

URL: <https://stvp.stanford.edu/blog/videos/merging-commercial-and-philanthropic-interests>

With endowments seeking the right investment products and non-profits staffing business school graduates, rather than butting heads, non-profits and for-profit enterprises are more collaborative than ever. Jesse Fink of MissionPoint Capital Partners points out that particularly in the environmental sector, the spectrum is narrowing between the two.



Transcript

I think we're at a point now, you can see it in what is being written.. You can see it in Bill Gates' speech at Davos last week, that you could see it in the things that Google is doing and the Skoll Foundation and all these wonderful individuals and organizations out here, for the most part, that have realized that there's an opportunity to blend what was philanthropic in nature and what's commercial in nature.. So we look at it and we do a lot in supporting the non-profit world.. We do a lot obviously through MissionPoint Capital in the commercial side, but there's a space that's in the middle, and I think that's an area that we spend some time in right now in trying to see: Where does it work? Why does it have to be non-profit, for-profit? Up until now, if you were interested in the environment, forget about trying to go work in a for-profit world.. Non-profits and for-profits were going battling like this.. I think that so many great things have happened in the last couple of years.. There is an organization that was formed last year called U.S.. CAP, and it's an organization GE was the head of it, and some great non-profits and some great other industrial companies.. Coming together now, I think there are 30 companies, and essentially saying that the non-profits and the business world have to come together to solve some of these issues.. So it is really an interesting time..

Non-profits are hiring business school folks because they recognize that they need to have a better sense of the business community, of an entrepreneurial community and putting it all together.. So I think that the traditional paths and separate paths are coming together.. The last question: How about non-profits investing in funds like yours, are they doing that? They are starting to do that.. Our investor base is a phenomenal investor base, and it does include some foundations, some endowments.. There is a whole area that is called mission investing or mission-based investing, and that's an area that we spend some time working on as well.. That area is saying to large foundations and endowment families, "Now, you have an opportunity to put capital to work that is aligned with the mission of where you're giving money away." So there are large environmental organizations that are spending a lot of money solving environmental issues and they have an endowment, and that endowment is being used for something that has nothing to do with the environment.. What needs to happen is financial products need to be established so that endowments and foundations and families and corporations and pension funds have the ability to put their money to work.. Again, back to Sand Hill, those endowments are lead investors in the VC firms, and that's fantastic.. There needs to be other types of financial services that these endowments can put their money to work...