

Startup Funding

Prizes, PRIs, Philanthropy

The 2% Barrier

- 2023 lowest venture funding since 2018
- 38% decline YOY
- Seed funding in Q4 2023 ~\$7B, ~4,500 deals
- Female founders receive only 2% of VC funding
 - Black and Latino women founders .1%
 - Women start $\frac{1}{3}$ of all businesses
- Black founders less than 2%
- Impact companies less than 2%

Alternative Routes for Seed

- A great opportunity for minority-founded and impact startups
- ROI + SROI (Social Return on Investment)
- Impact Reporting and Investment Standards (IRIS) - Global Impact Investment Network (GIIN)

- Philanthropy - Program-Related Investments (PRIs)
- Prizes
- Fellowships
- Impact Investing
 - Social Impact Funds and Patient Capital
 - Social Impact Bonds
 - Quasi-Equity - Revenue Sharing Agreements
- Funding organizations often provide more than one of the above

Philanthropy

- Not just for nonprofits anymore
- Grants
 - Examples: [Roddenberry Catalyst](#),
- Program-Related Investments (and Mission-Related Investments)
 - PRIs are a tax designation - 1969 Tax Act
 - 130,000 foundations in the United States
 - \$1.1T in endowments
- Best resource: [Foundation Directory](#)
- Some examples:
 - [Richard King Mellon Foundation](#)
 - [McConnell Foundation](#) (Canada) - Target to 100% impact investing by 2028

Prizes | Competitions

Often includes Accelerators and other strategic programming

- [Hult Prize](#) - \$1M - impact companies founded by students
- [Earthshot Prize](#) - GBP1M - focused on climate
- [MASSChallenge](#)
- [Norrskan Accelerator](#) - \$125,000 + 8 week program in Stockholm
- [Buckminster Fuller Design Challenge](#) - \$100,000
- [CISCO Innovation Challenge](#) - \$1M in prizes

Fellowships

Typically grants + ongoing network creation and support for founders

- [Echoing Green](#)
- [Acumen](#) - varying grants
- [Ashoka](#) - three year grant
- [Skoll](#)
- [BMW Foundation](#) RESPOND
 - BMW Responsible Leaders Network
- [O'Shaughnessy Fellows](#)

Impact Investing - Patient Capital and Social Impact Funds

“Impact investment as those made to generate positive, measurable social and environmental impact alongside a financial return.”

\$502 billion, managed by over 1,340 organizations. Projected to be \$1T by 2025

The market has grown by 10 times since 2009 when funds under impact investment were \$50 billion.

Patient Capital - Acumen defines patient capital as debt or equity investment capital with a long-term investment horizon of seven to 12 years, a high tolerance for risk, and a goal of maximizing both social and financial returns.

- Acumen
- Omidyar Network
- Root Capital
- Gray Ghost Ventures
- Rockefeller Foundation
- Calvert Impact Capital
- Sorenson Impact Foundation
- Village Capital

Resources

- [GrantWatch](#)
- [Foundation Center](#)
- [CMU Library!](#)
- [CB Insights](#)
- Crunchbase
- Pitchbook
- [Global Impact Investment Network](#)
- [Miller Center at Santa Clara University](#)
- [Pipeline Angels](#) - women and LGBTQIA+ Founders
- [SOCAP](#)