Georgia Social Impact Collaborative
Steering Committee

Sam Moss (Chair)
Senior Director of Finance at the Cousins Foundation and Executive-in-Residence at the Goizueta Business School

Brian Cayce
Venture Capitalist, Gray Ghost Ventures

Mark Crosswell (Project Lead, Mapping Initiative)
Managing Director, Social Impact Strategy, Community Foundation for Greater Atlanta

Charlton Cunningham
Executive Director, Startup Atlanta

Diana Champ Davis
VP of Capacity and CFO, Community Foundation for Greater Atlanta

John Hardman
Managing Director of Internative Investment Group

Suzanna Stribling
Executive Director at the Wilbur and Hilda Glenn Family Foundation and Chair, Georgia Grantmakers Alliance

David Weitnauer
President of the R. Howard Dobbs, Jr. Foundation

Jeff Woodward
Partner at Taylor, English, Duma, LLP

Lesley Grady (Community Advisor)
EVP-Community, Community Foundation for Greater Atlanta
Abstract

The Georgia Social Impact Map is an initiative of the Georgia Social Impact Collaborative (GSIC), which was formed by a group of community leaders committed to catalyzing the development of Georgia’s impact investing ecosystem.

“By bringing together our region’s leaders, and representing all sectors of our social fabric, we envision an energetic and dynamic network that raises up our social impact ecosystem.”

The following report presents the findings of a social impact mapping study conducted in the state of Georgia. The report includes a definition of social impact investing, a glossary of general terms, the mapping approach employed, key findings, listings of social impact investors, enterprises, intermediaries and enabling organizations, as well as information regarding stage of growth, impact sector, and population priorities.
Acknowledgments

On behalf of the Georgia Social Impact Collaborative (GSIC), we extend our sincere gratitude to our funders who have made this phase of work possible. With the goal of advancing impact investing for all of our communities around Georgia, GSIC launched an ambitious plan to build a dynamic and interactive relationship map of the ecosystem. The willingness of nearly twenty funders to join our efforts early on demonstrated a broad, shared interest in impact investing from a very diverse group of investors – institutional, philanthropic, angel, venture capital, corporate CSR, and family offices – as well as individuals and other professionals. Thank you!

To effectively reach and engage stakeholders representing all sectors in our market, GSIC’s Advisory Committee played a vital role to create connections. With nearly 25 leading individuals from accelerators, incubators, universities, and other community-related organizations, this group of intermediaries provided meaningful insight into the mapping process. We appreciate all the time and effort spent on this project by this dynamic group.

As you will read in the report, the mapping project was comprehensive with nearly 150 live interviews from community stakeholders from around Atlanta and the state. We appreciate the time and attention of the hundreds of interviewees and subject-matter experts whose participation was vital to the outcomes in this report and will help shape the Map and GSIC’s broader work for years to come.

This report and all of the findings presented are the result of a year-long and exhaustive engagement managed by Advantage Consulting, led by Chris Allers and his capable team of Cindy Cheatham, Khurram Hassan, and Mathew George. Adding key capacity to this consulting team was a diverse group of seven interns from four local universities. We are very grateful to the entire Advantage team for their exceptional level of professionalism, depth of research, and thoughtful approach, which was necessary to produce such a quality level of work.

All combined, between participants, advisors, funders, and other stakeholders, this initiative engaged over 250 individuals that care about social impact in our state. Thank you!

We are excited to present this phase of GSIC’s work, as well as provide an overview of where we go from here. From the beginning, we’ve realized that having full and complete buy-in from leaders in our community, as represented both by our many funders and participants in this study, is absolutely vital to our overall mission. So, thank you for joining us to build and develop a stronger impact investing ecosystem in order to drive more sustainable social impact in Georgia.

Sincerely,

Sam Moss  
Chair of GSIC

Mark Crosswell  
Mapping Project Leader

As you will soon realize from the report, the mapping project was comprehensive with nearly 150 live interviews from community stakeholders from around Atlanta and the state.
Funders/Supporters

The Mapping Project would not be possible without the support of the following:

- Community Foundation for Greater Atlanta
- Conservation Fund
- Dot Lam Hardman Family Foundation
- Invest Atlanta
- J. Rex Fuqua Family Fund
- Kay Innovation Fund
- Kendeda Fund
- Lillian & Greg Giornelli
- Morningstar Foundation
- Mosley Ventures
- Northern Trust
- Peyton Anderson Foundation
- R. Howard Dobbs, Jr. Foundation
- Sage Foundation
- Sapelo Foundation
- SunTrust
- Taylor English Duma
- Valentine Family Office
- Wilbur & Hilda Glenn Family Foundation
Georgia Social Impact Collaborative

History and Purpose

In fall 2016, a small group of Atlanta philanthropic, investment, and nonprofit leaders came together over a shared concern that the practice of impact investing was not developing in Georgia at the same pace seen elsewhere around the country. After several months of discovery and research, the group made the decision to launch the Georgia Social Impact Collaborative (“GSIC”) as a sustained, collective effort to catalyze impact investing across the state. GSIC soon identified several initial priorities designed to educate both potential investors and potential investees, foster connections in the developing ecosystem, and advance the concepts necessary for impact investing to become a more prominent tool.

GSIC’s First Initiative: The GA Social Impact Map (the “Map”)

To gain a fuller understanding of relevant stakeholders, their level of experience and knowledge of impact investing and their interest in supporting more sustained social solutions, GSIC began a comprehensive mapping exercise as our first initiative. The belief is that this networking effort will provide a valuable foundation from which to further develop the programming and capacity necessary to support greater impact investing throughout the state – as a resource available to both investors and social entrepreneurs.

The study focused on four main roles in the ecosystem:

**Investors** that provide the capital

**Enterprises** that create opportunities to achieve measurable social outcomes AND provide a financial return in exchange for capital

**Intermediaries** that help investors find worthy social impact enterprises

**Enabling organizations** that provide nonfinancial resources and support to help enterprise emerge and grow

The belief is that this networking effort will provide a valuable foundation from which to further develop the programming and capacity necessary to support greater impact investing throughout the state – as a resource available to both investors and social entrepreneurs.
Definition of Impact Investing

Social impact investing refers to investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return. The result is driving a transformational shift in how the market invests and addresses social challenges in our communities. By investing new forms of capital into innovative initiatives that seek to leverage business practices for social purposes, impact investing attempts to achieve a more sustainable and scalable solutions. The combined aspirations of delivering social outcomes with economic sustainability (a “double bottom line”) is producing a new age of innovation among entrepreneurs, business models, and capital structures in our communities.

The Investment Continuum

The business model spectrum revisited

- **Primary driver is to achieve SOCIAL VALUE**
  - **TRADITIONAL CHARITY**
    - Purely charitable funding from grants, donations or endowment
  - **IMPACT INVESTING**
    - Achieve measurable social impact alongside financial return
    - Potentially self-sustaining, >75% market revenues
    - Social Business: Profits are reinvested
    - Mission-driven for-profit enterprise (B-corp)
  - **SOCIAL ENTERPRISES**
  - **TRADITIONAL BUSINESS**
    - CSR & corporate philanthropy (target for SRI)
    - Pure profit orientation: mainstream investors

Impact investing lives on a continuum of investing opportunities. Understanding the primary driver and the underlying business model helps gauge one’s place on the continuum. It is not uncommon for investors to fluctuate across the spectrum based on specific or unique opportunities to achieve revenue and social impact goals.
The spectrum of asset classes below shows the tools that impact investors typically use to make both market-rate and below-market investments, from guarantees and cash in the center to more “high-risk” investment types on either end:

**Ecosystem Mapping Approach**

This study consisted of four main strategies for identifying and documenting the players in Georgia’s Social Impact Ecosystem: 1) Initial prospect research and list building; 2) The development of structured data collection tools; 3) Data collection through individual interviews and a web-based questionnaire; 4) Presentation of findings and collection of feedback from a cross representation of the ecosystem players.

**Key Findings**

**Georgia has an emerging social impact ecosystem. Researchers found meaningful evidence of active investors, enterprises, intermediaries, and enabling organizations.** No entities currently serve as connecting or linking organizations to grow and sustain the ecosystem across metro Atlanta or the state, and the existing ecosystem is highly fragmented, with connections among players maintained by a relatively small number of circles of relationships.

Subject matter experts identified over 354 Georgia-linked social impact prospects representing an estimated 326 unduplicated entities. Of these, researchers were able to collect data on 140 entities (40%) across the four ecosystem roles (investors, enterprises, intermediaries, and enabling organizations) during a four month data collection period. Eleven entities that participated requested their information not be shared publicly.

Most participants (55%) who were actively involved in social impact described their level of knowledge about social impact as “limited” or being “somewhat knowledgeable.” Only 23% of social impact practitioners reported they were “very knowledgeable.”
Of those participating in the study, 78% expressed “significant interest” in increasing knowledge about impact investing, including both existing social impact entities and those not currently using a social impact model. There was also significant interest (81%) in increasing the connections among social impact practitioners and enthusiasts.

Many entities (49%) reported playing more than one role in the social impact ecosystem (e.g., investor AND intermediary, enterprise AND enabling organization).

Sixty-five entities were identified as investors of which 41 (63%) are counted as social impact investors, having reported making investments in social impact enterprises. Of these, 35 investors (85%) reported expecting some financial return – whether market rate return, below market rate return, return of principal or return of some of the principal in their investment. The others (15%) had invested in intermediaries (e.g., CDFI) with no expectation of a direct financial benefit to themselves, but the expectation that the intermediary would generate income with the use of these funds.

Of the social impact investors, 28 (68%) had invested in Georgia-based social impact enterprises, 18 (44%) were actively looking to make an investment in a Georgia-based enterprise and 12 (29%) reported they might be interested in making an investment. **Overall, Georgia investors indicated they are very interested in place-based or local enterprises and outcomes.**

The most common investments vehicles were debt/loans (66%), equity (58%) and grants (58%) (e.g., capacity building).

Forty-one enterprises participated in the mapping research process. Of these, 31 (76%) were identified as social impact enterprises (companies focusing on both social impact and providing investors with a financial return) and ten (24%) were assessed as traditional nonprofit or for-profit companies. The majority (60%) of those that were not currently functioning as a social impact enterprise said they had taken some active steps toward adopting a social impact business model – one that employs business practices (such as earned revenue) to achieve a social outcome.

Most social impact enterprises (66%) reported all or some of their beneficiaries as being Georgia residents.

Most (78%) social impact enterprises were currently looking for capital.

Georgia has a robust enabling organization sector. However, based on interviews with representatives from this sector, these organizations are also heavily siloed and there is little information sharing about social impact between them. Some of the entities are very specialized in their focus (e.g., focus on enterprises addressing food security) while others seek to develop entrepreneurs without particular attention to the unique issues related to impact investing (e.g., a general start-up accelerator).
Conclusions and Opportunities

Based on the key findings of the mapping process, we conclude the following:

- In its current state of evolution, the Georgia ecosystem is most able to support the recycling of capital as opposed to offering market rate returns to investors.

- While the ecosystem is in its early stages of development, social entrepreneurs, philanthropists, and both private and public sector impact investors want to be brought together for education (to learn about impact investing) and networks (to build lasting relationships and connections in the social impact space).

- There is a growing investor sector looking to make investments in Georgia-based social impact enterprises.

- By cultivating and nurturing the social impact ecosystem, GSIC can inspire a surge in impact investing and create a more robust pipeline of opportunities that align capital with community challenges.

- There is a market in Georgia for a virtual platform that allows social change makers to tell their stories, inspire others, and connect to emerging social impact venture opportunities.

In order to see the ecosystem grow and expand, GSIC and its community partners will need to address the following opportunities:

- Educate investors, businesses, organized philanthropy, entrepreneurs, nonprofits, and public sector on impact investing.

- Break down pervasive silos across the ecosystem to increase greater collaboration and information sharing.

- Establish a durable leadership structure to provide the strategic vision and coordinating capacity to bring the Georgia ecosystem to a higher level of functioning.

By cultivating and nurturing the social impact ecosystem, GSIC can inspire a surge in impact investing and create a more robust pipeline of opportunities that align social capital with social needs.
GSIC’s vision is to create a dynamic and integrated network in order to catalyze a stronger impact investing ecosystem in Georgia. We are committed to:

- Bringing together social entrepreneurs, philanthropists, and both private and public sector impact investors to build lasting relationships and connections;
- Inspiring a surge in impact investing and a vibrant pipeline of opportunities that align capital with critical social causes;
- Creating a virtual platform for social change makers to tell their stories and inspire others.

To accomplish this, GSIC will launch Phase 2 of the Georgia Social Impact Map to support its continued buildout in order to create opportunities to:

- Educate all types of stakeholders in order to increase the flow of social capital to community needs within the impact investing ecosystem.
- Build out and implement a dynamic website in partnership with Lenz Marketing, which will:
  - Feature a searchable database of all Georgia social impact entities by impact sector (e.g., housing, environment, education) and target populations (e.g., urban, minorities, youth);
  - Provide enterprises and investors a platform for finding intermediaries and enabling organizations based on the services they provide (e.g., technical assistance, incubator, mentoring);
  - Connect to and partner with educational resources for all segments of the ecosystem (investors, entrepreneurs, enablers, and intermediaries) to advance impact investing;
  - Continue to invite a wide range of diverse and interested stakeholders to join the Map in order sustain a lasting social impact ecosystem in Georgia;
  - Leverage a talented Website Implementation Task Force to manage the marketing of the new site, wider community engagement, and identification of new features and functionality in order to meet stakeholder needs.
- Expand the network of partners and funders committed to the vision and ecosystem cultivation.
As we continue to engage community leaders who share GSIC’s vision and commitment, we hope to build additional partnerships and opportunities to participate in the Map and its related programs that support impact investing throughout Georgia.