

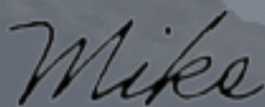


**abundance**  
CAPITAL

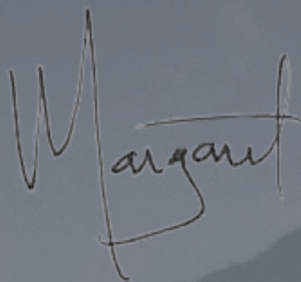
**IMPACT REPORT**  
**2022**

## Welcome!

We are pleased to share the results of our first year of operations at Abundance Capital. Our diverse community of venture philanthropists and partners collaborate deeply with communities to activate place-based, philanthropic impact investing to grow inclusive and sustainable prosperity across the South. We are grateful for the fantastic work in 2022 and look forward to opportunities and partnerships in 2023.

A handwritten signature in black ink that reads "Mike". The script is fluid and cursive.

**Mike Gatchell**  
Co-Founder and CEO

A handwritten signature in black ink that reads "Margaret". The script is fluid and cursive.

**Margaret Gifford**  
Co-Founder and Chief Investment Officer


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# Flexible and Effective: Evergreen Philanthropy Bridges the Access-to-Capital Gap

Launched in February of 2022, Abundance Capital helps people radically expand the impact they can have on their communities through tax-deductible charitable giving. Using our donor-advised fund platform specializing in Venture Philanthropy, our “Abundance Angels” direct patient, flexible impact investments and grants to help build more equitable and sustainable local economies.

Abundance Angels can use financial returns to reinvest or make grants, stretching the impact of their philanthropy and creating a “ripple effect” for good. This risk-tolerant capital, which taps the generosity and engagement of individuals from all walks of life, is particularly important for underserved communities and socially disadvantaged entrepreneurs who often face high barriers to accessing capital and have experienced systemic poverty.

A portrait of Francie Heller, a woman with voluminous, curly brown hair, wearing a light blue blazer. She is smiling and looking directly at the camera.

“As important as the financial return, I want to know ‘What good is my money doing?’ ”

- Francie Heller  
Managing Partner, Heller Advisory

Abundance Capital and our network of Abundance Angels bridge the access-to-capital gap often faced by socially disadvantaged entrepreneurs by activating the untapped power of individual philanthropy to make "right fit" capital available to the best and brightest ideas. Abundance makes it easy for individuals and institutions to become community-minded angel investors, using their philanthropy to provide patient, risk-tolerant loans, grants, and equity investment.

Abundance Angels also utilize a combination of multiple asset classes – a style known as integrated capital for optimal benefit to socially or economically disadvantaged founders, in support of projects solving the biggest community challenges. To ensure charitable impact, Abundance uses the globally accepted United Nations 17 Sustainable Development Goals to help fundholders identify and measure the impact of their capital deployments. When recommending investments, Abundance Angels also look for the "Abundance Effect," a multiplier effect where their contribution of financial and social capital will leverage additional investments, relationships, and accelerate impact.



# 2022

## The Abundance Effect

- 23** *Abundance Angels* (donor-advised fund holders) who have come on board as venture philanthropists to invest in their communities with amounts from \$100 to \$100,000.
- 5** *Patient investments, low-interest loans, and catalytic grants* deployed by Abundance Angels to provide access to capital for underserved entrepreneurs, high impact businesses, nonprofits, social enterprises, and purpose-driven real estate projects.
- 17** *SDGs*. Documented financial support toward 17 UN Sustainable Development Goals, with progress on projects addressing economic mobility, climate, housing, gender equality, inclusive institutions, and more.
- 8** *Southern states* that Abundance's ecosystem-building work touches through partnerships such as VentureSouth, Self-Help Ventures, NC IDEA, Mountain BizWorks, CommunityWorks, SC Community Loan Fund, The Community Foundation of Greenville, and others.
- 200+** *Number of jobs* Abundance has helped create (in North Carolina and South Carolina) through its investments.
- 75%** *The portion of our investments and grants* that were deployed to leaders of color, women or rural communities in North Carolina and South Carolina.
- 2000+** *"Social Capital" hours invested* with community members, donors, entrepreneurs, partners, and business executives, sharing information, exchanging ideas, and building the impact entrepreneurial ecosystem.

“Abundance provides a powerful, versatile platform and toolkit for donors like us who want to use their philanthropy in new and innovative ways to improve our local community. We appreciate the opportunity to invest in a social entrepreneur who might otherwise struggle to gain funding. We also like that Abundance’s unique ‘venture philanthropy’ approach means that we have the chance to regenerate a portion of our charitable funds when the investments or loans are repaid. That’s a very different level of long-term impact than a grants-only fund.”

- Neil and Joy Grayson

Partner, Nelson Mullins, Riley & Scarborough; and Joy

Grayson, Special Advisor to

The Motley Fool Foundation

(Abundance Angels)



# Let's Talk Donor Advised Funds (DAFs)

*Why are they important for Community Economic Development?*



Individuals are willing and able to mobilize enormous amounts of charitable capital to support the causes and issues they care about. Individual philanthropy is both accumulating and being granted out at historic levels. <sup>1</sup>

At the end of 2021, donor-advised funds totalled **\$234 billion**.

Despite a record grant rate of around 27.3%, the full power of this individual philanthropy remains largely unrealized.

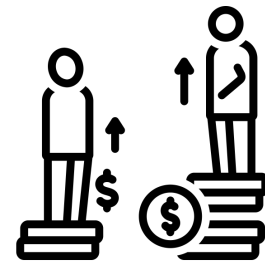
*"At Abundance, we think there is a need for more ubiquitous, user-friendly ways to put this money to work through local impact investing, and to provide crucial social capital needed to support game-changing, community-building solutions."*

*- Margaret Gifford, Chief Investment Officer & Co-Founder*

Typical sources of funds for entrepreneurs tend to be venture capital, particularly angels or friends and family, or community banks.



Underserved entrepreneurs, including women and people of color, older, or rural entrepreneurs lack access to these crucial early-stage funding networks. With the "access-to-capital" gap, these socially and economically disadvantaged entrepreneurs, especially those from rural areas, experience much higher startup costs.



<sup>1</sup> The National Philanthropic Trust's "2022 Donor-Advised Fund Report" notes that DAFs grant payout was 27.3%. By contrast, in the same time period, foundations granted at only slightly above their 5% minimum distribution requirement (7.2%), which included transaction costs, such as accounting and other services. According to the "2022 Report on Philanthropy" published by Foundation Source, foundations have been using program-related investment (loans and grants) to experiment in providing different types of financing to a range of mission-first businesses. There is no reason to prohibit individuals from doing similar blended capital investing.



# Abundance Creators: 2022 Investments, Grants and Loans

## The Good Shepherd's House LLC

Location: Anderson and Greenville, SC



### Mission

The Good Shepherd's House LLC seeks to reduce inequality and alleviate homelessness by providing stable housing options, counseling, property management job training, and community services for men and women living in poverty.

### Abundance Effect

“Abundance Capital is an important bridge connecting social entrepreneurs to philanthropists who are ignited to see change in our communities. Abundance is creating an opportunity for recipients and donors to form meaningful relationships that lead to greater impact. As it says in Corinthians 8:14: ‘At the present time, your plenty will supply what they needed, so that in turn their plenty will supply what you need, that there may be equality.’ The work of Abundance Capital is important for establishing healthy communities in South Carolina.”

- Adrick Caesar, CEO and founder



*In participation with CommunityWorks, one Abundance Angel recommended a \$15,000 loan made in Feb 2022 to help with a property down payment.*

# Kitsbow

Location: Old Fort, NC



*\*Kitsbow closed its doors in early 2023, but the impact to the Old Fort NC community continues, with new minority-owned businesses entering its former spaces, and many people enjoying the biking trails.*

## Mission

Cycling Apparel manufacturer utilizing innovative, sustainable production and recycling techniques, creating new textile manufacturing jobs with attention to diversity and inclusion, and contributing to other new business development in town, including building biking trails and parks.

## Abundance Effect

“Abundance’s investment in Kitsbow helped us become noticed in the impact investing community. In addition to investment, the connections that Margaret and Mike provided gave us access to thought leaders we did not previously have in our ecosystem.”

- David Billstrom, CEO Kitsbow



*Three Abundance Angels recommended a \$40,000 equity investment made in May 2022 to help with operations and growth strategies. Later, one additional Abundance Angel provided \$19,000 in convertible debt financing for working capital.*

# Filling the Gap @475

Location: Greenville County, SC



## Mission

A unique transaction that pooled Abundance Angel investors to buy and conserve nine acres of formerly privately owned pristine land in the Upstate abutting Jones Gap State Park and Gap Creek.

## Abundance Effect

“We came to Abundance with the aim of being able to rally multiple donors around this important transaction involving multiple parties. Abundance was able to help us complete the transaction and hold a space for future fundraising and outreach for this project.”

- Carlton Owen, Retired, CEO,  
U.S. Endowment for Forestry and  
Communities, Inc.



*Together, fourteen donors recommended grants of approximately \$200,000, facilitating Naturaland Trust to acquire the property, donating the majority to Jones Gap State Park and a small portion to a nearby Gap Creek Baptist church.*

# Step by Step Reentry Project

Location: Greenville, SC



## Mission

Step by Step empowers formerly incarcerated women to rebuild hope, reunite with their families and children, and have a safe space to land. Step by Step provides housing, wraparound services, case management, advocacy, and leadership development.

## Abundance Effect

“The collaboration between Step by Step, Jolley Foundation (Abundance Angel) and Abundance Capital has been a game changer. This \$100K loan and the relationships that came with it, set the stage for fundraising, building the gap in the bridge to a home for formerly incarcerated women and their children, who would be at risk of homelessness without it.”

- Angela Hurks, Founder and CEO

*One Abundance Angel recommended a \$100,000 loan made in June 2022 to support operations and growth strategies in concert with a housing loan provided by CommunityWorks and SC Community Loan Fund.*



# Union House

Location: Greenville, SC



## Mission

First single-family development in Greenville city limits that is built specifically for co-living. Affordable for renters earning ~80% of area median income (AMI), including teachers, hospitality employees, and frontline healthcare workers.

## Abundance Effect

“The greatest need (Abundance is) solving is placing capital into projects that are built for impact + profit. This is hard to find elsewhere, so the faster, more streamlined, and higher volume you can do, the better.”

- Matt McPheely, Partner

*Two Abundance Angels recommended a \$75,000 equity investment made in September 2022 to support construction.*



## Community Partnerships

The Abundance Effect is about working together to build something that is bigger than everyone involved. It's about building healthy, equitable and prosperous communities that benefit everyone. This means true partnership - where we know that together, we are creating outcomes that are better than what anyone could have accomplished alone.

Legal experts, Neil Grayson and Jeff Gurney with Nelson, Mullins, Riley and Scarborough provided countless hours of highly specialized pro bono support to launch and grow Abundance. Volunteer investment committee and board members donated skilled independent oversight, including creating policies, reviewing opportunities, conducting site visits, meeting with entrepreneurs, and generously extending their networks to support Abundance's mission and impact.

Additionally, The Community Foundation of Greenville supported Abundance from the outset, providing fiscal sponsorship and other key forms of technical support. CommunityWorks, and Mountain BizWorks opened their doors to work with Abundance Angels and helped to co-lead some early transactions, too. On the venture side, VentureSouth and Vicinity Capital both welcomed Abundance, bringing Abundance so that their membership networks could use this new tool for angel investing.



"Partnering with an organization like Abundance Capital leads to us being able to stretch our capital to create more affordable housing units or provide small business capital to the communities we serve."

- Paul Schmitt, CommunityWorks,  
Senior Lending Officer

# Leadership

Abundance’s innovation was also recognized in the media, including the *Upstate Business Journal*, *Greenville News*, the *Greenville Business Magazine*, and others. Our co-founder, Margaret Gifford, was recognized as one of the “Top 50 Women in Business” in South Carolina by Integrated Media Publishing based in Columbia, SC. This recognition was crucial in communicating the opportunity for venture philanthropy to transform communities and local giving.



Mike Gatchell (left) and Margaret Gifford (middle) meeting with Adrick Caesar (right)

“What I love the most is sitting in front of people and trying to understand what matters to them. What impact do they want to have? We’re trying to help people or organizations have the impact that they want to have in their communities. We’re giving them new tools.”

- Mike Gatchell, CEO and Co-Founder, Abundance Capital, as quoted in *The Greenville News* (September 15, 2022)

## A Look Forward: Abundance Capital Engagement (ACE) in 2023

Finally, one of the most unexpected, but gratifying, lessons from 2022 was that social capital may be the most important capital of all, especially when accompanied by carefully deployed financial investment. Together, these resources support entrepreneurs and social impact companies as they build healthier communities and break down historic and entrenched divides, such as racial, gender, and economic barriers.

For 2023, Abundance is launching new programming to make donors more aware of ways they can activate venture philanthropy and operationalize the sharing of their social capital - essentially combining the power of entrepreneurship with the empathy of philanthropic investing. ACE will include supporting the work of community foundations, adding to the ways their donors can have impact and learn from each other.

The Abundance Capital Empathy and Entrepreneurship Series will be launching in 2023 and will include education and training for both entrepreneurs and investors, as well as networking and other opportunities for diverse groups of people to come together to design creative solutions and structure innovative financing to build stronger and more resilient communities.



## ABUNDANCE ANGELS

*Our current donor-advised fund holders are blazing new trails with venture philanthropy. Join our list and stretch the impact of your philanthropy.*

Mike and Beth Andrews  
Rod and Bess Baird  
Blaudow Family Fund  
Steven and Robyn Bryant  
Mike and Tanya Coggin  
Mark Elliott  
Kylie and Justin Felker  
Mike and Heather Gatchell  
Margaret Gifford and  
Sophie Gifford-Whitehead  
Neil and Joy Grayson  
Charlie Hall  
Francie Heller  
Garrett and Lauren Hyer  
Jolley Foundation  
Ron and Tammy Malone  
Mountain Bizworks  
Barry and Elaine Nocks  
Kathryn and Ben Norwood  
Carlton and Brenda Owen  
Melissa Scheiderer  
Diane Smock and Brad Wyche  
Peace Sullivan  
Rob and Carley Victor  
Bogue and Bonnie Wallin

## INAUGURAL FUNDERS

*Our generous donors who supported our launch and ongoing operations. We can't thank them enough!*

Jim Barnes  
Clark and Katie Gallivan  
Gally and Fielding Gallivan  
Graham Foundation  
Greenville Local Development Corp.  
Francie Heller  
Gordon and Sarah Herring  
Hollingsworth Funds  
Jolley Foundation  
Maddrey Foundation  
Ron and Tammy Malone  
Diane Smock and Brad Wyche  
Mary Peace Sterling Foundation  
Kathryn and Ben Norwood  
Carlton and Brenda Owen

## COMMUNITY ECOSYSTEM PARTNERS

*Local and regional organizations working with us to increase capital access and strengthen community economic development.*

Community Foundation of Greenville

CommunityWorks

Eagle Market Streets' Development Corp.

Endeavor Greenville

Greenville Housing Fund

Homes of Hope

Mountain BizWorks

NC IDEA

Nelson, Mullins, Riley and

Scarborough

NEXT

SCRA

VentureSouth

Vicinity Capital

## BOARD OF DIRECTORS

Jevertus Burnett

Mike Gatchell

Margaret Gifford

Francie Heller

Craig Lundgren

Carlton Owen

## INVESTMENT ADVISORY COMMITTEE

Brittany Arsiniega

William Bridges

Adrick Ceasar

Jeff Gurney

Libba King

Tim Lincolnhol

Prenita Mack

Erin Ouzts

## Take Action

### Get Involved

Visit [abundancecap.org](https://abundancecap.org) and open your own Abundance Fund or create a pooled fund with others. Grants from other DAFs are accepted. Please consider a tax deductible gift to our operations, too.

### Invest

Recommend impact investments. Choose from collaborative options we curate or bring us your own custom ideas. Participate in networking and educational opportunities with fellow venture philanthropists through our ACE educational programming and on social media.

### Regenerate

Stretch your impact by reinvesting available returns and adding to your fund through ongoing donations.



