



## Stanford eCorner

### New School Venture Fund History and Operations

Kim Smith, *New Schools Venture Fund*

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Video URL: <http://ecorner.stanford.edu/videos/612/New-School-Venture-Fund-History-and-Operations>

New School Ventures is a non-profit public charity with the sole purpose of creating better opportunities for children who are not currently being served by public education, says Smith. They are unique in that they feel it is important to be able to invest in both for-profit and non-profit entrepreneurs, depending on the situation. Any returns are folded back into the fund and reused.



#### Transcript

I should maybe for history, our first fund was a \$20 million fund that we invested in nine entrepreneurs. They're all up on the web and you'll see a slide later. In the second fund, we've shifted from individual donors to more of a foundation institutional funder approach as we've kind of built a track record and so our total fund for the second fund will be probably \$80 million. The ultimate goal of course that every single child in a public school in this country is getting excellent education. It's their right. It's our goal as a community and we just haven't come through for them so far. A quick slide on our operations. We're a little unusual. We are a nonprofit entity. We are a public charity.

Our sole purpose is to create better opportunities for children who are not being served by public education right now. Having said that though, we felt it was very important to be able to invest in both for-profit and nonprofit entrepreneurs. Depending on the business they're going into and depending on the capital they need to raise, it makes more sense in some cases to be a for-profit and in other cases to be a nonprofit. We wanted the flexibility to invest in both. That's another part of our hybrid model. It's something that makes us extremely unusual. I'm aware of only one other group that does that. It's a group in New York called Acumen that does international investing which is also a very great social entrepreneurial investment organization. So when we have returns from our fund, we just fold them back into the fund and use them again. It's a part of our being self sustaining.

We have had one liquidity met so far in our first fund and we folded those ones back in.