

# Arthur B. Schultz Foundation



Endowment Impact Report 2021





**The Arthur B. Schultz Foundation is on a mission to advance opportunities for women and people with physical disabilities.**

The Arthur B. Schultz Foundation (ABSF) partners with grassroots organizations primarily in East Africa and Central America focused specifically on education and leadership, life skills, entrepreneurship, and advocacy for adolescent girls, women, and people with disabilities. Our endowment is 100% mission and values-aligned and includes select U.S. and global social enterprises.






*Komera, Rwanda*

# INTENTION

In 2020, ABSF decided to move 100% of its endowment into mission and values-aligned investments, and we will sunset (spend down) operations by 2035.

We did this to:

-  Maximize social and environmental impact in service of our mission objectives
-  Challenge traditional foundation and wealth management practice that separates how money is made from the good it can create
-  Justify the outsized privilege foundations enjoy by devoting all of our resources to creating a better world, not just 5% of the income from a passively invested endowment

But how do we know our 100% impact endowment is actually accelerating the transition to a more equitable and sustainable world? Without closer examination of both quantitative and qualitative data, the best we can hope for are unsupported assumptions.

We want to validate whether our strategy is working, and this report based on a simplified measurement framework (next page) in an attempt to do that. We're in it for the long haul, and welcome your feedback as we go forward.



# FRAMEWORK

ABSF is committed to improving our measurement and reporting of social and environmental impact. We selected an impact measurement framework based on the [UN 2030 Sustainable Development Goals](#) (SDGs). The SDGs are a globally recognized and customizable framework for aligning with and measuring for 17 different impact categories. ABSF prioritizes the 6 mission-aligned SDGs shown below. One can get lost in the weeds of SDG data measurement, so we've chosen to keep it simple. We are grouping these SDG's into 3 buckets that we will measure very simplified data for: education & training (SDGs 4&5), environment & sustainability (SDGs 7&12), and economic opportunity (SDGs 5,8,10).

***The numbers detail only the total aggregate impact delivered and reported on by our private sector investees, not the proportion that our investments supported.*** We acknowledge the data presented is not perfect; we have done the best we can as a lightly staffed organization to collect self-reported data from investees and measure what we consider most important on a portfolio-wide scale. Going forward, we'll continue prioritizing our qualitative storytelling to share more clearly how investee stakeholders' lives are being affected, and lift up more of their voices.

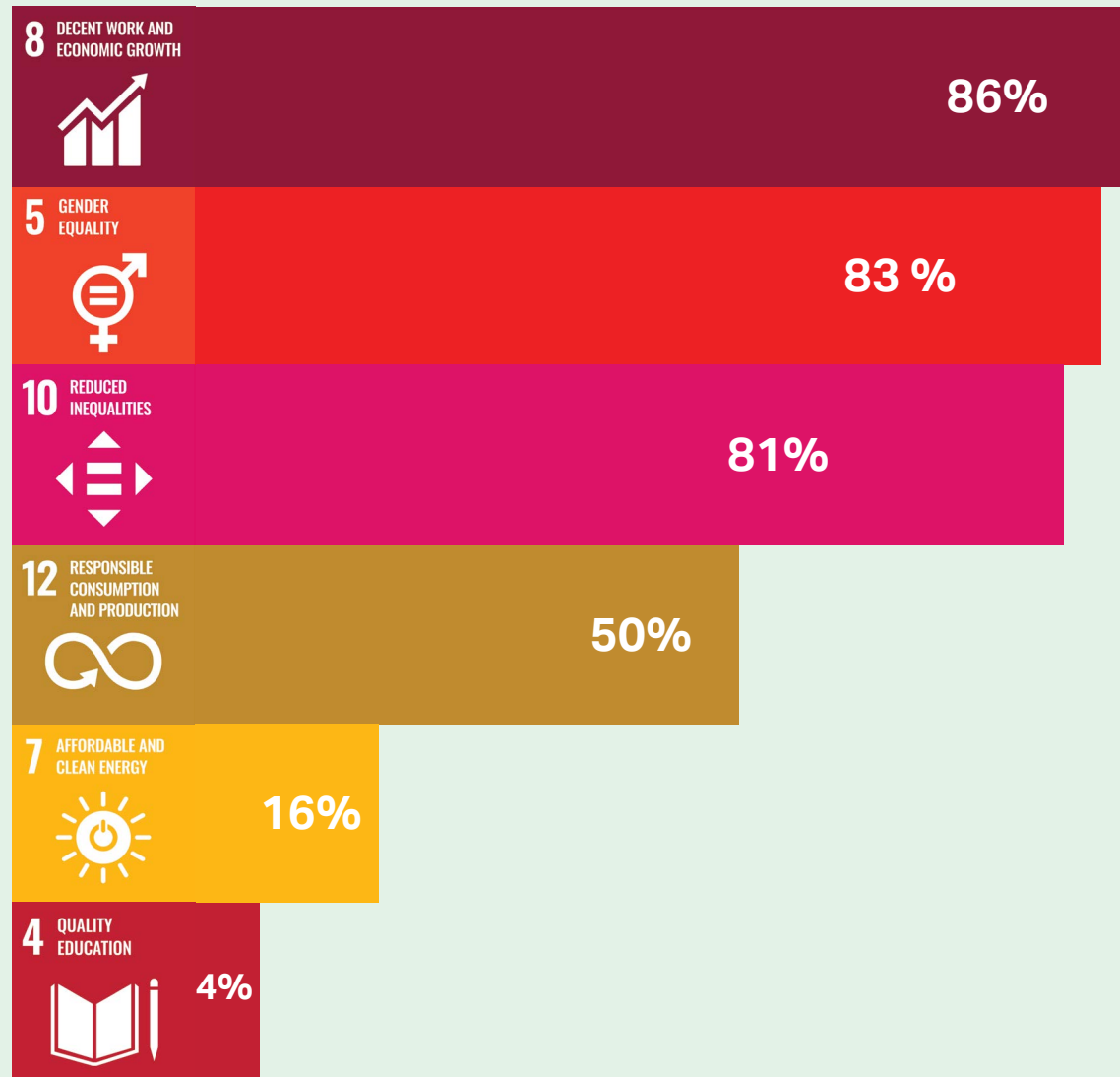




# SDG ALIGNMENT

Impact portfolio as of December 31, 2021: \$4.6 million

## Investment Dollars Supporting



\*Percentages do not total 100% as many investments contribute to more than one SDG



# IMPACT HIGHLIGHTS OF OUR THREE SUSTAINABLE DEVELOPMENT PRIORITIES


## Education and Training

4 QUALITY EDUCATION

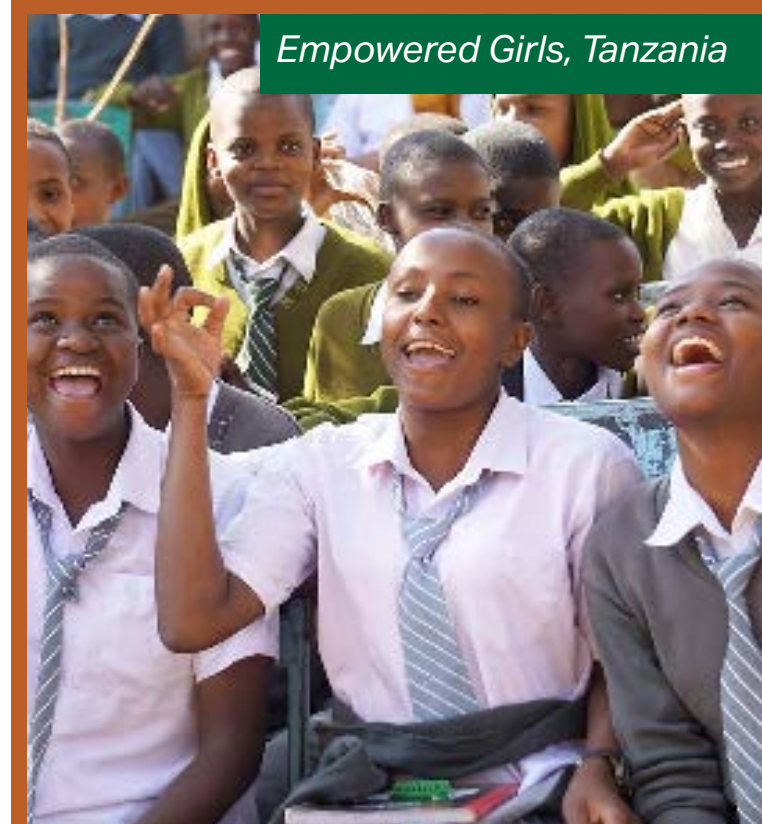


### Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

ABSF has long supported equal access to educational, vocational, and leadership training for women, people of color, and persons with disabilities, and favors grantees and investees providing such opportunities.

 **50,145,307** women and persons with disabilities receiving educational, vocational, or entrepreneurial training provided by ABSF endowment investees\*

\*In particular, [Global Partnerships](#) provides comprehensive training for large numbers of microfinance clients across multiple emerging economies.



*Empowered Girls, Tanzania*

# Economic Opportunity

**5** GENDER  
EQUALITY



## Achieve gender equality and empower all women and girls

ABSF promotes gender equality by redirecting significant investment capital to women entrepreneurs and leaders.

**8** DECENT WORK AND  
ECONOMIC GROWTH



## Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

ABSF supports grassroots entrepreneurship and small business expansion. We prioritize businesses combining inclusive employment with enhanced wages and benefits for women, persons of color, and persons with disabilities.

**10** REDUCED  
INEQUALITIES



## Reduce inequality within and among countries

To address historical inequities in access to capital and financing, ABSF is redirecting significant investment to entrepreneurs and leaders of color. We also prioritize businesses committed to providing people of color with leadership opportunities and shared ownership options.

 **66,258** jobs for women supported/created

# Environment & Sustainability



## 7 AFFORDABLE AND CLEAN ENERGY



### Ensure access to affordable, reliable, sustainable, and modern energy for all


ABSF supports global energy diversification away from fossil fuels to renewable energy sources and more efficient infrastructure. We're looking for ventures that improve access to renewable energy technologies for disadvantaged populations, along with associated improvements in livelihoods.

## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



### Ensure sustainable consumption and production patterns

A core ABSF value is supporting more environmentally responsible business models. Examples of businesses doing this include those implementing more sustainable business practices such as sourcing more sustainable raw materials; reducing pollution and waste; recycling and converting by-products into sustainable and beneficial products; and becoming more energy efficient.

 **80,103** households gaining access to renewable energy and/or energy efficient infrastructure



# DEMOGRAPHICS



Beyond measuring for specific SDGs, ABSF is also committed to helping address ongoing inequality in access to investment capital for women and entrepreneurs of color. We are holding ourselves accountable for redirecting our own investment capital flows by measuring and disclosing these numbers publicly.

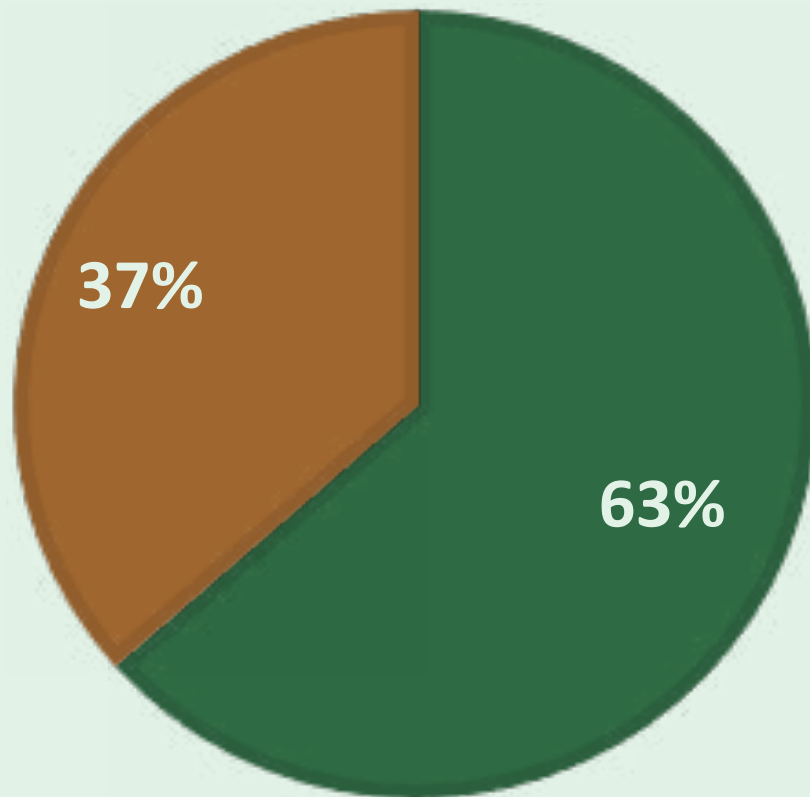
We have made some initial progress, but still have a long way to go to realize more balanced gender and racial representation across our portfolio.

# GEOGRAPHY & GENDER

By Investment Value

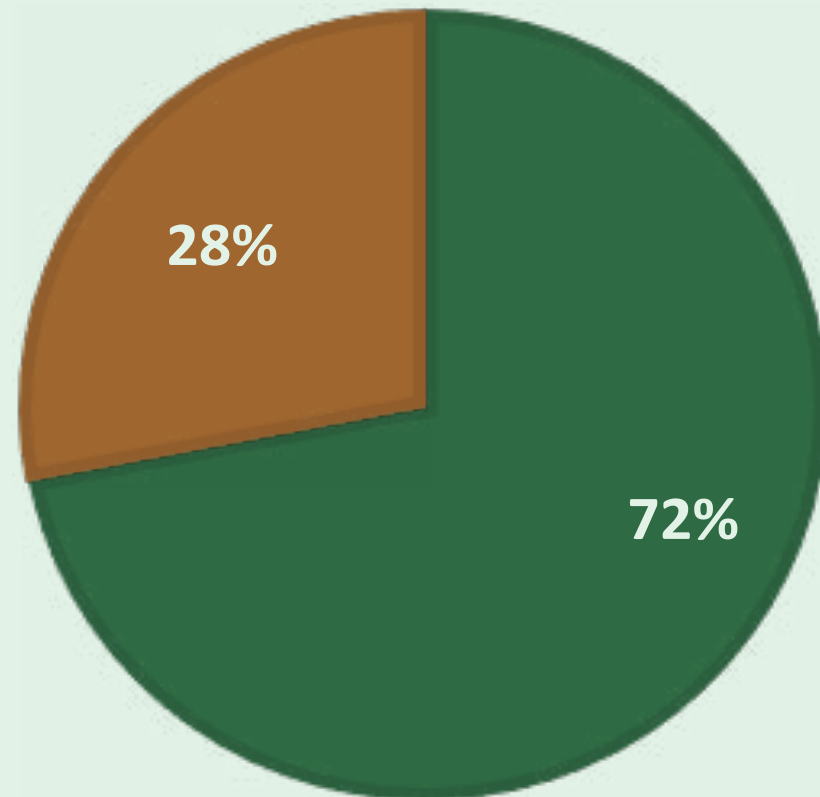
Primary location

INTERNATIONAL UNITED STATES



Company CEO

FEMALE MALE

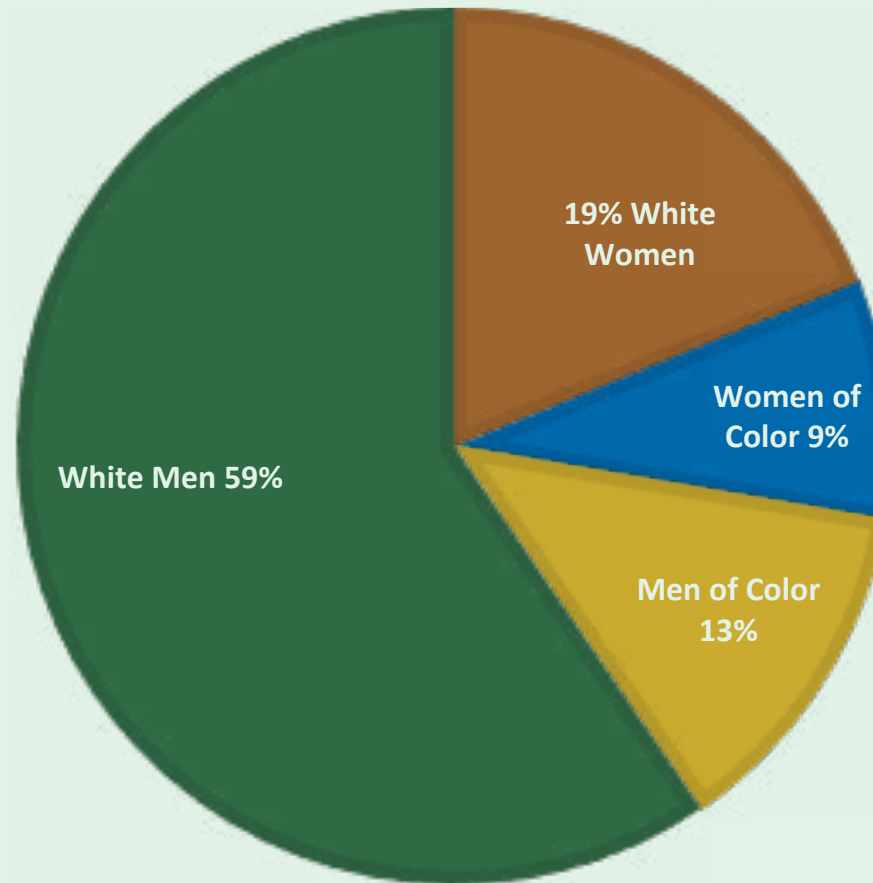


ABSF's goal is more balanced gender representation across our endowment

# RACIAL COMPOSITION

By Investment Value

## Company CEO



**White 78% Black 15% Latinx, Hispanic 0.5% Other/Opt out 6.5%**

**ABSF's goal is more balanced racial representation across our endowment**



# IMPACT PROFILES

## Cash

One of the easiest ways to be an impact investor is to move cash out of big corporate banks and investment brokerage accounts into CDFIs (community development financial institutions), credit unions, and nonprofit financial organizations with mandates to make loans to disadvantaged populations in LMI (low and middle income) communities.

[RSF](#) > \$200k loan > Non-profit financial services organization investing in a variety of social and environmental enterprises.

RSF Social Finance is committed to offering innovative opportunities to invest, give, and get funding that generates positive social, economic, and ecological impact. RSF serves social entrepreneurs across multiple focus areas, including sustainable food & agriculture, education & the arts, ecological stewardship, and workforce development. Since 1984, RSF has made over \$450 million in loans, investments, and grants.

As of 2021 year-end, RSF has supported **83** borrowers, **60** of whom are women-led businesses and **12** of whom are from low- to moderate-income communities.



RSF investee [Women's Foundation of Arkansas](#) ensures economic security for Arkansas women and girls through collaboration and focused philanthropic investment so they can realize and achieve their full potential.

RSF's Women's Capital Collaborative supported the foundation's inaugural Women's Economic Mobility Hub (WEM Hub), a program for Black women entrepreneurs in the Arkansas Delta and throughout the state. The first cohort included 11 Black women entrepreneurs, representing nine businesses throughout Arkansas.



Each participant received an unrestricted \$5,000 to invest in their businesses. The theme was investment in profitability and growth, and the money was used for training opportunities, equipment for expanded operations, building websites for a wider reach, and trademarking products and brands.

## Business Loans

ABSF is committed to providing flexible, affordable, and patient capital to socially and environmentally committed small businesses positively impacting their communities in emerging economies. While these “missing middle” small businesses are too small and risky for most commercial banks and impact investors, they are an investment priority for ABSF.



**Imara Tech** | \$20k loan | Tanzania-based social enterprise that brings mechanization to small farms in rural areas to help increase smallholder farmers' productivity, crop quality, and income.

Imara Tech's multi-crop threshing machine separates common staple crops such as maize, beans, sorghum, pigeon peas, and sunflower up to 75 times faster than manual threshing, cutting threshing times by days or even weeks. With the threshing machine, smallholder farmers can now earn up to US\$ 14 per hour as an income-generating business. This machine reduces grain and seed damage, improves the end-product quality, and enables smallholder farmers to generate more income by selling their produce in higher-value markets.

Imara Tech has established satellite workshops where they train people on machine production and motivate them to start their own workshop. This model has helped create opportunities for satellite workshops and at the same time keep the labor cost down.

In 2021, Imara Tech expanded operations into the Kigoma region of Tanzania and aims to sell 200 machines, providing access to mechanization for 10,000 smallholder farmers.



## Loan Funds

Investment funds making loans to socially or environmentally committed businesses are a great way to diversify fixed-income portfolios while reaching an exponentially greater number of deserving enterprises.

**Beneficial Returns** > \$50k loan > impact investment fund supporting the growth of leading social enterprises in Latin America and East Asia.

Beneficial Returns borrows money from family foundations and donor-advised funds (DAFs), pools the funds, and makes equipment loans of \$50,000 – \$500,000 to social enterprises addressing poverty in emerging markets. With additional capital, these social enterprises are able to deepen and broaden their impact in fields such as sustainable agriculture, renewable energy, waste reduction & re-purposing, and livelihood development.



Aliet Green , Indonesia



Beneficiary returns investee [Ananas Anam](#), founded by CEO Carmen Hijosa, repurposes pineapple leaves into the sustainable vegan textiles Piñatex and Piñayarn. By repurposing agricultural waste into natural textiles, Ananas Anam creates social impact by introducing new jobs and diversified income streams to rural pineapple farmers. Ananas Anam's low-impact textile solutions also support the efforts of brands and industries to reduce their emissions and meet their climate and sustainability targets.

As of 2021, Ananas Anam enabled the creation of over 300 jobs in rural farming communities in the Philippines, and diverted 267 Tons of CO<sub>2</sub> from being released into the atmosphere by valorizing leaf waste.



*Ananas Anam, Philippines*



## Equity Funds

Traditionally women and entrepreneurs of color struggle to access venture capital, despite widely documented outperformance. Investing in funds led by or supporting such entrepreneurs helps close this gap, while promising higher returns that traditional bias fails to recognize.

**Beyond Capital Ventures** > \$250k loan > woman-led venture capital firm, offering a diversified portfolio of companies in “need-to-have” sectors, led by conscious leaders, primarily in India and East Africa.

Beyond Capital Ventures invests in the next wave of innovations that address the growing needs of 1 billion+ consumers. BCV is investing in **Kasha** Global, a woman-led leading femtech retailer in East Africa for high quality, affordable health and personal care products.

By addressing the lack of access to costly women’s health and wellness products across Africa, Kasha has built a recognized, trusted brand. The company empowers its mostly female customer base and network of sales agents by selling health and pharmaceutical products to smaller retailers and also reaches last mile consumers. Kasha’s consumer-facing platform also disseminates information around women’s health and wellness.

Kasha currently has operations in Rwanda and Kenya, with over 8 million products delivered to date. The company aims to become a global leader in the provision of products and information surrounding women’s health and personal wellness in Africa.

Kasha, Rwanda



5 GENDER  
EQUALITY



8 DECENT WORK AND  
ECONOMIC GROWTH



10 REDUCED  
INEQUALITIES





# FOLLOW UP



*ABSF team and Empowered Girls, Tanzania*

ABSF is committed to being a hands-on impact investor by visiting all types of investees to gain deeper understanding of their impact. As our original founder Arthur B. Schultz once said, "There is no substitute for being on the premises!" This might be the most gratifying part of our work—seeing the lives positively changed by the investees we support. We look forward to sharing more stories from these visits in future reports.



# LEARNING

- Publicly traded companies are a shrinking but significant portion of our endowment. We screen for leadership on ESG issues and for alignment with our SDG priorities, but we don't expect public equities to create impact comparable with our private sector portfolio. We'll continue to follow evolving best practices to influence positive change.
- Much of the data presented in this report details outputs—jobs, demographics, hectares, etc. But just as important are stories illustrating how livelihoods are being impacted. In the future, we'd like to explore how to better quantify changes to livelihoods.
- Going forward, we will explore measuring how catalytic and proportional each ABSF investment was to achieving reported impact.
- We need to become more effective influencing other foundations to allocate more financial resources to mission-aligned investments.

*Industria TEMA, Nicaragua*



# ACKNOWLEDGMENTS

ABSF wishes to thank Gwen Straley of [3rd Creek Investments, Inc.](#) for her exemplary impact and financial advisory services.

ABSF also wishes to recognize our co-investment partners at [SK2 Fund](#), [3rd Creek Foundation](#), and [Beneficial Returns](#) for their commitment to pooling financial resources in service of greater social and environmental impact.

We want to thank Muna Sbouh of SK2Fund for all of her efforts to obtain and present the data provided in this report.

For additional impact investment profiles, please visit our [website](#), or contact us to see a complete summary of current portfolio investments.



---

## Contact



info@absfoundation.org  
PO Box 1570  
Lander, WY 82520 USA  
+1.307.714.5665

