

## **THE SORENSON IMPACT FOUNDATION'S LASTING IMPACT THROUGH SYSTEMS GRANT PROGRAM**

In 2021, The Sorenson Impact Foundation launched the Lasting Impact Through Systems Change grant program to provide access to capital, entrepreneur support, and jobs for underserved communities across the US in the heat of a global pandemic and concurrent economic, labor, and health crises. Through that program, we selected five organizations to support the development of financial systems that work better and for more people.

In 2022, our grant program will continue the theme for systems change by focusing on fundamental socio-economic gaps, barriers, and challenges in our society and supporting solutions that are addressed or catalyzed by impact investing.

Our goal is to support the development of an impact investing ecosystem that harmonizes financial returns, social impact returns, and equitable capital distribution. Our specific areas of focus are listed below, including example projects for illustration. Please note that example projects are directional only. As a foundation that values scalable innovation, we are eager to see proposals for systems level, game-changing new solutions.

SIF is seeking proposals for projects addressing the following areas:

- **The Wealth gap** – Millions of people in our society have fewer opportunities to generate wealth during their lifetime. Wealth inequality is escalating tensions between the “haves” and “have-nots”. The ever-accelerating gap and economic divide is clear: while the top 10% of income earners in the United States receive almost 30% of the nation’s income, the wealthiest 10% own 76% of the country’s wealth, this means that less than a quarter of the nation’s wealth is left for the bottom 90% of the American population. If the wealth divide continues to accelerate, the economic conditions will have an increasingly adverse impact on the economy at large because the majority of U.S. households will no longer have enough wealth to reach the American middle class or higher. The foundation seeks to support innovative programs, policy initiatives, or ground-breaking research in which market solutions and impact investing could play a catalytic role in reducing the wealth gap.

**Example proposals could include:**

- Solutions that involve socio-economic research, public policy, or new economic models to help remove barriers or increase opportunities for:
  - more inclusive wealth building for the lower and middle class who have been left behind;
  - improved access to life-long wealth building opportunities that systemically remove barriers to wealth creation;
  - owning wealth-building assets like home ownership for existing and new generations that find home ownership out of reach.
- Solutions to build and reinvest wealth locally — through innovations like worker ownership, cooperative ownership, minority-focused investment, community-empowered development.

- **Displaced Populations** - Millions of people around the world have been displaced through brutal, and repressive regimes causing untold human suffering and trauma. The number of forcibly displaced people around the world reached an all-time high of 84 million people in 2021. The displaced population could top 300 million by the end of the decade if current trends continue. While political solutions are sought to eliminate the global conflicts, the grim reality is that many people will need to resettle and find pathways to become self-reliant.

**Example proposals could include:**

- Innovative programming, policy initiatives, or ground-breaking research in which impact investing could play a catalytic role in enabling displaced populations to become self-reliant.
- **Inclusive Investment** - Over 90% of investment capital is allocated to men while less than 3% of venture capital in the US is allocated to Black, Latinx, or Indigenous founders combined. Over 50% of global venture capital is allocated to three US states (MA, NY, and CA) and, in emerging markets around the world, the vast majority of capital is allocated to companies led by expats (typically from the United States, Canada, or Europe). Entrepreneurial capability and creativity is evenly distributed, but access to capital is limited. The foundation seeks to support innovative programs, policy initiatives, or ground-breaking research in which impact investing could play a catalytic role to more equitably distribute investment capital across regions and demographics in an effort to unlock the power of entrepreneurship for social impact in underserved populations.

**Example proposals could include:**

- Research on gender, racial, regional, and demographic representation, capital structures deployed, and fund returns in impact vs traditional funds, with an emphasis on the development and dissemination of best practices in investment approach
  - Projects designed to familiarize professional (and non-professional) investors with investment funds that are substantially owned and governed by women or BIPOC to support more equitable distribution of funds and investments to businesses.
- **Unlocking impact measurement at scale:** There has been significant progress in the evolution of ESG metrics and reporting standards. With the emergence of the International Sustainability Standards Board (ISSB), the EU Sustainability Reporting Standards, the recent SEC announcement to enhance and standardize climate-related disclosures, it is clear that the field is entering a new era of sustainability reporting. But there is a lack of understanding, clarity and progress towards standardization for thematic frameworks, leading to significant redundancy and opacity around best practices. To professionalize and scale up the thematic impact space, there must be clear alignment in what impacts to measure and how to measure them. The foundation seeks to support tools and approaches that focus on transparency, standardization, and adoption that will lead to increased efficiency in thematic impact measurement.

**Example proposals could include:**

- Initiatives to identify, develop and implement best practices in thematic impact metric identification, measurement, analysis and reporting.

- Solutions that seek to harmonize the institutional, sectoral and practitioner silos in which we currently operate in reporting and measuring to better increase economies of scale and create clear, concise pathways to standardization.
- Solutions to help reduce the reporting burden on entrepreneurs, companies and funds to better capture the economic, social, and environmental impacts of investments to improve their effectiveness, transparency, and accountability.

## **PROCESS**

The RFP submission period will open on April 22, 2022 and close on June 17, 2022 at 5:00pm Eastern Time. To be considered, submissions must be uploaded through the online submission form (<https://forms.gle/R7hdnGKTP7geNiVM7>).

Submissions will be read by SIF's staff and board of directors over four rounds of analysis (evaluation, semi-finalists, finalists, awardees):

- Solutions can be focused on the United States or globally
- Solutions must be targeting underserved and underrepresented communities
- Strength and readiness of applicant organization and team
- Potential for high impact
- Alignment with the foundation's stated grant priorities
- Potential to be a sustainable solution after grant funding has been used
- Scale and reach potential including potential number of people impacted over the next five and ten years. The Foundation does consider pilots that could be a model for scale as long as those pilots consider how they'd disseminate learnings to expand their impact
- Innovation and incorporation of learnings from the attempts of others to tackle similar problems in the past
- Strength of partnerships and network within the industry to grow and expand
- Strategy's focus on coordination and collaboration as well as an ability to leverage existing solutions and progress
- Please note that our organization expects reporting on specific lines of work, but will provide funding in a general operating format to empower nonprofit leaders to distribute funding as necessary to achieve desired outcomes.

Proposals should be submitted in the following format:

- 7 page maximum, pdf, in either presentation (preferred) or written format. The foundation recommends applicants include concise, clear explanations with visuals.
- Begin with a high level, one-sentence statement summarizing the solution and its ideal goal (the elevator pitch)
- Include an explanation of the specific problem the solution solves and how it aligns with the foundation's aforementioned focus area(s)
- Include an overview of the solution and its "secret sauce" or how it will "win"
- Provide a project roadmap detailing what has already been completed and the timeline and resources needed for completing the future required steps
- Include an overview of the project and implementing team's experience and qualifications, including each person's allocation of time to the project

- Include an assessment of preliminary risks and mitigating factors
- Include a preliminary list of KPIs and impact metrics with corresponding goals and achievement targets
- A detailed budget is not required
- A summary of any complementary or competitive solutions in market or in development that you know of as well as how you will work with those organizations to scale

In addition, submissions must include the following (outside of the 7-proposal):

- Summary of proposing organization's senior management team and board member biographies
- The organization's articles of incorporation or equivalent
- If not a current SIF partner or previous recipient, please provide two letters of reference from previous funders or partners

If selected as a finalist, applicants will be notified via email by September 15, 2022. The foundation is anticipating final awards will be made starting October, 2022. Awards are anticipated to range in size from \$100,000 to \$250,000.

#### **ABOUT THE SORENSON IMPACT FOUNDATION**

The Sorenson Impact Foundation invests in innovative, scalable solutions to the world's most pressing issues. As an impact investor, SIF seeks to simultaneously support social entrepreneurs while also building the impact investing field overall and crowding in new investors who can use their investment dollars to "do good". The Sorenson Impact Foundation has investments on five continents and across asset classes and sectors.

#### **TERMS & CONDITIONS**

SIF reserves the right to reject any or all responses submitted if it is deemed to be in the best interest of the foundation. SIF reserves the right to check the accuracy of all information and to request supporting documents. All accepted responses shall become the property of SIF and will not be returned. SIF shall not be liable to any respondent, person or entity for any losses, expenses, costs, claims or damages of any kind arising out of, by reason of, or attributable to, your response to this RFP.