Capturing Impact Investing: The Promise and Constraints of a Growing Movement

By Michael F. Kellerman, Senior Consultant
Schultz & Williams

August 2018

Schultz & Williams

1617 JFK Boulevard
Suite 1700
Philadelphia, PA 19103

215.625.9955
schultzwilliams.com

Table of Contents

By Michael F. Kellerman
Senior Consultant,
Schultz & Williams

August 2018

Capturing Impact Investing: The Promise and Constraints of a Growing Movement

In light of the rapidly growing influence the field of impact investing holds in the philanthropic and social sector, the author engages in a closer examination of the field's origins, scope, innovations and prospects.

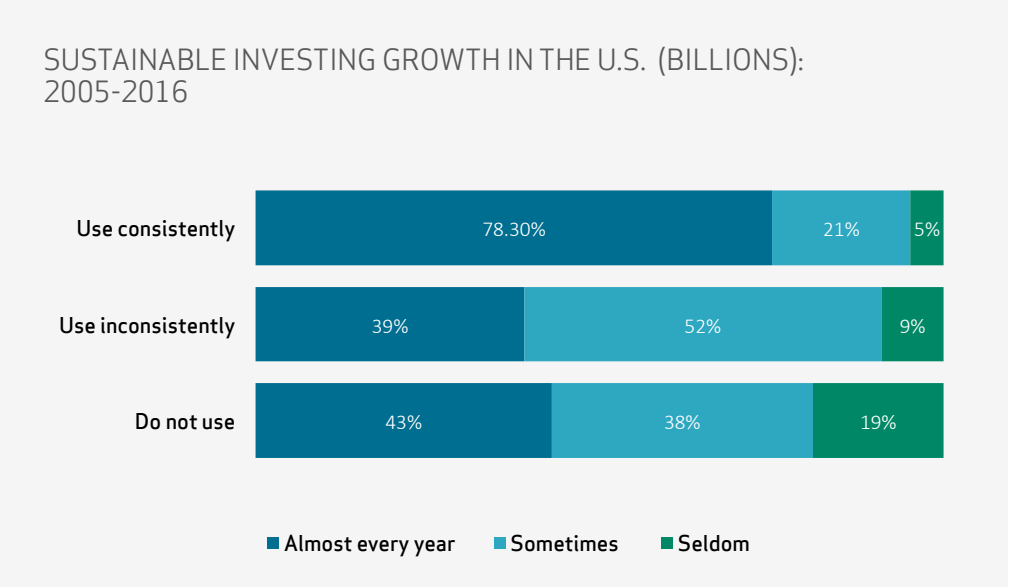
Introduction

For many people who work in the social sector, the recent rise in attention given the growing field of impact investing has created a combination of curiosity, expectation and skepticism. Research papers, released daily from the business and academic sectors, tout its promise of sustainability, scale and invention. Keynote speakers at conferences large and small extol the potential for impact investing to transform the world. Indeed, nearly everyone who encounters the idea is unified on principle by the spirit behind it: to align the goals of profit-making with the creation of positive social and environmental impact in order to forge a global force for good.

The reality of this promise, as with many nascent fields, splits its critics. For a social entrepreneur looking to achieve scale with their market-busting idea, the proliferation of the practice heralds the possibility of new investors hungry for opportunity. For a nonprofit CEO struggling to balance their budget and expand operations to meet growing demand, the buzz can draw attention away from the need for greater access to unrestricted philanthropic capital.

For the foundation or philanthropist, impact investing can represent new ways to increase support and bring about greater change through innovative financial instruments and practices. For the investment banker, the challenge can be exciting and frustrating, as the influx of client demands to align their investments with their values outpaces the availability of well-vetted investment opportunities.

In fact, according to The Forum for Sustainable and Responsible Investment, the total U.S. assets under management using socially responsible investment strategies grew from under $3 trillion in 2005 to $8.72 trillion at the start of 2016, an increase of 210% percent in just over a decade.



Source: The Forum for Sustainable and Responsible Investment

Whether you are an idealist, a cynic or a bit of both, of this we can be sure: impact investing is growing exponentially and will continue to influence conversations in board rooms, staff lounges and city halls across America for the foreseeable future. Whether it will bring on a new age of discovery or simply open new avenues for some organizations to access capital is yet to be determined. The very premise deserves exploration.

In the words of Jed Emerson and Anthony Bugg-Levine, co-authors of *Impact Investing: Transforming How We Make Money While Making a Difference*:

> The core promise of impact investing…is that we can marry the incentives and discipline of private investment to the passion and purpose of development aid…We can no longer afford to waste capital and talent by organizing ourselves around the separate poles of financial return and social good, which forces us to play the middle against itself.

The basic tenants and the current status of impact investing could be summarized as follows:

- Solutions to social problems require levels of investment well beyond the capability of government support and philanthropy;
- Social impact-oriented business, financial instruments and organizational models are emerging that can achieve social impact and result in repayment to investors in some way;
- There is a willingness within the economic system to support the private sector taking part in creating positive social impact; and
- Such models are emergent and yet lack the infrastructure and standardization to attract the full power of mainstream traditional investment.

Two Poles of Innovation

For much of modern human history, the goals of providing charity and creating financial profit have existed on opposite polarities. In the U.S., the philanthropic sector has evolved as an industry to encompass the activities primarily of governments, nonprofit organizations and social entrepreneurs aimed at making positive social impact. The global financial system, on the other hand, has developed into a complex and interconnected mesh of activities aimed at creating and sustaining financial return and growth for investors and corporations through technological enhancement, structural innovations, and other wealth creation and preservation methods.

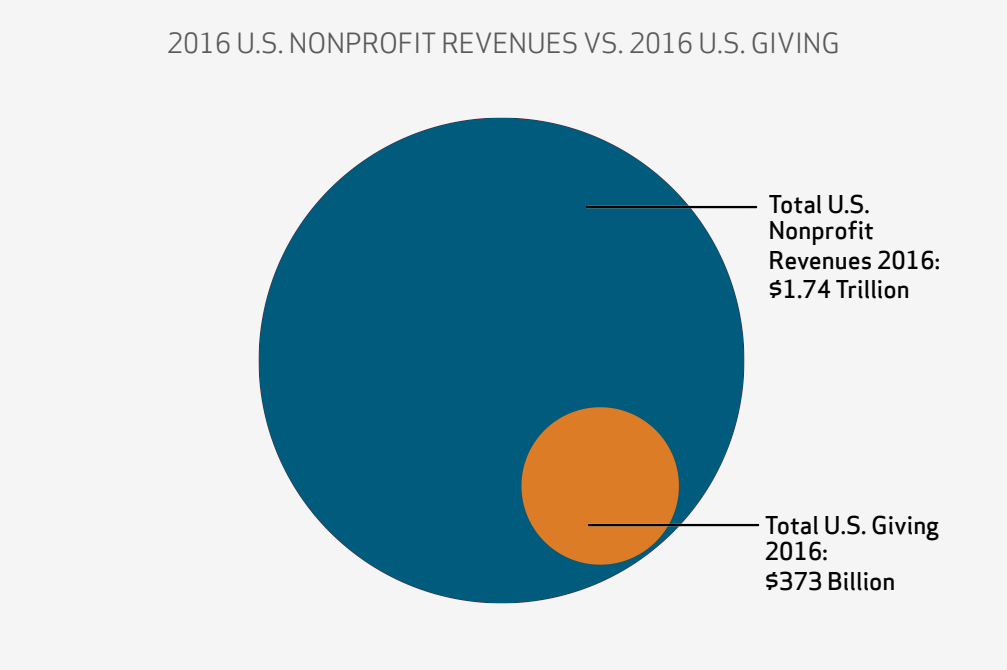
As the U.S. nonprofit sector has exploded in the last few decades, several stubborn and sobering realities have persisted. Despite the expansion of social sector activities across the globe, in many areas, especially those concerning the most critical societal challenges, the needs outpace the gains. While in certain areas there has been tremendous positive change, such as disease, infant mortality and other health factors, issues such as poverty, educational inequality and many others persist or grow beyond the efforts to alleviate them. It is clear to many that the social sector alone cannot solve these entrenched problems.

At the same time, while U.S. philanthropy remains the most developed and robust sector of its kind in history, Schultz & Williams and others have written

often about the "stubborn 2%," that unchanging percentage of U.S. GDP made up of annual total philanthropic giving. Without stomping on the achievements of philanthropy, it wouldn't be wise to expect that a wholesale surge in giving will plug the needs gap in our communities anytime soon. In short, the nonprofit sector, which is responsible for tackling our most complex social and environmental problems, has a cash problem.

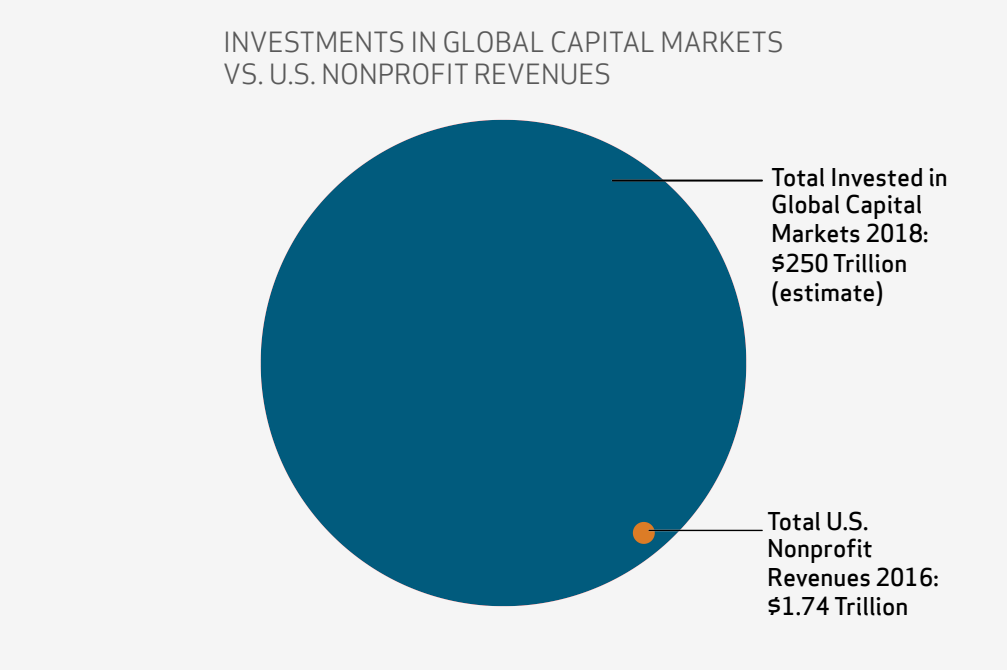
All the Money in the World

According to the Urban Institute's Center on Nonprofits and Philanthropy, based on 2016 data, the U.S. nonprofit sector had total revenues of nearly $1.74 trillion, making up 5.4% of the national GDP. Philanthropic giving, which came in at $373 billion that same year, makes up just over 21% of that total. Nearly four-fifths of all nonprofit revenues came from earned revenue streams, or those activities that mimic or replicate market-driven earnings.



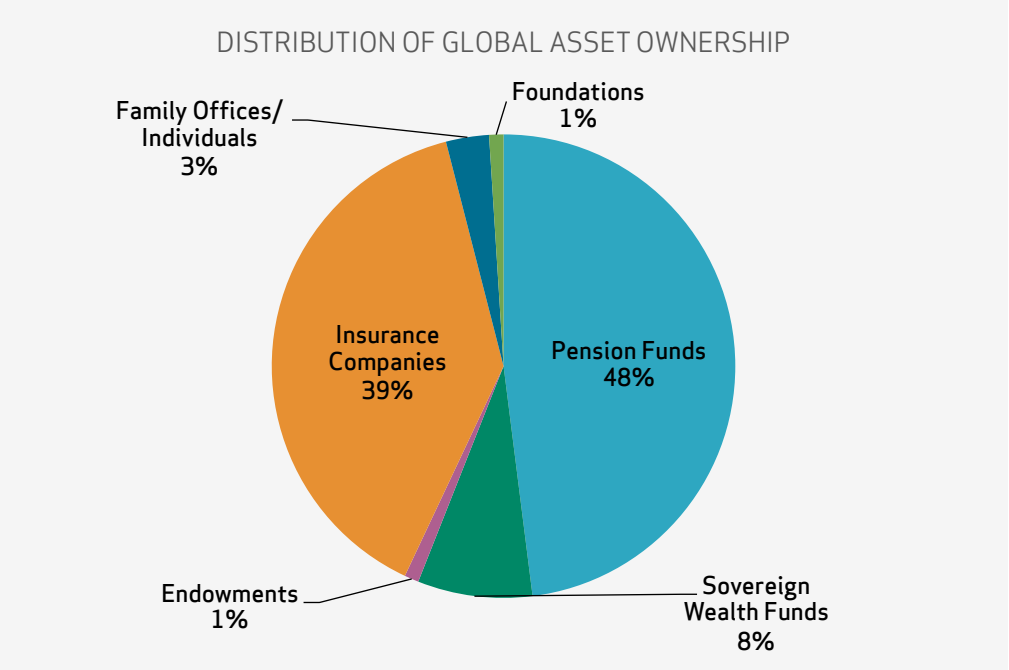
Source: The National Center for Charitable Statistics

Put into context, in 2018 according to NASDAQ the total value invested in the U.S. stock market crossed the $30 trillion mark, and though calculations vary due to the inconsistency of data, the total value of the global capital markets is estimated by the World Economic Forum to be more than $250 trillion.



Source: World Economic Forum

According to the World Economic Forum, most of the world's capital is held is held in either pension funds or insurance companies (87%), the world's great piggy banks. Together foundations and endowments only make up 2% of the pie. While the social sector endeavors to change the world for the better and solve the problems that harm humans and the planet, this activity is but a tiny part of the economic activity taking place across the globe.



Source: World Economic Forum

While a cynic may see this as reason for pessimism, impact investors see opportunity.

Through Profit, No Harm

Much has been written about how the industrial revolution brought about the creation of the world's first stable and extensive working class, significantly improving the quality of life in many places and ushering in the modern era. The information age that brought the internet and social media has made it possible for people across the world to intimately encounter the tremendous gaps between the rich and poor, to witness the effects of industrialization on our planet and to organize their activity according to their values. As a result, values have taken center stage as an influencer of human behavior, and from the wealthy investor to the average consumer, values have become a critical factor impacting spending and other economic decisions.

The practices and norms that have governed the financial sector for centuries adhere to the principle of protecting and stewarding assets under management to the greatest profit possible. The overlay of values or other

subjective factors that might be perceived as distracting from the goal of protecting profits fits within these timeworn standards like a square peg in a round hole. Here, an example, one from an organization that exists for the very purpose of making positive impact, is illustrative.

By the mid-2000s, the Gates Foundation, America's largest, had made tens of millions of dollars in grants to the Niger Delta region of Nigeria to combat the community health issues caused by the environmentally erosive practices of the international oil industry in the area. In a 2007 investigation, the *LA Times* exposed that the fund managers in charge of the foundation's endowment had been earning profits from investing in the very oil conglomerates whose negative impacts their charitable activities were aimed at fighting. The authors of the piece found through their research that 41% of the Gates Foundation's assets were with companies whose activities stood in opposition to the foundation's charitable mission in some way. Later that very year, the Gates Foundation released a statement promising to reassess its investments and investment strategies to determine whether their holdings were socially responsible. The process took years and resulted in some minimal but important movements away from certain types of investments.

Most foundations have yet to take similar actions. In recent years, student protests have broken out at Harvard, Yale, the University of Massachusetts and other schools regarding the investments powering the schools' endowments. The negative social and environmental impacts of profit-making activities have emerged as a firebrand for social activists, a movement that is growing among retirement funds, pension funds and other collective investment vehicles.

Putting the Positive Impact in Profit

Significant impact investment activity coming out of the financial industry in recent years has been generated from the very top of the global wealth pyramid. As the appetite of the wealthiest individuals for impact investments has exploded, so too has the activity among financial institutions and entrepreneurs to make direct impact investments or deliver investment vehicles that match the stakeholder's values. The following are several well-known examples:

Corporate Social Responsibility (CSR)

As social movements have recently shown the potential value of brand alignment with such impact investing hot-button issues as green technology and sustainability, some corporations have begun to incorporate positive social impact as a foundational component of their brand. A strong example of the emergence of the corporate interest in the realm of impact investing is the Conscious Capitalism movement, which incorporates a blend of values into a core business model and practiced by member corporations such as Whole Foods and The Container Store. Groups such as B Lab have developed tools for analyzing and rewarding positive social impact in the profit and nonprofit corporate sector, which to date has named more than 2,500 corporations as Certified B Corporations and has begun to emerge as a widely recognized and sought-after standard, not unlike USDA organic or Fair Trade.

Socially Responsible Investments (SRI)

A key development in the evolution of impact investing centered on the practice of SRIs. SRIs began in the 1980s as a way for fund managers to respond to the call amongst some philanthropic or socially-minded investors to ensure and measure the potential social impacts of assets under investment. According to the Global Sustainable Investment Alliance, SRI assets in the U.S. rose more than 2000% from $639 billion in 1995 to $15 trillion in 2017. An important distinction with SRIs, however, is that the aim of the industry was to screen against unintentional investment in assets that created negative social impact and wasn't focused on the proactive sourcing or development of investments in emerging organizations creating positive social impact.

Environmental, Social and Governance Criteria (ESG)

A movement gaining traction among impact investors and larger investors such as Japan's Government Pension Investment Fund is the use of ESG tools to screen for investments. Environmental criteria assess performance in positively stewarding the natural environment; social criteria assess a company's community impact as well as its standards with regards to treatment of employees and customers; and governance criteria assess executive pay, shareholder rights and other factors. At some leading ESG-practicing

investment firms, social impact factors into employee compensation, whereas traditionally, compensation focuses solely on profit-making achievements.

ESG practices have soared in recent years. According to McKinsey, ESG accounted for $22.89 trillion or 26% of professionally managed assets in Asia, Australia, New Zealand, Canada, Europe and the U.S. in 2016, up nearly 5% in five years. Significant challenges being tackled by financial research firms and universities include integrating impact criteria into global financial data tracking systems and analyzing how impact investments stack up against more traditional investments. Recent reports such as The Wharton School's "Great Expectations" or the Global Impact Investing Network's (GIIN) "GIIN Perspectives" analyzed the market performance of impact investments and found substantial evidence to support that impact investors targeting market-rate returns have achieved them.

In 2015, Wall Street megafirm Goldman Sachs acquired Imprint Capital, a 17-person impact investing firm with $500 million under management (Goldman at the time had $1.18 trillion). Many saw this as the leading move in a rush to incorporate the capacity to source and carry out impact investments into the elite investment field.

In short, impact investing concepts and practices are beginning to make significant waves within the great global pool of money as investors wake up to the possibility of marrying their aspiration to do good with their desire to make profit. But what about those striving to tackle society's greatest challenges day in and day out?

The Innovation of Philanthropy

By its very nature, philanthropy is an innovation. While the information covered here relates mainly to U.S. philanthropy, the development of the massive social sector we have today would not have been possible without the pioneer efforts of philanthropic entrepreneurs around the world who banded together to put their resources into action to create positive change for communities in need.

The roots of impact investing internationally can be traced back to actions in the mid-20th century, when governments recognized that donations alone could not spur sustainable poverty alleviation in poor countries. Following the

Second World War, the victorious Allied powers set up what is now the World Bank, whose investments continue to this day to the tune of $60 billion annually or more.

The U.S. government's role in encouraging investment from the private sector also serves as a foundation for the impact investing industry's development. A prime example of this is the Community Reinvestment Act of 1968, under which commercial banks and savings and loans were encouraged through economic incentive to serve the needs of minority and low-to-middle-income neighborhoods that were often ignored by the private sector.

During this same decade, the Ford Foundation recognized that some of the nonprofits it contributed to had models that could benefit from loans as opposed to smaller grants. In 1969, the foundation successfully advocated for a change in the U.S. tax code to allow for Program Related Investments (PRIs), no-interest loans made from annual endowment allocations. This innovation created access to capital for nonprofits whose business model supported return on investment. To date, the Ford Foundation alone has made more than $600 million in PRI investments.

In the late 1990s, The F.B. Heron Foundation questioned the limitation of administering PRIs from the annual distribution and took the bold step of unlocking the power of its full endowment to invest its permanent corpus as a means for achieving their philanthropic mission. Through this process they invented the Mission Related Investment, or MRI. An MRI is often said to seek a "double bottom line," a term now synonymous with impact investing that generates both a financial return and a positive social impact. MRIs can take many forms, such as deposits in community development banks, loans or equity investments directly in companies or in intermediaries (like funds or partnerships) that seek to advance one or more social aims. Often MRI investments are made into institutions whose missions turn around funds for lending in needy communities.

The potential of unlocking full foundation assets for impact investment is tremendous. Indeed, if all U.S. foundations unlocked just 5% of their endowed funds for MRIs, the result would be a $50 billion investment pool, similar in size to the entire U.S. venture capital industry.

The same spirit behind the Heron Foundation's actions in 1996 fueled foundations and research institutions in the late 1990s to push the U.S. federal government to create New Markets Tax Credits (NMTCs) through the Community Renewal Tax Relief Act of 2000. NMTCs catalyze revitalization efforts of low-income and impoverished communities in the U.S. that are typically ignored by private investors. The NMTC Program provides tax credit incentives to investors in return for equity investments in certified Community Development Entities and Corporations, which in turn directly invest in low-income communities.

Another tool private foundations have innovated to create impact with is the loan guarantee. Under this model, foundations create financial leverage through their assets. In 2009, the Gates Foundation committed $300 million in guarantees to Houston-based KIPP Charter Schools to build facilities. While not an outright grant, the guarantees on any losses the organization could potentially see enabled the organization to lower the rate of its bank loan by three percentage points, saving KIPP $10 million in interest over the life of their loans, which in impact created a cash equivalent to a multi-million-dollar grant that will likely cost the Gates Foundation very little in the end and could potentially return the full investment.

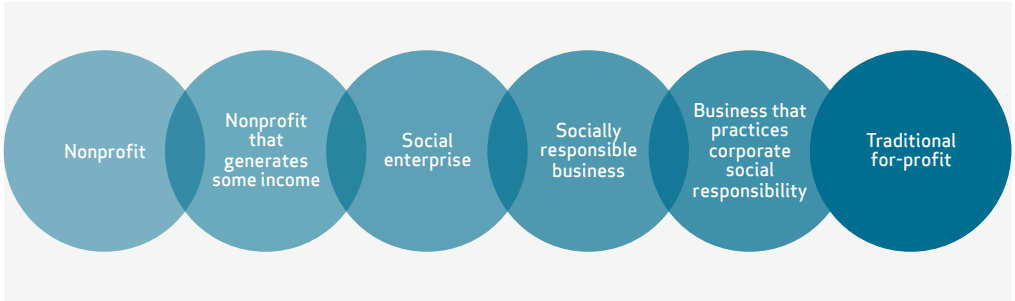
There are countless other examples of innovations that have been generated through the practice of philanthropy with the goal of increasing the availability of and access to capital for social sector organizations. While Antony Bugg-Levine is credited with coining the term "impact investing" in 2007, the meaning of the term has been put into action for centuries.

From Silos to an Integrated Industry for Good

So how does all this activity, from both poles of profit, align to impact you where you fall on the spectrum?

First, it is important to acknowledge that drawing a clear distinction between the nonprofit and for-profit sectors ignores the fiscal realities of different organizational models. While the traditional nonprofit (whose revenue is generated primarily through contributed sources) and the traditional for-profit (whose activities exist to create profit agnostic of positive impact) occupy two ends of the spectrum, many operational models exist that blend types of profit-making with creating social impact.

The Social Investment Spectrum

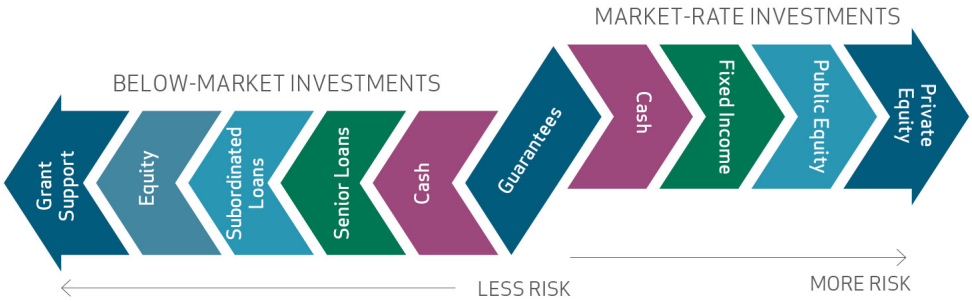


Source: 4Lenses.org

Consider this spectrum against well-known organizational missions, and the diversity is apparent. For example, whereas a traditional child welfare organization might rely on government reimbursements for more than 95% of its revenue and generate no income, nonprofits such as Habitat for Humanity or Goodwill Industries generate substantial revenues, in Habitat's case from the sale of mortgages and in Goodwill's case from the sales of repurposed donated items in retail settings.

A similar diversity exists when you consider the types of investments supporting this spectrum of organizational models. Consider the investing continuum below created by the FB Heron Foundation.

FB Heron Foundation Mission-Related Investing Continuum



A simple juxtaposition of the perception of risk helps explain how the two poles of innovation differ. For a traditional philanthropist accustomed to the traditional nonprofit model, making an outright grant would represent the least-risky investment, and taking an equity stake in a mission-based organization would represent the riskiest investment.

For a private investor looking to secure a financial return on investment or profit, however, the opposite would be true. A grant, which will return none of the investment, is as risky as it gets. A private equity investment, which requires the return of invested capital in most cases with a profit, is what a private investor is calibrated to achieve.

It follows then that as impact investing expands and is adopted by more actors in the investment field, philanthropic investors will have the opportunity to embrace new ways of expanding their impact through nontraditional, more market-based investments that deliver positive impact. At the same time, the for-profit investment industry will be able to meet growing investor demand and develop effective models for employing capital to produce positive impact alongside diverse means of achieving return on investment.

A New Age of Discovery

The potential for the rise of impact investing to have a positive impact on a social sector business depends on many factors, not the least of which is the balance of contributed and earned revenues and how the organization achieves them. For many nonprofit leaders, securing impact investments may not be realistic. For some, the expansion of impact capital instruments may open more favorable terms for loans or guarantees. For others, impact investing concepts are extremely promising, but the organization may lack the capacity, sophistication in data collection or networks, or face other barriers to access. For example, in recent years, several prominent nonprofits have expanded significantly based on their mission to help underserved or under-resourced populations better access the spectrum of social programs available to them to improve health, bring about stability and achieve other outcomes. While this may seem to be in line with a traditional nonprofit service model, the potential for not only better outcomes but financial savings from these activities might suggest that, on a large scale, there may be significant return on investment for an investor in this model. Consider the current debate raging over the idea of the social impact bond.

The first social impact bond (SIB), or "pay for success" bond, in the U.S. was set up to tackle the social and public-sector costs of high recidivism rates among formerly incarcerated people in New York City. The idea for the SIB was that through the provision of intensive cognitive behavioral therapy interventions and other measures meant to connect returning citizens to healthy communities, in the longer term and the through the successful prevention of reincarceration for those served, the city would save more than the investment made in the initial rehabilitation. By partnering with the private sector, in this example it was Goldman Sachs that provided the capital to support the intervention, the capital was made available to support the program's implementation. In theory, if the organizations providing the therapy and other interventions were successful, the city would achieve a cost savings, enabling the city to pay the investor back over time, earning Goldman Sachs a return or profit on their initial investment. The idea, which originated in the United Kingdom, sparked a torrent of interest, and the model has been replicated in communities across the U.S. in recent years.

Over time, it has become clear that the recidivism SIB in New York City failed to achieve its goal, sparking a great deal of criticism of the model itself. While it may be considered odd that a for-profit investment firm such as Goldman Sachs would take such a protracted risk, in reality the Bloomberg Foundation, much like the loan guarantee example from the Gates Foundation explained earlier, guaranteed the majority of Goldman's investment in the event of failure. In the end, the model for this experiment in innovation depended on the risk capital of the philanthropic sector.

A new age of discovery in the delivery of greater positive impact in communities across the globe requires that we commit to failure, invention, constant retooling and the other realities of innovation to bring about change. Just as the predominant quality present in the studies of successful social entrepreneurs was grit, the development of successful new innovations will require time and the willingness to fail regularly before succeeding. Regarding SIBs and following the failure of several attempts to achieve the full promise of the model, institutions such as the Rockefeller Foundation have begun to consider the positive outcomes generated by the experiments and the value they have even if short of the full return on investment first imagined.

The social impact bond is an effective allegory for the rise of impact investing. Practiced for decades, if not centuries, in varying forms by the philanthropic and financial sectors, the increasing interaction of positive impact and profit-making across organizational models heralds the potential for a significant step forward for the plight of humanity and the earth.

For the cynic and the optimist alike, impact investing has the potential to initiate a new age of discovery for the social sector, the impact and scale of which is still undetermined. Isaac Newton said, "No great discovery was ever made without a bold guess." Where and how the next breakthrough will be achieved is anyone's guess, but the mobilization of market forces and experimentation powering the rise of impact investing is nothing if not bold.

Bibliography

Berow, Sarah, Bryce Klempner, and Clarisse Magnin. "From 'Why' to 'Why Not': Sustainable Investing as the New Normal." McKinsey & Company

(website). Accessed July 4, 2018. **https://www.mckinsey.com/industries/private-equity-and-principal-investors/our-insights/from-why-to-why-not-sustainable-investing-as-the-new-normal**

Bill & Melinda Gates Foundation (website). "Foundation Provides $30 Million Credit Support Agreement to Secure $300 Million in Charter School Facility Financing." Accessed June 10, 2018. **http://www.gatesfoundation.org/Media-Center/Press-Releases/2009/11/$30-Million-Credit-Support-Agreement-to-Secure-$300-Million-in-Charter-School-Facility-Financing**

Bugg-Levine, Anthony, and Jedd Emerson. *Impact Investing: Transforming How We Make Money While Making A Difference.* San Francisco: Jossey-Bass, 2011.

Charity Navigator (website). "Giving Statistics." Accessed June 12, 2018. **https://www.charitynavigator.org/index.cfm?bay=content.view&cpid=42**

Fiore, Nicholas. "The Community Renewal Tax Relief Act of 2000: New Incentives for Taxpayers Investing in Distressed Communities." *Journal of Accountancy*, Volume 192, Pg. 78, August 2001.

Ford Foundation (website). Accessed June 2, 2018. **http://www.fordfoundation.org/grants/program-related-investment**

Four Lenses Strategic Framework, The (website). "Hybrid Spectrum." Accessed June 22, 2018. **http://www.4lenses.org/setypology/hybrid_spectrum**

Giving USA (website). "Giving USA 2018: Americans Gave $410.02 Billion to Charity in 2017, Crossing the $400 Billion Mark for the First Time." Posted June 13, 2018. **https://givingusa.org/giving-usa-2018-americans-gave-410-02-billion-to-charity-in-2017-crossing-the-400-billion-mark-for-the-first-time/**

Global Sustainable Investment Alliance. *2016 Global Sustainable Investment Review.* Accessed July 2, 2018.
http://www.gsi-alliance.org/wp-content/uploads/2017/03/GSIR_Review2016.F.pdf

Goldman Sachs (website). "Goldman Sachs Asset Management (GSAM) to Acquire Leading Institutional Impact Investing Firm Imprint Capital." Posted July13, 2015.
https://www.goldmansachs.com/media-relations/press-releases/current/gsam-announcement-7-13-15.html

"Growth of Impact Investing Significant, But More Needed, Study Finds." *Philanthropy News Digest*, March 21, 2018.
https://philanthropynewsdigest.org/news/growth-of-impact-investing-significant-but-more-needed-study-finds

Global Impact Investing Network (website). "Impact Investing: A Guide to this Dynamic Market." Accessed September 9, 2018.
https://thegiin.org/assets/documents/GIIN_impact_investing_guide.pdf

MRDC (website). "No Success Like Failure: N.Y. Sees Social Impact Bond Pluses." Posted July 2015.
https://www.mdrc.org/news/mdrc-news/no-success-failure-ny-sees-social-impact-bond-pluses

Olson, John, and Andrea Phillips. "Rikers Island: The First Social Impact Bond in the United States." In *Community Development Investment Review,* 97-101. Federal Reserve Bank of San Francisco. Accessed June 20, 2018.
https://www.frbsf.org/community-development/files/rikers-island-first-social-impact-bond-united-states.pdf

Pillar, Charles, Edmund Sanders, and Robyn Dixon. "Dark Cloud Over Good Works of Gates Foundation." *Los Angeles Times*, January 7, 2007.
http://www.latimes.com/news/la-na-gatesx07jan07,0,2533850.story

Racanelli, Vito J. "The U.S. Stock Market Is Now Worth $30 Trillion." Nasdaq (website). Posted January 18, 2018. **https://www.nasdaq.com/article/the-us-stock-market-is-now-worth-30-trillion-cm906996**

Roxburgh, Charles, Susan Lund, Charles Atkins, Stanislas Belot, Wayne W. Hu, and Moira S. Pierce. "Global Capital Markets: Entering a New Era." McKinsey Global Institute, September 2009. **https://www.mckinsey.com/~/media/McKinsey/Industries/Private%20Equity%20and%20Principal%20Investors/Our%20Insights/Global%20capital%20markets%20entering%20a%20new%20era/MGI_Global_capital_markets_Entering_a_new_era_gcm_sixth_annual_full_report.ashx**

Roy, Michael J., Neil McHugh, and Stephen Sinclair. "A Critical Reflection on Social Impact Bonds." *Stanford Social Innovation Review* (May 2018). **https://ssir.org/articles/entry/a_critical_reflection_on_social_impact_bonds**

US SIF: The Forum for Sustainable and Responsible Investment (website). "Sustainable and Impact Investing in the United States Overview." Accessed July 19, 2018. **https://www.ussif.org/files/Infographics/Overview%20Infographic.pdf**

Urban Institute, Center on Nonprofits and Philanthropy (website). "The Nonprofit Almanac." Accessed July 1, 2018. **https://www.urban.org/policy-centers/center-nonprofits-and-philanthropy/projects/nonprofit-almanac**

U.S. Federal Reserve (website). "Community Reinvestment Act." Accessed June 26, 2018. **http://www.federalreserve.gov/communitydev/cra_about.htm**

World Economic Forum Investors Industries. *From the Margins to the Mainstream.* World Economic Forum, 2013.

About the Author

Michael Kellerman works with a broad range of social sector clients to implement effective strategies for organizational excellence, stability and financial growth. As a consultant, Michael advises organizations primarily in the fields of human services, arts and culture, and environmental conservation, focusing on executive leadership, campaign strategy, revenue development, innovative finance and public-private partnerships.

Among Michael's recent clients, before he joined Schultz & Williams, is Esperanza, a Philadelphia-based poverty alleviation conglomerate, where Michael aligned the organization's work with the Urban Institute's US Partnership on Mobility from Poverty, a new Gates Foundation initiative. He also worked with Center City District (CCD), helping to build and launch CCD Foundation, the organization's philanthropic affiliate focused on developing innovative public green spaces. At Ballet Austin (TX), Michael created and implemented Here for Good, the organization's effort to double its permanent endowment.

Prior to his work as a consultant, Michael was director of philanthropic partnerships with the Pew Charitable Trusts in Washington, D.C., where he worked with their senior leadership in global environmental conservation to create partnerships with philanthropists, foundations and governments across the globe.

In his 15 years in Austin, TX, Michael was adjunct professor of social entrepreneurship at the University of Texas at Austin's LBJ School of Public Affairs; a founder of IMPACT Texas, a statewide impact investing and social entrepreneurship conference sponsored by the Ford Foundation; strategic counsel for KUT Public Media, where he helped develop an award-winning daily news program; and vice president of Austin Habitat for Humanity, where he reframed their revenue model and coordinated the city of Austin's Home Repair Coalition. Clients also included the Texas State Affordable Housing Corporation and University of Texas Press.

Michael earned a Master of Public Affairs degree at the LBJ School for Public Affairs at the University of Texas at Austin, a Bachelor of Arts degree from The New School in New York. A Certified Fund Raising Executive (CFRE) and a graduate of Leadership Austin, Michael has published articles on social impact and impact investing, was classical music critic and a features writer with *The Austin Chronicle* and sits on the Boards of The Primavera Fund and the Neighborhood House at Christchurch, both in Philadelphia.

About Schultz & Williams

Schultz & Williams is a strategic development, planning, multi-channel fundraising and marketing consulting firm serving our nation's nonprofits in areas such as healthcare, education, arts and culture, the environment, social justice and wildlife. S&W approaches its work with the conviction that every nonprofit's development, management and marketing strategies must be fully integrated for organizations to realize their greatest mission impact.

Established in 1987, S&W has partnered with more than 1,000 outstanding clients coast to coast and has more than 65 seasoned professionals and senior-level consultants covering the firm's full range of services.

Headquartered in Philadelphia, S&W also has operations in Washington, D.C., Los Angeles and San Francisco.