



GIFTS THAT RETURN

VENTURE PHILANTHROPY & IMPACT INVESTING

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If you've spent any time looking at the trends in our sector, you'll know what the graphs look like. The charitable sector is growing overall, and so is the number of charities in Canada. Donors are giving larger gifts, but their numbers are declining. Big ideas are generating transformative gifts, but annual giving is stagnating. Not to mention the proverbial "hole in the middle", where organizations are having trouble filling their major gifts pipelines with mid-level donors.

But today, traditional donations are not the only product on the donor shelf. A new charitable financial model is emerging. "Organizations need to take advantage of venture philanthropy and social investing, as well as traditional philanthropy," says Narinder Dhami, Managing Director of LEAP (Pecaut Centre for Social Impact). "There is increasing interest among donors and investors to think about doing good through a variety of channels—a holistic approach that requires organizations to ensure they can define and articulate their impact, and ensure they have a rigorous and well thought out plan in place."

LEAP is a Canadian pioneer in building *venture philanthropy*, applying a unique global approach that is powered by pro-bono. The Centre works with funders and private sector partners (including the Offord Group—see sidebar) to select, support and enable great ideas which have the potential to scale up. The collective goal? Massive social impact. For example, one of LEAP's clients, SNAP (Stop Now and Plan) is a program of the Child Development Institute (CDI) designed to help children with conduct disorder manage their actions in the moment. With more than 30 years of research and implementation in place, CDI knew that SNAP worked, and had the results to prove it. But they needed substantial help to scale up.

LEAP's partners helped analyze the numbers, build a strategic plan, prepare for a fundraising campaign, and build a strong case for scaling up. This is venture philanthropy at work: applying the discipline of venture capital / private equity investing to select, support and scale charities with quantifiable social impact. SNAP is now into the second phase of a highly successful fundraising campaign, securing significant funds from private donors and government alike. The potential for impact is compelling: SNAP is already moving from helping a few hundred children each year, to reaching almost 50% of children in Canada diagnosed with conduct disorder once the program reaches scale.