

# TE 250: Social Ventures

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# Social Entrepreneurship

- NOT formally defined
- Generally ventures that:
  - effect social/societal change
  - benefit mankind
  - support the un(der)served
- NOT social media

# Common Categories

- Human rights
- Fair trade, economic opportunity
- Equal Access
- Food, Nutrition, Water
- Medicine
- Education
- Environmental sustainability

# Green/Clean Tech

- Environmental Impact
- Renewable Resources
- Sustainability



# Sharing Economy

- Make use of common resources
- Renting unused portion of existing resources
- Trading of resources



# Foundations

- Microlending
- Research
- Education



**Grameen Bank**



**I ILLINOIS**

# Impact Investing

- investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return
  - Private foundations
  - Eco Devo Orgs
  - Family Offices



# Impact Investing Core Characteristics

1. Intentionality
2. Investment with Return Expectations
  - at minimum, a return of capital
3. Range of Return Expectations and Asset Classes
  - range from concessionary to risk-adjusted market
4. Impact Measurement
  - report social and environmental performance
  - ensure transparency and accountability



# Not for profits

An organization that uses surplus revenues to further achieve its purpose or mission, instead of distributing to stakeholders

- 501(c)3 of tax code
- Organizations:
  1. Charitable
  2. Religious
  3. Educational
  4. Recreational
- Contributions are tax deductible
- Not for profit  $\neq$  Not Profitable
- *Not for profit is a tax designation, not a way of doing business*

# Benefit Corporation

- Legal designation in 33 States
- Corporate framework takes into account matters of public good
- Survives later investors, IPO
- Board is legally obligated to provide consideration beyond shareholder value



# Certified B-Corporation

- Proxy for Benefit Corp,  
Not a legal designation
- Certification by independent org
- Company files annual B Impact Assessment
- Triple Bottom Line:  
People, Planet, Profit



# L3C

- Low-Profit Limited Liability Company
- For-profit social venture with stated goal of socially beneficial purpose, not maximizing income
- Hybrid structure
  - Legal/tax flex of LLC
  - Social benefit of NFP
  - Branding of social enterprise
- Mission-driven obligation

# The Evolving Modern Workforce

- Generational shift in employee motivation
- Millennials make up more than 50% of workforce
- Sense of gratification & self-worth is more important than money alone
- Value trust, autonomy & creative freedom
- Value relationships & authenticity
- The experience matters