

## Philanthropitch

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### **THE FAST PITCH GOES NONPROFIT**

A nervous person or two walks to the center of a carpeted TV studio, and faces five scowling potential investors. The supplicants have just a few minutes to pitch their products or inventions, and explain why they would be the next big thing. They are subjected to skeptical questions about their production costs, projected revenues, and distribution plans. If things go right, one or more of the investors will make an offer, and the entrepreneur leaves on the way to riches.

The scenario, of course, is the popular TV program, “Shark Tank.”

But suppose a similar scenario was developed not for the next big profit-generating enterprise, but for charities. Instead of ruthless sharks, the charities would be judged by philanthropists. Instead of investing in a company for a cut of the profits, the philanthropists would donate based on the charity’s prospects of doing good.

It recently happened in Austin. Dan Graham, the CEO of BuildASign.com, asked his nonprofit team, the “Giving Program,” to develop an innovative way to give back to the community. They came up with “Philanthropitch.” Six Austin business leaders made up the panel of judges, and just like the investors on “Shark Tank,” they put up their own money – a total of \$55,000.



Austin Buchan of College Forward makes his pitch to the judges.

The six judges were Graham; Elizabeth Christian of Elizabeth Christian & Associates Public Relations; Clayton Christopher, the founder of Sweet Leaf Tea and the co-founder and CEO of Deep Eddy Vodka and chairman of Rhythm Superfoods; Gail Page, managing partner at Vineyard Investment Advisors; Chris Steiner, senior associate at Austin Ventures; and Steve Wanta, the Executive Program Director at Whole Planet Foundation, the foundation of Whole Foods Market.



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Ninety-six area charities applied to take part in Philanthropitch. BuildASign employees vetted the applications, and narrowed them down to the final six. In the Bass Lecture Hall at UT-Austin's LBJ School of Public Affairs, representatives of the six charities faced the judges – and an audience of a couple hundred – and made their pitches.

### **College Forward**

In 2009, 82 percent of high income college students graduated. But the percentage of low income, first generation students attaining their degrees sat at a dismal eight percent.

Austin Buchan of College Forward explained his organization's plan to take the next step to help graduate more disadvantaged students. "It is our goal to create a self-sustaining financial business model where universities pay a fee-for-service to enroll their students in this program," he said. They intend to enroll 13,600 students in the program over the next three years. Eventually, the goal is to expand to other parts of the country.

Judge Chris Steiner asked if Buchan could quantify the benefit to universities. "Institutions think they spend between \$1.5 - \$3 million on their low-income, first generation students on direct institutional aid," said Buchan. If 30 percent of low income students stay in college to their second year and then go on to graduate "it provides a real ROI for the schools."

### **Seedling Foundation**

The Seedling Foundation's Sari Waxler tugged at heart strings as she told the story of Christina. "Her dad was not there to snap a photo when she went on her first date," Waxler said. "He was a no show at her high school graduation, he wasn't there to help her move into her dormitory when she went to college and he won't be there to walk to her down the aisle on her wedding day. Christina's dad is 150 miles away serving a 15 year federal prison sentence."

Children of incarcerated parents are on their own. The Seedling Foundation lines them up with adult mentors, and as a result, Waxler said, their attendance is up, their attitudes toward school are improving, and they're holding their own on standardized test scores.

For the program to work, Waxler said the mentors must return at high rates and make a multi-year commitment. Seedling sends new recruits to "Mentor University," for training, support, and appreciation. "It is working," Waxler said. "Last year 80 percent of our volunteers returned to life-changing relationships with children."

### **E3 Alliance**

"In Central Texas, almost half of our students come into kindergarten not ready to succeed in school," said Susan Dawson, the president and executive director of E3 Alliance.

E3 Alliance is working to get all children ready for school through a program called "Ready-Set-K." It assesses children's readiness for school, provides instructional programs for teachers to build that readiness, and provides tools and lessons for families to support learning at home.

E3 Alliance wants to double its reach in Central Texas to serve twice as many students. Cost per student is about \$7, said Dawson, and E3 wants to reduce that to \$5.

“If a child shows up for kindergarten not ready, at what point have you lost them?” Elisabeth Christian asked. “Is it sixth grade? Third grade?”

“The interesting thing is not just about how not ready they are, but how much not ready they are,” Dawson replied. “Often those children are already more than two years behind by the age of five.”

### **Mobile Loaves and Fishes**



Nate Schlueter, the director of micro-enterprise operations, told of the mobile vending carts the organization uses to supplement the reach of its food trucks. Under the name “Sweet Treats,” the carts are operated by homeless people, who are allowed to keep all the profits and tips from sales of Blue Bell ice cream, bottled water, chips and candy. All items sell for a dollar each.

“During South By Southwest, our vendors were averaging between \$20-\$25 per hour,” Schlueter said. Each vendor works three to four hours at a time. Twenty vendors shared four carts. “They came back, checked in their inventory, tips, and had a check cut for them,” Schlueter said. “A typical cart would provide a modest living for four people and allow them to get off the streets if they work three to four days a week.”

Mobile Loaves and Fishes was seeking \$25,000 for two more carts, which covers their cost and general operating expenses like staff, insurance, remodeling a building to house a commercial kitchen, and uniforms.

“The money you’ve gotten from individual donations is remarkable as opposed to government grants,” said judge Gail Page. “I love the fact that you’re working to solve the root problem versus enabling the situation.”

### **Little Helping Hands**

Marissa Vogel, the founder and executive director of Little Helping Hands had some surprising news: “Last year over 3,000 children between the ages of three and 12 volunteered with our organization and their families,” she said. “There were 7,400 hours given back to the community. That’s the same as a full time staff person working over three years.”

Vogel started the group when she was stymied trying to find volunteer activities she could do with her children. Now, she has more demand for family volunteers than she can satisfy.

Little Helping Hands wants to involve 280 families in volunteer work, adding 70 more activities and another 1,400 volunteer hours, Vogel said. That would take \$25,000.

“We believe we have an opportunity to teach our children how to give back at an early age so it simply becomes a natural part of who they are,” she concluded.

### **Sustainable Food Center**

“Seventy-five percent of cancers today are directly linked to the food we eat,” said Rhonda Rutledge, the SFC’s executive director. “In low income communities, hunger and obesity are two sides of the same coin. These children are nutritionally starving.”

SFC combats the problem by fostering locally-grown produce. The organization has a training center with a commercial kitchen and a two-acre community garden. “It provides earned revenue for us, which we didn’t have before,” Rutledge said.

Other earned revenue comes from the SFC’s four farmer’s markets around Austin and classes in its “Happy Kitchen,” which teaches how to prepare nutritious, affordable meals using local produce.

<b>AWARDS</b>
<b>Little Helping Hands: \$3,000</b>
<b>Sustainable Food Center: \$4,500</b>
<b>Seedling Foundation: \$6,000</b>
<b>E3 Alliance: \$11,500</b>
<b>College Forward: \$4,000 from the audience vote, plus \$9,000 from the judges</b>
<b>Mobile Loaves and Fishes: \$15,000 plus an additional \$2,000 from the audience</b>

### **The Awards**

After the presentations, the judges retired to a room to debate the pros and cons of each charity and which would get their investment. Audience members were encouraged to cast their own votes, which would carry a separate award and there was an additional award from the employees of BuildASign.com.

All of the charities walked away with something.

Besides gaining some large additions to their funds, the charities benefitted in another important way.



“This is the best exercise we’ve ever done,” said a staff member of one of the charities. “It forced us to think clearly about our mission and our message and boosted our morale.” She said the organization oversees several other projects, and the lessons learned from preparing for Philanthropitch will be applied to them as well. “This whole experience has been revitalizing,” she said.

BuildASign’s Dan Graham said the event will be back next year, and he anticipates an even larger pool of applicants.