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Innovative Capital Marketplace Supports Growth Capital Campaigns of Game-Changing Nonprofits

A new way for philanthropy to combine its resources and achieve exponentially more impact

NEW YORK, December 16, 2013 — Today, the Social Impact Exchange launched the Scaling Marketplace, a new philanthropic initiative where funders are joining forces to support nonprofits that are bringing the most promising social strategies to scale. The Marketplace (<http://www.socialimpactexchange.org/scalingmarketplace>) enables funders across the country to easily connect to evidence-based, game-changing nonprofits with the potential to have a major impact in education, health, and poverty alleviation.

It is the first marketplace for scaling impact, with the potential over time to encompass thousands of funders and generate billions of dollars in growth capital annually for high-impact interventions that address our most difficult social problems.

“The Exchange’s Scaling Marketplace enables funders to collaborate in a more fluid fashion – learning about new strategies, exploring their efficacy, and supporting work jointly without delay when it aligns with their shared priorities. Working together in this way, funders can greatly enhance the possibility that their grants will have maximum impact across various issues and geographies,” said Jeannie Oakes, director of education and scholarship at the Ford Foundation and a member of the Exchange’s Education Working Group.

The Scaling Marketplace is spearheaded by the Social Impact Exchange’s Working Groups (see [member lists](#)) – 20 to 30 major funders in different issue areas who identify, vet, and fund evidence-based nonprofits ready to move to the next level of scale. Working Group members provide a portion of growth funding needed for scaling each investment (“lead funding”), and then distribute the investment opportunities to broader networks of potential funders to complete the growth capital needed for scale up. The Marketplace is an efficient, user-friendly way for hundreds of funders to find, review, and feel confident in co-funding scaling opportunities that fit with their priorities and have been qualified through a rigorous process.

“Despite all the important work accomplished by nonprofits, scaled impact remains an elusive goal. A lack of accessible growth capital makes it difficult for interventions with demonstrated impact to achieve the scale necessary to help millions of people,” said Alex Rossides, President of the Social Impact Exchange. “To address major social problems, it is important to make it easier for funders to deliver enough capital to our most effective, breakthrough solutions so they can spread their impact locally and nationally – and that’s what the Scaling Marketplace is intended to accomplish.”

HOW IT WORKS

Nonprofits in the Marketplace are first nominated to Working Groups and then go through a multi-layered due diligence process led by funders of those groups. Each nonprofit is pursuing an active growth capital campaign and is vetted for evidence of impact, scalability and financial sustainability based on evaluation studies and a growth business plan. If Working Group members decide to provide a portion of growth capital needed for scaling, the investment opportunity is then shared with other funders across the country. Potential co-funders connect with the nonprofits through an online [platform](#) via collaborations with existing national and local funder **affinity groups** and wealth management firms, as well as through peer-to-peer relationships.

The Marketplace is similar to a private placement marketplace in the for-profit sector, where co-investors come together to finance specific growth plans. The **opt-in** nature of the Scaling Marketplace allows funders to co-fund based on their interests and program areas.

The Scaling Marketplace currently has **69 active funders**, with four health-focused nonprofit organizations and four education-focused nonprofits that collectively are raising a total of **\$140 million in growth capital**. The initial Marketplace investment opportunities include:

Center to Advance Palliative Care (CAPC)	Achievement Network (ANet)
IMPACT	Expeditionary Learning
Playworks	National Center on Time and Learning (NCTL)
Project ECHO	National Teacher Center (NTC)

Additional scaling initiatives will be added to the Marketplace several times a year, and will include nonprofits in new fields such as poverty alleviation and impact investing.

All funders throughout the country are encouraged to participate in the Scaling Marketplace – program officers and directors at local, regional, and national foundations, community and family foundations, corporate foundations and giving offices, as well as individual high-net-worth donors who are interested in supporting nonprofits that can have major impact at scale.

To find out more about the Scaling Marketplace, please visit:
<http://www.socialimpactexchange.org/scalingmarketplace>.

About the Social Impact Exchange

The Scaling Marketplace is an initiative of the [Social Impact Exchange](#) (the “Exchange”). The Exchange is a national membership association dedicated to working with funders to build a marketplace that efficiently delivers capital to the most effective nonprofits, so they can spread their impact and improve the lives of millions. By creating standards to evaluate impact, identifying and tracking highly effective nonprofits, and fostering significant collaborative funding to scale up top social interventions, the Exchange helps foundations, donors, business, and government increase the power of giving to achieve greater social good. The Exchange was established in 2009 with Funding from the Robert Wood Johnson Foundation and Rockefeller Foundation, and currently has nearly 5,000 members. To learn more, visit www.socialimpactexchange.org.

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