or all of the time, and within that group, 22% wrote in responses to clarify that they invest with social or environmental intent all of the time. Another 22% reported that they happen to have social or environmental investments in their portfolio, and 14% said they do not yet have these investments in their portfolio, but do not exclude them (see Figure 11).

Most of the 14% of fund managers who selected "other" when asked to elaborate on their social or environmental intent as investors elaborated on their social or environmental objectives. Examples include:

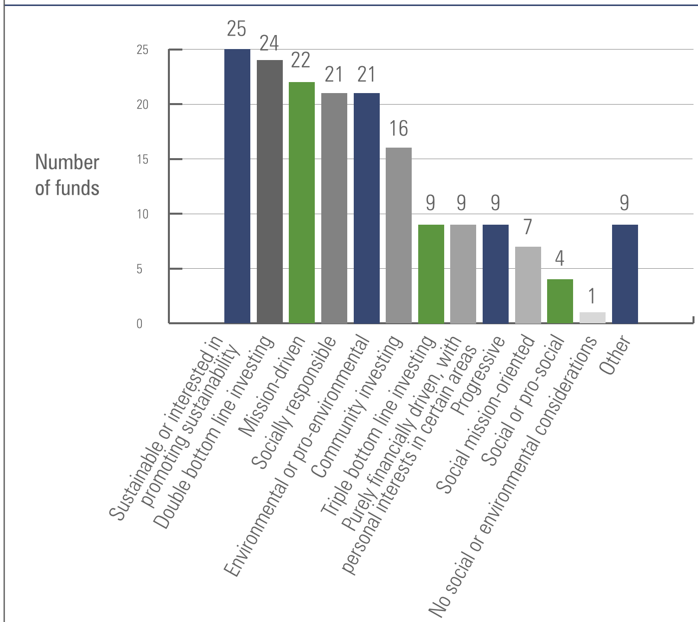
- We invest with a strong social purpose.
- We seek positive contributions to K–12 education within a financially attractive investment opportunity.
- We invest only in women-led companies but the overriding criterion is the best return on investment (ROI).
- We invest in ethical, good employers.
- We look for ancillary environmental benefits.

11 Social and Environmental Intent of DBL Funds



LANGUAGE: We presented funds with a list of terms and asked them to indicate their preferences for describing their investment activities. The two most popular terms were "sustainable" and "double bottom line." We had named our survey the RISE Social Investor Survey, yet "social" was near the bottom of the list (see Figure 12).

12 Terms Used to Describe Fund's Activities



"Other" responses include:
-Social franchising
-Investing with a strong social purpose
-Venture capital with socio-environmental considerations
-Investing in ethical, good employers

Funds could select as many terms as they wished. 58 funds responding.

The term "sustainable" was preferred more often by the subset of funds that focus on the environment. Since "double bottom line" was used by funds that focus on a broader diversity of social and environmental focus areas, we decided to adopt term "double bottom line" as the name of this segment of the capital market.

Social and Environmental Screening

USE OF POSITIVE OR NEGATIVE SCREENS: Unlike the socially responsible investing (SRI) community, which uses both positive and negative screens when making investments, funds surveyed for this report prefer positive screens, used by 68% of funds always or often, to negative screens, used by 29% of funds always or often (See Figure 13). Specifically, funds screen for:

PERSONAL VALUES: The most popular screen is the "personal values or ethics of entrepreneurs." Sixty-five percent of funds claim to use this screen often or always.

PRODUCT OR SERVICE FIT: The second most popular screen, reported to be used by 59% of funds often or always, is a match between a business's products or services and the fund's social or environmental goals. For example, a fund screening for educational improvement would be interested in a charter school company and a fund screening for environmental impact would be interested in a hydrogen fuel cell technology company.

MANAGEMENT: The third most popular screen, used by 41% of funds, relates to qualities of the management of a potential portfolio company. Some funds screen for plain old good management. Some stated that they screen for companies led by women or members of a minority group. Funds that screen for women- or minority-led companies are often uncomfortable with their companies being labeled "pro-social." Fund managers explained that their social or environmental intent most often resides at the fund level in choosing the company to be part of the portfolio, not in the company itself. They do not care whether or not the company considers itself pro-social, as long as it fits the fund's investment screens.

"The entrepreneurs must have high integrity and a solid commitment to fair dealing. If not, their commitment to social or environmental goals is irrelevant."
- Peter Edwards, Altira Technology Fund

13 PERCENTAGE OF RESPONDENTS WHO OFTEN OR ALWAYS SCREEN INVESTMENTS ACCORDING TO THE FOLLOWING CRITERIA:	
a. We select or screen deals based on **negative screens**, to limit the harm done to social or environmental systems by the companies in which we invest	29%
b. We select or screen deals based on **positive screens**, to encourage positive impact on social or environmental systems by the companies in which we invest	68%
c. We select or screen deals with social or environmental criteria focused on the company's **primary product or service** (e.g., a charter school company whose main business is to educate children)	59%
d. We select or screen deals with social or environmental criteria focused on the company's **internal operations**	35%
More specifically, we use criteria related to:	
i. Company management (e.g., minority- or women-owned)	41%
ii. Company employment (e.g., hard-to-employ populations)	32%
iii. Company location (e.g., inner city)	37%
iv. Employee ownership and pay policies (e.g., equitable pay scale)	34%
v. Environmental protection policies (e.g., reducing toxic emissions)	38%
e. We select or screen deals with social or environmental criteria focused on the company's **supply or distribution chain**	18%
More specifically, we use criteria such as:	
i. Choosing specific suppliers for social reasons	14%
ii. Encouraging lower price points for wider distribution	20%
f. We select or screen deals with social or environmental criteria focused on the company's **advocacy activities** (e.g., The Body Shop)	8%
g. We select or screen deals with social or environmental criteria focused on the company's **incorporation of planned philanthropic donations** (e.g., Newman's Own, which donates a percentage of profits to charity)	6%
h. We select or screen deals based on our judgments about the **personal values or ethics of the entrepreneurs** involved	65%

COMPANY LOCATION: Thirty-seven percent of funds screen often or always by the potential portfolio company's location. Geographic screens are most popular with community development venture capital funds, which often have geographic boundaries and strive to develop businesses in economically distressed areas. These funds, as a group, wanted to be sure we understood that their criteria often involve both company location and potential for job creation, and that the portfolio companies might not consider themselves social ventures. We also found a few cases in which funds that focus on location are adding environmental sustainability screens to their other criteria.

ENVIRONMENTAL IMPACTS: Thirty-eight percent of funds screen for environmental impacts often or always.

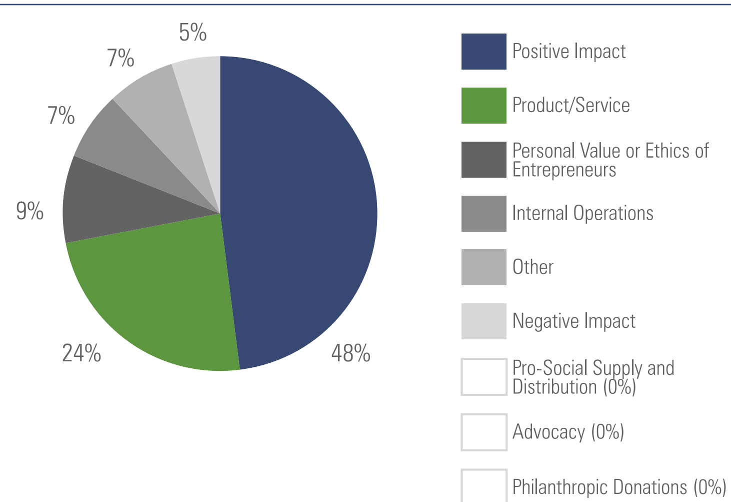
SUPPLY OR DISTRIBUTION CHAIN: Only 14% of funds screen often or always based on companies choosing specific suppliers for social reasons. Slightly more, 20% of funds, screen often or always for companies that encourage lower price points for their products or services in order to increase distribution (see Pralahad, 2002).

ADVOCACY: Only 8% of funds often or always screen for advocacy activities as part of business operations. We used the examples of The Body Shop or Ben & Jerry's.

PHILANTHROPY: Only 6% of funds screen often or always for companies making charitable donations from profits. We used the example of Newman's Own.

In addition we asked funds to choose the one type of screen they use most often (see Figure 14).

14 Type of Screen Funds Employ Most Often



55 funds responding.

Success Factors

OPERATIONAL FACTORS CONTRIBUTING TO FUND SUCCESS: Thirty-six percent of fund managers identified serving on their portfolio company boards as the operational factor most responsible for their fund's success. Seventy-nine percent of funds sit on the boards of their portfolio companies often or always. Of those, 91% monitor primarily the financial aspects of the company's operations, while 54% oversee both social or environmental and financial aspects.

The other operational factors selected by fund managers were: overseeing financial return (selected by 22%), incorporating specific deal terms into investment agreements to maximize their returns (14%), and co-investing with mainstream VC funds (7%). Of note are the facts that co-investing with other DBL funders was not selected by anyone, while collecting and evaluating social and environmental impact information was selected by just 4% of respondents.

"[Our success depends on] ... the advice we can provide, our expertise, and our network of contacts (for raising additional capital, for due diligence checkings, for building management teams and boards, for bringing in major customers, strategic partners, and potential acquirors), rather than merely on the capital that we have."
- Tod Hibbard, Fleet Development Ventures, LLC

Managers also wrote in answers to the activity most critical to their fund's success. Responses included:

- Close oversight coupled with communications and education of management
- Collecting and evaluating both social and financial return information
- Difficult to answer but management is certainly key
- Job creation with positive financial returns
- Having lots of smart co-investors around the table helps
- Picking companies with a great CEO and then supporting him or her
- Quality investment syndication, social or non-social
- Quality of management
- We are a success only if we achieve both social and financial returns

Evaluating Social and Environmental Impact

COMMITMENT AND ACTUAL IMPACT: Funds claim very high commitment to making a positive social or environmental impact (54% described their commitment as "very high"), but feel that their actual impact is slightly lower (only 22% described their impact as "very high") (see Figure 15).

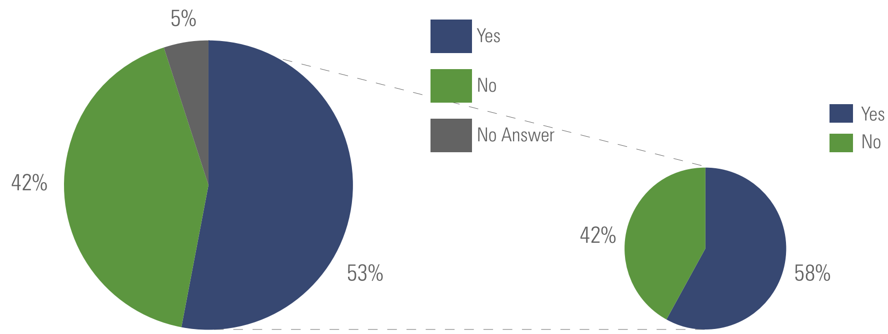
15	Fund Rating of Commitment vs. Actual Impact				
Overall on a scale of 1 (none) to 5 (very high), how would you rate:	1 None	2 Low	3 Average	4 High	5 Very High
a. Your fund's commitment to social and/or environmental impact?	**0%**	**5%**	**21%**	**20%**	**54%**
b. The social or environmental impact achieved by your funded companies?	**2%**	**2%**	**24%**	**50%**	**22%**

EVALUATING SOCIAL AND ENVIRONMENTAL IMPACT: Perhaps the discrepancy between funds' expectations and actual impact is not surprising, considering how few funds actively measure or evaluate the second bottom line.

Only about half of the funds reported that they evaluate the social impact of their investments in any way. Of the 57% of funds that reported that they invest with explicit social or environmental intent some or all of the time, 49% reported they collect and evaluate social or environmental data always, 15% do so often, 21% do so sometimes, and 15% do so rarely or never (see Figure 16).

One might expect the philanthropic funds to be more diligent about evaluating impact, and we found this to be true. Of 501(c)3 funds that have explicit social or environmental intent, 63% reported they collect and evaluate impact data, versus 49% of LLCs, LPs, and C-Corps that have explicit social or environmental intent.

16 Percent of Funds that Evaluate Social Impact or Return of Portfolio Companies



Of those that Evaluate, Percent that Ask Entrepreneurs for Social Impact Projections at Time of Investment

SOCIAL IMPACT MEASUREMENT / REPORTING TOOLS: Of the funds that do evaluate social impact, a little over half of those ask entrepreneurs at the time of their investment for projections of the impact that they hope to achieve. We also asked funds what processes or tools they use to evaluate the social or environmental impact of their investments. Their detailed responses are on page 27.

HOW DO DBL FUNDS EVALUATE THE SOCIAL OR ENVIRONMENTAL IMPACT OF THEIR INVESTMENTS?

Some mentioned specific external resources and tools:

- We have developed a set of metrics in collaboration with McKinsey & Company that we use to track each of our investments.
- We use the AtKisson Index of Sustainability.
- We are currently developing a measurement system with our Social Advisory Board.
- We use criteria set for Community Development Financial Institutions (CDFIs).
- We use an adapted version of Roberts Enterprise Development Fund (REDF) Social Return on Investment (SROI) model.
- We are beginning to examine some of our companies for SROI and performance scoring on environmental (mostly emissions) issues.

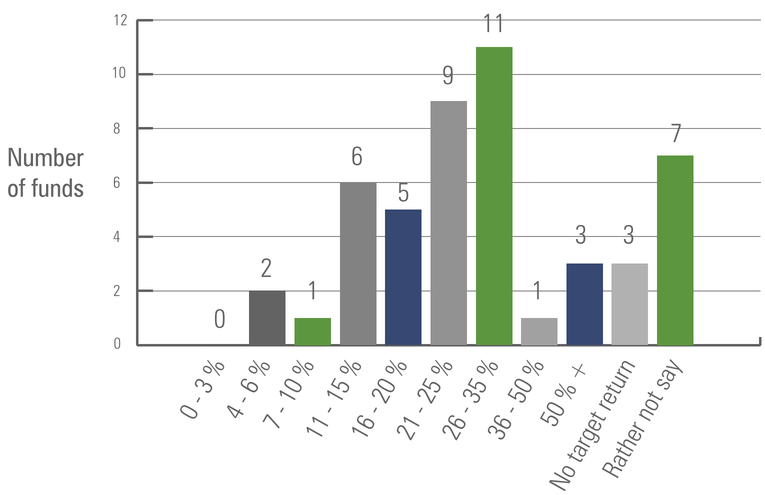
Others described their reporting practices with the portfolio companies:

- We have an internal reporting checklist as well as social and environmental indices.
- We know it when we see it and we stay in touch and pay attention to it.
- With community development, job creation is the most important metric we track.
- We do qualitative assessments.
- With environmental technologies, success is measured by market penetration.
- We track employment and wage return as well as financial returns.
- We identify the main impact areas (qualitatively) and then attempt to quantify impacts.
- Each venture has a customized set of metrics based on their theory of change and specific business model.
- We collect quarterly data from our portfolio businesses (number of low income workers employed, hired, left the business and why, wages, benefits, demographics, etc.).
- We measure:
    - Jobs created and retained;
    - Job quality including wages, benefits, training, safety, employee ownership or profit sharing, and promotion opportunities;
    - Jobs provided to former welfare recipients and low income individuals;
    - Ownership or management of companies by minorities or women;
    - Total capital investment and leveraged investment;
    - Property renovated, leased or purchased in distressed areas;
    - Impacts on neighborhood revitalization;
    - Environmental products, services and benefits produced;
- We measure jobs created and retained – if this does not qualify as a social impact, then the answer is compensation levels and benefits at the time the deal is closed.
- We evaluate performance against social indicators in business plan, a form of benchmarking.
- We identify the main impact areas (qualitatively) and then attempt to quantify. For example, for Wellspring, we quantified the annual water conservation impact to be 2B gallons of fresh water saved per year. We will monitor actual results (in parallel with financial monitoring) to see if actual impacts match the projections. We have identified factors that affect the impact (as well as, obviously those that affect financial performance and returns). On the board we will focus on monitoring and encouraging the company to pursue those critical success factors (both financial and environmental, but with a focus on the financial — we feel that by definition selling this product has a good environmental impact; by screening for companies in the Clean Tech sector, the companies hopefully have a net positive impact).
- We evaluate creation of quality jobs in our service area, and the use of locally produced resources, products and services.
- The only social impact that we look for is location in low- to moderate-income areas in central Appalachia. We require that companies maintain their principal location in these areas, and we require that they report on how many people they employ.

Evaluating Financial Performance

INTERNAL RATE OF RETURN TARGETS: When asked for their fund's overall target internal rate of return (gross IRR), managers reported a range from 4% to over 50%, with 42% of funds targeting between 21% and 35% (see Figure 17). The funds targeting under 10% were all nonprofit funds as were several of the funds who reported they had no target return.

17 DBL Fund Target Internal Rates of Return (IRR)



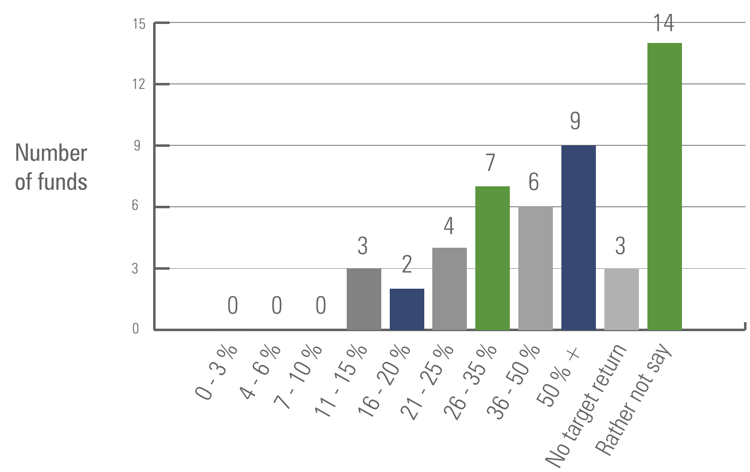
Target internal rates of return for DBL funds. 48 funds responding.

AVERAGE RETURN TARGETS FOR PORTFOLIO COMPANIES: These ranged from 11% to over 50% and average portfolio company targets are higher than overall fund targets; only 32% of funds responding said they aim for between 21% and 35%, and 44% of funds target over 36% (see Figure 18).

EXITS: A high percentage of deals are being held (63% of total), as opposed to being sold or acquired (11%), taken public (5%), or written off (7%).

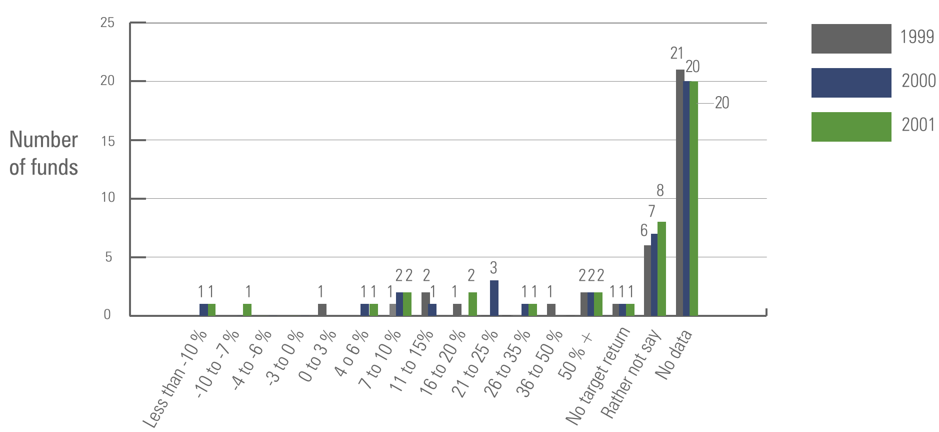
ACTUAL FUND RETURNS: We asked funds for their actual returns from 1999, 2000 and 2001. Only 39 funds of the 59 funds provided any response; 21 of the 39 said they did not have data to report (see Figure 19). The data we received show a decline in fund returns in 2001 compared to 2000, which is in line with the overall investing climate. Generally, however, it is difficult to draw any conclusions from such incomplete data.

18 Average Portfolio Company Return Hurdles



Target average internal rates of return for portfolio companies. 48 funds responding.

19 Fund Estimated Internal Rates of Return (IRR)



Estimated fund returns reported by DBL funds.
36 funds responding with 1999 data; 39 with 2000 and 2001 data.

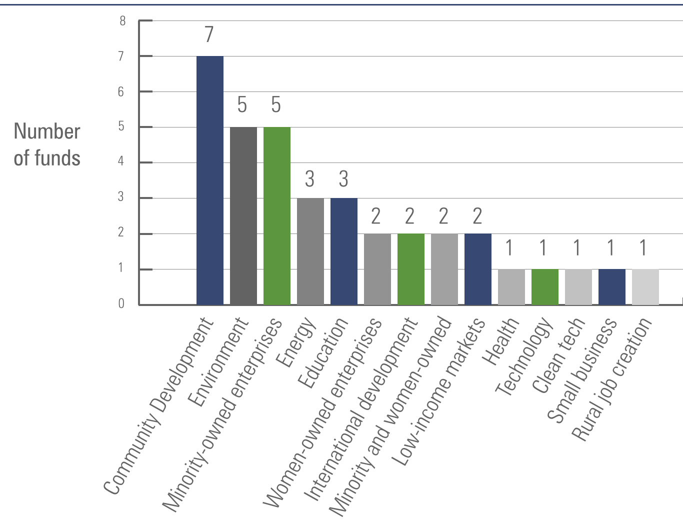
Ethnicity and Gender

DIVERSE FUND MANAGERS WITH HIGH PERCENTAGE OF WOMEN: Seventy-nine percent of the funds' managing partners and investment professionals are White, 10% are African-American, 6% are Asian, and 3% are other minorities. In addition, 22% are women. Only about 3% of fund managers in the overall VC industry are female.

Reflections on State of the Field

PRIMARY INVESTMENT AREA: We asked funds to select one social or environmental area about which to answer some questions regarding the future financial health of their investment activities. Figure 20 shows the distribution of primary investment areas selected for these questions.

20 Primary Area of Investment Chosen



Primary investment area chosen by DBL funds. 36 funds responding.

DEAL FLOW IN PRIMARY INVESTMENT AREA. Most funds see fewer than 300 deals a year in the primary social or environmental area they selected. In addition, the funds investing in community development tend to see fewer deals per year than other groups, perhaps due to geographic limits, and funds investing in promoting the environment see the most.

CAPITAL AVAILABILITY IN PRIMARY INVESTMENT AREA. Forty-five percent of funds believe there are currently enough funding sources to bring a successful venture in their primary investment area of interest from seed stage to IPO or exit.

"It is important for investors to know very clearly which their TOP priority is - social or financial. They are not always mutually exclusive, but there are many instances where one must be prioritized over the other, and it is crucial for investors and entrepreneurs to share priorities."
- Kim Smith, NewSchools Venture Fund

FUTURE INVESTMENT ACTIVITY IN PRIMARY INVESTMENT AREA. Twenty-seven out of 31 funds said that, compared with today, they think there will be more investment activity in their primary investment area within the next five years. Four funds said investment amounts and activity would not increase but were unlikely to decrease as well, and five funds did not answer the question.

Co-Investment

CORRELATION OF RETURNS WITH MAINSTREAM INVESTMENT TRENDS. Fifty-six percent of funds believe financial returns in their primary investment area are likely to be consistent with mainstream economic and investment trends.

We asked funds about their inclination to co-invest with other funds. Seventy percent of funds co-invest with other social or environmental funds "sometimes," "often," or "always," but many respondents explained they wish they could find more co-funders for their preferred deal types. When co-investment patterns are broken down by social and environmental area and examined by intensity of co-investment activity, we see only three areas — community development, energy, and minority-led companies — in which funds report co-investing with more than 20 other funds.

V. Key Lessons from Fund Managers

We asked fund managers to list the top three lessons they have learned from their work. We categorized them and list a selection of them below.

Financials First

- You can fall in love with the mission of the company and neglect the fundamentals.
- The economics of the project have to work before anything else is considered. It is great to do feel-good work, but the investment has to pay out at the bottom line if you expect to attract capital.
- Focus on financial returns. While this is not the only bottom line, it is the one that assures the business will be in business and therefore striving toward or achieving other bottom lines.
- Don't make judgments from your heart or just to help people.
- Focus on company outcomes, not the intentions or familiarity with sustainability of the founders.
- Evaluate these investments as traditional venture or equity investments with respect to financial performance.
- If the company fails, no one has a job and the fund has lost the ability to help new companies.
- The fundamentals of investing in early-stage sustainable companies are the same as in any early-stage companies.

Management

- Management teams and operators are the key to success.
- There is no substitute for relevant experience in operating companies in the sector.
- Management is key regardless of desired outcome — social returns, financial returns, etc.
- You need a CEO who lives compatible values; you can't change people's values.
- The chemistry of our fund with the team — our ability to trust each other, rely upon each other, and work well together over the long term — is the key to success.
- Management must be functionally highly competent.
- Invest in companies led by individuals who have done it before.
- There is no substitute for experience and integrity.

Partnerships and Co-Investment

- It's about exit. Too many deals are structured with IPO as the main strategy. You have got to have a good partnership exit as well.
- Process is very staff time intensive. It requires significant handholding technical assistance (TA). It works best if you can develop a strong network of partners, local TA providers, and like-minded entrepreneurs.
- Keep plugging people into the network of those who value patient capital for a sustainable future.
- If you are investing in a hard area, e.g., wave power, you have to bring in non-VC funders to get through the early years and mitigate risks for institutional and VC investors.
- Make sure that you recognize and are prepared to fund growth without a co-investor.
- Community development corporations (CDCs) must seek outside investment and expertise in order to provide needed resources to entrepreneurs.
- Co-investors are scarce! As a result, we need to be prepared to invest all the capital necessary for any given portfolio business to succeed.
- A relationship with a nonprofit partner is critical to achieve community goals.

Operational Factors

- Make sure the product or service has a market and the business model works.
- When working in rural or remote markets, distribution and sales channels are an even more important aspect to determine on the front end.
- Demonstrable positive social and environmental considerations do not always seem to be a plus to getting a company on the growth curve, but they are.
- There is no substitute for market demand for the company's products or services.
- Conserve cash and focus on becoming cash-flow positive rather than spending money on marketing prior to getting sales.
- The market must be large and the products competitive in function and price.

Special Considerations for DBL Investments and Funds

- Investing in areas subject to environmental considerations usually gets you entangled with government and frequently there is insensitivity to the company's resource limitations; burn rates continue regardless of the bureaucracies' procrastination.
- Technical assistance (TA) must be provided to entrepreneurs located in low wealth areas.

V. Key Lessons from Fund Managers

- Stick with what you know, and be patient.
- Knowledge of the specific industry increases the likelihood of success; broadly focused social investors typically add less value to deals, and often don't do as effective due diligence.
- There are distinct advantages to being a creditor even if one takes equity risk in the deal. In an area where the nature of the deals is not conducive to easy exits, the potential premium earned by equity is not worth the loss of creditor advantages.
- Make sure the team understands the equity investment process in general and has reputable, experienced advisors to provide guidance. Continually manage expectations of entrepreneurs and co-investors.
- Keep the social ROI in constant perspective.
- Think regional and become part of a holistic strategic resource plan.

Social and Financial Alignment

- You can make a good financial return through these investments!
- There are many opportunities to achieve double bottom line returns, but one has to be realistic about the levels of financial return likely.
- Make sure the focus is balanced between the social aspects and the financial returns.
- It can be challenging to strike a balance between financial and social objectives, but it is possible.

VI. Concluding Thoughts & Future Research

A Large, Diverse and Growing Landscape

This snapshot of the emerging DBL investor landscape reveals a colorful cadre of investors going about their work in myriad ways. Our research shows that the group of DBL funds is broader in industry scope and deeper in each social or environmental focus than either we, or our advisors, thought it would be. The capital under management in the funds is significant, and the investors are employing an impressive array of investment philosophies, structures, and strategies. It is remarkable that even in the middle of a very depressed early-stage funding market DBL fund managers remain overwhelmingly optimistic about future growth in each of their social or environmental interest areas. To date, there has been a great deal of experimentation in the segment.

Not only is this landscape diverse and fragmented, but also it is still relatively young. It appears that many of today's DBL investors have yet to exit from their investments. Perhaps the greatest barrier to the growth and success of the DBL capital market is the resulting lack of consistent and reliable financial return data. Many fund managers believe their returns will be similar to mainstream VC returns, but we were not able to collect evidence of this belief across the DBL segment.

Further complicating matters is a great disparity in the willingness of fund managers to publicly emphasize their social or environmental goals. Some funds downplay their social or environmental goals, which ultimately thwarts communication and sharing of best practices among, and especially across, fund types. We believe that the best way to counter the still widespread perception that financial returns will necessarily be sacrificed to a second bottom line is for DBL funds to demonstrate attractive financial returns.

In addition, there has been a widespread perception that DBL investing is primarily community development-focused, and will likely have lower returns due to geographic constraints. Studies done of CDVCA fund members have shown that the funds' relative youth and challenges in exiting investments have made evaluations of financial return difficult. Our survey showed that DBL funds invest in an incredibly diverse set of industries and interest areas; we believe it possible that the returns of the segment as a whole could prove to be both higher and more reliable if industries join together to counterbalance risk factors inherent in certain industry or interest areas.

Becoming a Recognized Investment Segment

Perhaps the most relevant model for the emerging DBL segment is the socially responsible investing community. The SRI community has grown and become a significant player in the money management sector over the last 20 some years, to the point where some estimate that 1 out of every 7 dollars invested in the U.S. is in some sort of SRI fund. SRI has emerged as an investment segment that:

- Encompasses several hundred funds with very diverse social screens.
- Brings the funds together under the term "socially responsible investing." By using this term, and referring to common literature, new funds can be easily recognized as part of the segment.
- Incorporates a relatively standard cost structure for the funds' social screening activities.
- Has demonstrated financial returns over the past 20 years that can be compared to the main investment market.

To grow over time and be considered an investment segment, the DBL fund community must do the same: encompass a broad variety of funds, use standard language to define itself as a common investment segment, standardize impact evaluation costs and practices, and demonstrate returns over time that can be compared to other forms of early-stage investing.

Impact Evaluation and Assessment

The segment also must be able to demonstrate non-financial impacts and must develop and share best practices in the area of impact evaluation and assessment. While there are no standards of practice for assessment, there is a lot of experimentation going on among the funds. In addition, nonprofit funds and intermediary organizations seem to be leading the way toward more effective social and environmental impact assessment and definitions of standards of practice. For example, the nonprofit CERES has worked to produce sustainability guidelines for companies and create standards for global environmental impact reporting. The Community Development Venture Capital Alliance has been supporting its members' efforts to track jobs and share best practices in social impact assessment across fund members. The National Social Venture Competition has developed the REDF Social Return on Investment (SROI) framework so that early-stage companies can project a dollar value for the public social or environmental costs saved through their activities, which several DBL funds are using. And the Rockefeller Foundation has been working through its Double Bottom Line Project to help entrepreneurs, foundations, and funds to choose the best tools to assess and/or monetize their social impact.

There is a considerable amount of experimentation taking place and we hope to see more reporting and sharing of best practices in the future. Given existing fee structures, most VC funds cannot afford to pay for a great deal of R&D activity in this area. But several have established sister nonprofits, companies or relationships with consulting firms to provide technical and evaluation assistance to their portfolio companies — effective models that could be emulated by more DBL funds.

DBL Segment Challenges

There are clear challenges to the growth of the DBL capital market. Until there is convincing, positive performance data on both bottom lines that can be evaluated publicly by credible third parties, DBL funds will face significant risks from two widespread perceptions: (1) that the DBL funds' social or environmental screening limits the potential pool of investments and thus the ultimate financial return of those investments; and (2) that DBL investments are primarily a hobby activity for the idealist investor, willing to take risks that other investors are not.

VI. Concluding Thoughts & Future Research

Perhaps one of our fund managers articulates the cycle of success best:

"No margin, no mission. If our portfolio companies can generate a market rate of return, then they will be viable and sustainable for the long term. If they cannot, then the jobs, the wealth, the economic development, the tax-base that we help to create are temporary, lasting only as long as the subsidy. Moreover, if we are able to demonstrate that we can generate superior returns for investors, then larger amounts of additional capital will flow into these under-served markets."

– Tod Hibbard, Fleet Development Ventures, LLC

In the end, DBL funds will be judged not by the means they use to screen or manage investments but by their returns, both financial and non-financial. We hope that this report's attempt to define the group will make it possible to track progress and ascertain which philosophies, structures and strategies will ultimately have the greatest impact on both bottom lines.

Future Research

We look forward to a better understanding of the segment and of the ultimate outcomes of DBL investing.

There are many opportunities for further study of DBL investing. The following is an initial list of some interesting projects that might be pursued:

1. Repeat same survey annually to reveal trends.
2. Expand the survey and the DBL directory to include more funds.
3. Study the experience of DBL entrepreneurs in getting the funding they need and bringing their companies to successful exits and returns.
4. Study subsets of DBL fund investments to determine financial and non-financial successes and factors contributing to them.
5. Analyze financial returns for subsets of funds or investments (as Investors' Circle, Harvard Business School, and McKinsey and Co. have done recently in a joint project analyzing returns for DBL investing by individual angel investors).
6. Explore the development of infrastructure and intermediaries needed to support the growth of the DBL funding market (for example, pooled exit vehicles or intermediaries to perform social and environmental impact assessment).
7. Explore the international DBL funding market.
8. Study challenges and lessons learned by the non-profit DBL funds.
9. Study syndication patterns in one or more industries to determine strengths and weaknesses of capital markets in areas of interest to DBL investors.

Appendix A. DBL Fund Contact Information

For complete fund profiles, visit www.riseproject.org. *Websites and emails below are all links; click to go to a fund website or send an email.*

ACEnet Ventures
www.acenetworks.org
Rick Krieger, Director
rkrieger@acenetworks.org
740-592-3854

Acumen Fund
www.acumenfund.org
Jacqueline Novogratz, CEO
jnovogratz@acumenfund.org
212-566-8821

Adena Ventures
www.adenaventures.com
Lynn Gellermann, President
gellermann@adenaventures.com
740-597-1470

Altira Technology Fund
www.altiragroup.com
Peter Edwards, Partner
pedwards@altiragroup.com
303-623-5200

Aretê Corporation
www.arete-microgen.com
Robert Shaw, President
aretecorp@cyberportal.net
603-253-9797

Asset Mangement Partners
Skip Fleshman, Associate
skip@assetman.com
650-494-7400

Aweida Capital Management
www.aweida.com
Jesse Aweida, Managing Partner
jesse@aweida.com
303-664-9520

Barred Rock Fund
Chuck Lacy, President
clacy@together.net
802-899-2776

Blue Hill Partners, LLP
www.bluehillpartners.com
Joyce Ferris, Managing Partner
joyceferris@bluehillpartners.com
215-247-2400

Boldcap Ventures, LLC
www.boldcap.com
Amy Wildstein, Fund Manager
amy@boldcap.com
212-730-5498

Boston Community Venture Fund
www.bcvfund.com
Elyse Cherry, CEO
echerry@bostoncommunitycapital.org
617-427-8600

Brook Venture Fund
www.brookventure.com
Andrew Clapp, Partner
aclapp@brookventure.com
617-451-2450

Appendix A. DBL Fund Contact Information

CALCEF
www.calcef.com
Peter Dunev, Managing Partner
dunev@calcef.com
208-727-0002

Calvert Funds
www.calvertgroup.com
Stephen Moody, Principal Venture Analyst
ventures@calvert.com
301-961-4786

CEI Community Ventures Fund, LLC
Michael Gurau, President
mhg@ceimaine.org
207-772-5356

Children's Edu-Investors Fund
Peter Feldman, General Partner
peterfeld@msn.com
860-435-0202

Chrysalix Energy Limited Partnership
www.chrysalix.com
Wal van Lierop, President and CEO
wvlierop@chrysalix.com
604-659-5499

Coastal Ventures II, LLC
www.ceiventures.com
Dawn Stillings, Associate
dmes@ceimaine.org
207-772-5356

Commons Capital, LP
www.commonscapital.com
William Osborn, Managing Director
wosborn@commonscapital.com
617-739-3500

EA Capital
Tony Lent, Managing Director
lent@eacapital.com
718-832-3665

ECD/ECD Investments, LLC
www.ecd.org
William Bynum, CEO and President
wbynum@ecd.org
601-944-1100

Exelon Capital Partners
www.exeloncapitalpartners.com
Robert Shinn, President
bob.shinn@exeloncorp.com
215-841-5690

Exeter Capital Partners
Kurt Bergquist, Partner
exeter@exeterfunds.com
212-872-1172

Expansion Capital Partners, LLC
Sanjay Wagle, Principal
sanjay@expansioncap.com
510-525-5784

Appendix A. DBL Fund Contact Information

Fleet Development Ventures, LLC
www.fleet.com/about_cig_fleetdevelopment
ventures.asp
George Hibbard, Director
george_a_hibbard@fleet.com
617-434-4328

Foursome Investments
www.foursome.net
Alex Hook, Investment Manager
a.hook@foursome.net
011-441-207-833-0555

GEF (Global Environment Fund)
www.globalenvironmentfund.com
Jeffrey Leonard, President and CEO
jleonard@globalenvironmentfund.com
202-789-4500

Goldman Sachs Urban Investment Group
Todd Stern, Associate
urbaninvestment@gs.com
888-902-5197

HMS Hawaii Management
www.hmshawaii.com
Dick Grey, General Partner
dick@hmshawaii.com
808-545-3755

Hopewell Ventures
Thomas Parkinson, Managing Director
parkinson@hopewellventures.com
312-855-8500

iNetworks New Opportunity Fund, LP
www.inetworksllc.com
Steven Russell, Managing Director
steven@inetworksllc.com
215-243-4111

Kentucky Highlands Investment Corporation
www.khic.org
Brenda McDaniel, Chief Financial Officer
bmcdaniel@khic.org
606-864-5175

MedVenture Associates
www.medven.com
Jan Barker, Principal
j.barker@medven.com
510-597-7979

National Economic Opportunity Fund
www.intrustusa.com
James Mingey, Co-manager
jmingey@intrustusa.com
302-571-8100, ext.11

Appendix A. DBL Fund Contact Information

Natural Capital Investment Fund, Inc.
www.wvncif.org
Marten Jenkins, Executive Director
m.jenkins@freshwaterinstitute.org
304-876-2815

New American Schools Investment Fund
www.newamericanschools.org
Keith Collar, President
kcollar@nasdc.org
703-647-1662

New Vantage Group
www.newvantagegroup.com
John May, Managing Partner
john@newvantagegroup.com
703-255-4930

New York City Investment Fund (NYCIF)
www.nycif.org
Kathryn Wylde, President and CEO
kwylde@nycp.org
212-493-7551

New York Community Investment Company
www.nycic.com
Howard Sommer, President
howard@nycic.com
212-693-0870

NewSchools Venture Fund
www.newschools.org
Kimberly Smith, President
ksmith@newschools.org
415-615-6867

NJTC Venture Fund
www.njtcvc.com
Brett Topche, Associate
brett@njtcvc.com
856-273-6800

Northern Community Investment Corporation
www.ncic.org
Paul Denton, President
denton@ncic.org
802-748-1888

Nth Power, LLC
www.nthpower.com
Rodrigo Prudencio, Principal
rprudencio@nthpower.com
415-983-9983

OPG Ventures Inc.
www.opgventures.com
David Oxtoby, Vice President, Investments
david.oxtoby@opg.com
416-592-5967

Pacific Community Ventures
www.pacificcommunityventures.org
Penelope Douglas, President
pdouglas@pcvmail.org
415-442-4300

Prospect Street Ventures
www.prospectstreet.com
Grier Eliasek, Managing Director
grier@prospectstreet.com
212-448-9577

Appendix A. DBL Fund Contact Information

Rockefeller Foundation, ProVenEx
Jacqueline Khor, Associate Director
Program Venture Investments
jkhor@rockfound.org
415-343-0223

Rural Development Investment Fund
www.cascadiafund.org/rdif.html
Dave Kleiber, Manager
dkleiber@cascadiafund.org
206-447-9226, ext.101

SAM Sustainability Private Equity, LP
www.sam-group.com
Walter Locher, Principal
walter@sam-group.com
602-222-9213

Signal Lake
www.signallake.com
Bart Stuck, Managing Director
bartstuck@signallake.com
203-454-1133

Solstice Capital
www.solcap.com
Henry Newman, Co-founder
hnewman@solcap.com
617-523-7733

Sound Point Ventures (Angels with Attitude)
www.soundpointventures.com
Kristin Martinez, Manager
kristin@soundpointventures.com
206-932-3850

Sustainable Jobs Fund (SJF Ventures)
www.sjfund.com
Dan Hoversten, Managing Director
dhoversten@sjfund.com
215-545-1750

Telecommunications Development Fund
www.tdfund.com
Penny Pickett, Business Director
inquiries@tdfund.com
202-293-8840

Appendix B. DBL Funds by Percentage of Capital Available for DBL Investing

Fund Name	Capital Under Management ($m)	Capital Available for Social or Environmental Investments ($m)	Percentage of Capital Available for DBL investing ($m)
GEF (Global Environment Fund)	300.0	300.0	100%
Prospect Street Ventures	200.0	200.0	100%
Fleet Development Ventures, LLC	100.0	100.0	100%
Asset Mangement Partners	100.0	100.0	100%
New York City Investment Fund (NYCIF)	95.0	95.0	100%
SAM Sustainability Private Equity LP	90.0	90.0	100%
MedVenture Associates	90.0	90.0	100%
OPG Ventures Inc.	65.0	65.0	100%
iNetworks New Opportunity Fund, LP	50.0	50.0	100%
Women's Growth Capital Fund	30.0	30.0	100%
Kentucky Highlands Investment Corporation	30.0	30.0	100%
Adena Ventures	26.0	26.0	100%
NewSchools Venture Fund	25.5	25.5	100%
Chrysalix Energy Limited Partnership	25.0	25.0	100%
Calvert Funds	25.0	25.0	100%
Boston Community Venture Fund	21.0	21.0	100%
Pacific Community Ventures	18.0	18.0	100%
Coastal Ventures II LLC	17.1	17.1	100%
Rockefeller Foundation, ProVenEx	17.0	17.0	100%
Northern Community Investment Corporation	15.0	15.0	100%
New American Schools Investment Fund	14.9	14.9	100%
Commons Capital LP	13.5	13.5	100%
HMS Hawaii Management	13.0	13.0	100%
CEI Community Ventures Fund, LLC	10.0	10.0	100%
ECD/ECD Investments, LLC	7.5	7.5	100%
Rural Development Investment Fund	5.6	5.6	100%
Barred Rock Fund	5.0	5.0	100%
Blue Hill Partners LLP	5.0	5.0	100%
Expansion Capital Partners	5.0	5.0	100%
Children's Edu-Investors Fund	2.5	2.5	100%
Sound Point Ventures (Angels with Attitude)	2.4	2.4	100%
Natural Capital Investment Fund, Inc.	0.7	0.7	100%
Sustainable Jobs Fund	17.0	14.0	82%
Nth Power, LLC	250.0	200.0	80%
US Global, LLC	25.0	20.0	80%
New Vantage Group	10.0	8.0	80%
ACEnet Ventures	1.0	0.8	75%
Signal Lake	60.0	40.0	67%
Underdog Ventures, LLC	5.5	3.5	64%
Foursome Investments	16.0	10.0	63%
Telecommunications Development Fund	50.0	30.0	60%
New York Community Investment Company	25.0	15.0	60%
UTFC Financing Entrepreneurs	17.0	10.0	59%
Solstice Capital	80.0	40.0	50%
Boldcap Ventures LLC	5.0	2.5	50%
Brook Venture Fund	35.0	10.0	29%
Aweida Capital Management	100.0	20.0	20%
Exeter Capital Partners	250.0	40.0	16%
Altira Technology Fund	100.0	15.0	15%
NJTC Venture Fund	80.0	10.0	13%
Exelon Capital Partners	70.0	7.0	10%
Acumen Fund	no data	no data	n/a
Aretê Corporation	no data	no data	n/a
EA Capital	no data	no data	n/a
Goldman Sachs Urban Investment Group	no data	no data	n/a
WTI Equity Fund	no data	no data	n/a
CALCEF	no data	no data	n/a
National Economic Opportunity Fund	no data	no data	n/a
Hopewell Ventures	no data	no data	n/a
Total ($ m)	**2,620.1**	**1,920.4**	

Appendix C. DBL Funds by Social and Environmental Interest Areas

Fund Name	Social or Environmental Investment Areas										
	Agriculture	Arts	Community	Education	Energy	Environ-ment	Health	Interna-tional	Minority	Women	Other
ACEnet Ventures	X				X		X		X	X	
Acumen Fund	X		X				X	X	X	X	
Adena Ventures	X			X	X	X	X		X	X	
Altira Technology Fund					X						
Aretê Corporation					X	X					
Asset Mangement Partners		X	X	X	X		X				
Aweida Capital Management				X	X	X	X				
Barred Rock Fund	X		X					X			X
Blue Hill Partners LLP	X				X	X					
Boldcap Ventures LLC	X					X	X			X	
Boston Community Venture Fund			X			X			X	X	
Brook Venture Fund						X			X	X	
CALCEF					X	X					
Calvert Funds	X		X	X	X	X	X	X	X		
CEI Community Ventures Fund, LLC			X		X	X			X	X	
Children's Edu-Investors Fund				X					X	X	
Chrysalix Energy Limited Partnership					X	X					
Coastal Ventures II LLC	X		X	X	X	X	X	X	X	X	X
Commons Capital LP	X		X	X	X	X	X	X	X	X	
EA Capital	X				X	X					X
ECD/ECD Investments, LLC			X				X		X	X	X
Exelon Capital Partners					X	X					
Exeter Capital Partners				X							
Expansion Capital Partners					X	X					X
Fleet Development Ventures, LLC			X						X	X	
Foursome Investments	X	X		X	X	X					X
GEF (Global Environment Fund)					X	X	X	X			
Goldman Sachs Urban Investment Group			X						X		
HMS Hawaii Management											X
Hopewell Ventures	X			X	X	X	X				
iNetworks New Opportunity Fund, LP									X	X	X
Kentucky Highlands Investment Corporation	X		X	X		X	X		X	X	
MedVenture Associates							X				
National Economic Opportunity Fund			X			X			X	X	
Natural Capital Investment Fund, Inc.	X		X			X			X	X	
New American Schools Investment Fund				X							
New Vantage Group				X	X	X	X			X	
New York City Investment Fund (NYCIF)		X	X	X			X		X	X	
New York Community Investment Company			X						X	X	
NewSchools Venture Fund				X							
NJTC Venture Fund				X	X	X	X		X	X	
Northern Community Investment Corporation			X	X						X	
Nth Power LLC					X	X					
OPG Ventures Inc.					X	X					
Pacific Community Ventures			X								
Prospect Street Ventures					X	X	X				
Rockefeller Foundation, ProVenEx	X	X	X				X				
Rural Development Investment Fund	X				X	X			X	X	X
SAM Sustainability Private Equity LP	X			X	X	X	X				
Signal Lake			X								
Solstice Capital				X	X	X	X				
Sound Point Ventures	X			X	X	X	X				
Sustainable Jobs Fund			X			X					
Telecommunications Development Fund									X	X	X
Underdog Ventures, LLC	X		X	X		X		X		X	X
US Global, LLC					X	X		X			
UTFC Financing Entrepreneurs				X	X	X	X		X	X	
Women's Growth Capital Fund										X	
WTI Equity Fund								X			

Appendix D. Survey Methodology

The goal of our RISE Social Investor Survey was to understand the emerging financial market for early-stage social and environmental equity investing in the United States. There is no formal designation for social and environmental equity investing as part of regular data collected from venture capital funds, foundations and nonprofits.

We generated a target list of funds through our board of advisors, sponsors, and research partners and through a widespread e-mail campaign to elicit fund names. We sent e-mail announcements about our survey to fund managers in two phases in October 2002 and in January 2003. The first phase included 241 funds that we identified as likely to fall within our criteria set. The second phase included 1,013 venture capital funds, identified from public sources, which we judged to have potential overlap with our criteria set, and we purposefully cast a wide net. Our target respondent was a fund's managing partner or director.

We received a total of 76 responses to the two phases, a response rate of 6%. We then eliminated funds that did not fall within our criteria set, reducing our total sample number to 59. Not all of the 59 funds answered all of our questions, and data in the findings include references to sample sizes when they are less than 59.

One significant opportunity for self-selection bias was identified in the use of the word "social" to describe the survey. Although some fund managers may have completed the survey despite the fact that the language we used to describe the target funds did not resonate with them, there may have been other managers who deemed the survey unrelated to their work and opted not to respond. If such a bias did occur, this report underrepresents those funds that may invest in areas that have social or environmental impacts but whose managers do not consider themselves "social" investors.

Also noteworthy is the number of managing partners and directors who actually filled in the survey. Our follow-up interactions with respondents indicated that, in most cases, it was indeed the firm's leadership that had carefully considered survey questions and provided responses.

Criteria for Inclusion:

1. Equity Investing. We included in the study investors who use equity vehicles to invest in for-profit ventures. Many funds mix instruments. Our criterion was that at least 1% of total capital be invested through equity vehicles, which include near-equity vehicles (such as convertible debt and equity kickers) and nonprofit program-related investments if structured in the form of equity.

2. U.S. Focus or Location. We included domestic funds and foreign funds that have an office or fund actively in the United States.

3. Early-Stage. We included funds that engage in seed- through early expansion-stage investing.

4. Institutional Investors. We did not include individual or angel investors. Some funds are stand-alone funds and some are part of a larger company or 501(c)3 organization. For example, the Goldman Sachs Urban Investment Group, a division within Goldman Sachs, a publicly traded corporation, is included.

5. Social or Environmental Intent. Our survey instrument contained detailed questions related to how the funds view socially or environmentally focused investing and how they implemented their views through their investment practices. We included funds that reported that they have some sort of social or environmental intent, at least some of the time, have already put dollars into ventures with a social or environmental purpose, or try in other ways to have an impact on social or environmental problems through their investment activities.

The funds included in the study are listed in Appendix A. A slightly larger group of funds is listed in our RISE Double Bottom Line Investor Directory, available at www.riseproject.org. Also available on the site is the full text of the survey as sent to fund managers.

Appendix E. Top DBL Investments

We asked DBL fund managers to name companies that have provided the greatest financial returns to DBL investors, and in a separate question we asked them to name those that have provided the greatest social or environmental returns. The list below is an aggregation of their replies, which includes descriptions taken from company websites, and identifies the question under which the managers named each company. Several companies were listed as having both high financial and high social or environmental returns, though not always by the same manager.

Company Name	Website	Description	Type of Returns Identified
AstroPower	www.astropower.com	Produces the world's largest solar electric (photovoltaic) cells and a full line of solar modules.	Financial
Ballard Power	www.ballard.com	Develops, manufactures and markets zero-emission proton exchange membrane (PEM) fuel cells for transportation and power generation applications.	Financial
Capstone	www.microturbine.com	Produces very-low-emission microturbine systems used for onsite power production	Financial
Catalytic Solutions	www.catsolns.com	Manufactures and delivers a break-through proprietary technology that significantly improves the performance and reduces the cost of catalytic converters.	Financial
Ecofish	www.ecofish.com	Promotes ecologically responsible consumption of seafood, while providing our customers with the freshest and highest quality, most delicious seafood available.	Social
Ember	www.ember.com	Offers a family of low-cost, low-power, and high performance radio chips enhanced with EmberNet™ embedded networking software.	Financial
Evergreen Solar, Inc.,	www.evergreensolar.com	Manufactures photovoltaic cells and modules for use in the remote power and distributed generation markets.	Both
Horizon Organic	www.horizonorganic.com	Boasts a full line of certified organic milk, other dairy, egg and juice products.	Both
Hydrogenics, Inc.	www.hydrogenics.com	Designs and builds integrated proton exchange membrane, or PEM, fuel cell systems for power generation as well as for fuel cell testing and diagnosis.	Financial
Ionic	www.ionicmicro.com	Develops technology proactively for the home networking and short-range wireless networking space.	Financial
K-bio	none	Provides ultra low cost pharmaceuticals for developing countries, based in India.	Social
Northern Power	www.northernpower.com	Designs, builds and installs ultra-reliable electric power systems for industrial, commercial and government customers worldwide.	Financial
Patagonia Inc.	www.patagonia.com	Produces specialty outdoorwear while promoting environmental protection through operations and philanthropy.	Both
Proton Energy Systems	www.protonenergy.com	Builds HOGEN® PEM hydrogen generators and UNIGEN® regenerative PEM fuel cell systems.	Both
Sonic Innovations	www.sonici.com	Develops small, comfortable and reliable hearing aids hearing aids, using the smallest single chip DSP platform ever installed in a hearing aid.	Both
Stolt Sea Farm Group	www.stoltseafarm.com	A fully integrated, worldwide, species-diverse deliverer of high quality seafood.	Social
Stonyfield Farm	www.stonyfield.com	Committed to producing the best-tasting, healthiest yogurts, frozen yogurts and ice cream possible.	Both
The Body Shop	www.thebodyshop.com	A values-driven, high quality skin and body care retailer operating in 50 countries with over 1900 outlets spanning 25 languages and 12 time zones.	Both
Vestas	www.hydrogenics.com	The world's largest and leading manufacturer of wind turbines.	Both
Whole Foods Markets	www.wholefoods.com	The world's largest retailer of natural and organic foods, with 144 stores in North America.	Both
Zond Corporation of California	none	A leading American wind energy power plant developer, operator, and manufacturer, which became a subsidiary of Enron Renewable Energy Corp in 1997.	Financial

Appendix F. Acknowledgements & Credits

RISE Board of Advisors

Jeffrey A. Fromm
President
KnowledgeQuest Education Group LLC

Ray Horton
Professor and Director
Social Enterprise Program
Columbia Business School

Tony Lent
Co-Founder and Managing Director
EA Capital, LLC

Murray Low
Associate Professor and Director
Lang Center for Entrepreneurship
Columbia Business School

Steve Lydenberg
Principal
Domini Social Investments

William Osborn
Investment Manager
Commons Capital, LP

William Rosenzweig
Founder, Ideagarden, Inc.
Principal, Great Spirit Ventures
Faculty Advisor, National Social Venture
Competition
Haas School of Business
at UC Berkeley

Julia Sass Rubin
Assistant Professor of Public Policy
Edward J. Bloustein School of Planning and
Public Policy, Rutgers University

Woody Tasch
Chairman
Investors' Circle

Kerwin Tesdell
President
Community Development Venture Capital
Alliance

RISE Staff and Consultants

Catherine Clark
RISE Director
Adjunct Assistant Professor
Columbia Business School

Josie Taylor Gaillard
RISE Survey Manager

Selen Ucak
RISE Survey Research Manager

Database Production

Rusty Gaillard and Michael Shavel

Website Design

David Winzelberg

Print Design

Andrew Boardman, MANOVERBOARD

Editing

Judith Kahn

Printing

Mount Kisco Printing, Inc.

Appendix F. Acknowledgements & Credits

RISE MBA Student Managers

RISE's work would not be possible without the contributions of MBA students and graduates at Columbia Business School and the Haas School of Business at UC Berkeley:

Theresa Cassidy, Columbia
Rani Deshpande, Columbia
Laura Goodman, Columbia
Eliot Jamison, Haas
Ben Kornfeind, Columbia
Melisa Prevost, Haas
Sarah Scrogin, Columbia
Sue Zelt, Columbia
Karin Wallestad, Haas

Thanks

RISE is grateful to the following people for their generous contributions of time, thoughts, and energy:

Amanda Birnbaum
Amy Dickie
Anne Claire Broughton
Betsy Biemann
Bob Barton
Brian Chossek
Brian Dunn
Brian Schmitt
Camilla Seth
Caroline Williams
Carolyn Champ
Chuck Lacy
David Berge
Dean Meyer Feldberg
Debra Filtzer
Diana Propper de Callejon
Elyse Cherry
Gloria Lee, Aspire
Gloria Lee, JP Morgan Partners
Jason Scott
Jay Rand
Jeff Fromm
Jenifer Renshaw
Jennifer Hersch
Jerry Engel
John Mullins
Julia Sass Rubin
Kate Stockwell
Katherine Kim
Kerwin Tesdell
Kristen Ace Burns
Kristin Martinez
Larry Waddell
Maria Gotsch
Marilyn Kohn
Mark Donohue
Mayra Reyes de Solomon
Melissa Bradley
Michael Robbins
Michele Kahane
Murray Low
Neil Houghton
Nick Gleason
Ralph Taylor
Ray Horton
Rick Lipkin
Rose Sculley
Russ Carson
Sandy Wright
Sanjay Wagle
Sara Olsen
Stephanie Robertson
Steve Lydenberg
Steve Moody
Suzanna Valdez
Tony Lent
Will Rosenzweig
Willy Osborn
Woody Tasch

Brody, Frances, and Kevin McQueen, Krista Velasquez, and John Weiser (2002). "Current Practices in Program-Related Investing," Brody, Weiser & Burns.
http://brodyweiser.com/pdf/currentpracticesinpri.pdf

Emerson, Jed (2002). "Total Foundation Asset Management: Exploring Elements of Engagement within Philanthropic Practice," Stanford University Research Paper no. 1803.
http://gobi.stanford.edu/ResearchPapers/Library/RP1803.pdf

Ernst & Young/VentureOne Venture Capital Survey (2003). "2002 US Venture Investment Higher Than '98, But Falling," January 7, 2003 press release.
http://www.ventureone.com/ii/Financing4Q02.pdf

Prahalad, C.K., and Stuart L. Hart (2002). "The Fortune at the Bottom of the Pyramid," Strategy and Competition, First Quarter, 2002.

Renz, Loren (2001). "PRI Financing: 1998–1999 Trends and Statistics," The Foundation Center.

Rubin, Julia Sass (2001). "Community Development Venture Capital: A Double-Bottom Line Approach to Poverty Alleviation." In Changing Financial Markets and Community Development, Proceedings of the April 4–6, 2001 Federal Reserve System Research Conference. Washington, D.C.: Federal Reserve System.

Singer, Thea (2001). "Can Business Still Save the World?" Inc. Magazine, April 2001.