

# 2015 SNAPSHOT

**FOR-PROFIT AND HYBRID  
ECHOING GREEN FELLOWSHIP APPLICATIONS**

Photo: Farmerline Ltd. - 2014 Global Fellow

**eCHOING  
GREEN**

# 2015 SNAPSHOT: FOR-PROFIT AND HYBRID ECHOING GREEN FELLOWSHIP APPLICATIONS



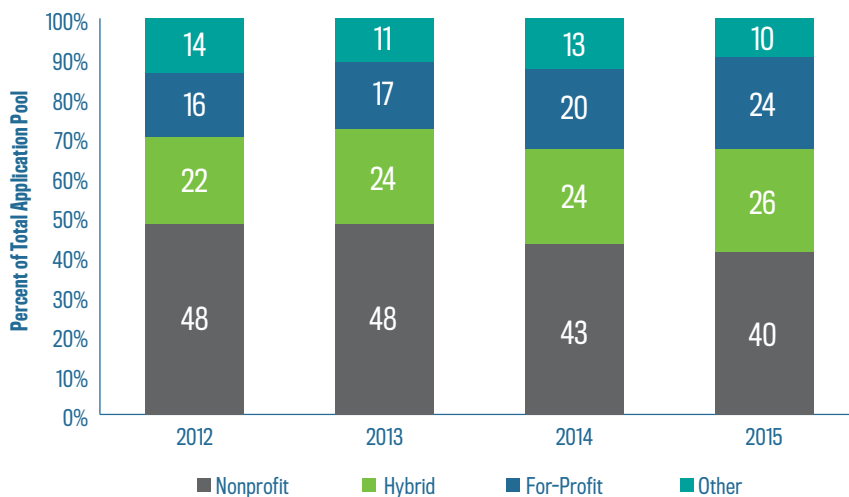
Since 1987, Echoing Green, a nonprofit seed-stage funder of social entrepreneurs, has disbursed USD 36 million in funding and strategic assistance to over 600 emerging leaders around the world through its highly competitive *Fellowship Program*. This year, it received 3,165 applications from 128 countries, an increase of 16 percent from 2014, for its three Fellowships – Black Male Achievement, Climate, and Global – and will select the top 1 to 2 percent.

As one of the few seed funders, Echoing Green developed an impact investing program stemming from its experience in selecting, funding, and supporting social entrepreneurs. Impact investments are made with the intention to generate measurable social and environmental impact alongside a financial return. As part of this program, Fellowship applications proposing for-profit and hybrid business models are highlighted annually to provide a snapshot of emerging trends in social enterprise. Readers should not use these application data to draw conclusions about specific geographies, sectors, organization types, or the broad early stage social enterprise field. Echoing Green hopes others working with emerging social entrepreneurs will share their data and knowledge to help young leaders succeed, and inform and increase the flow of early stage impact capital.

## Organization Structure

Hybrids and for-profits compose half of all 2015 applications, a 35 percent increase since 2006 and a 12 percent increase over the last four years.<sup>1</sup> Hybrids are defined in the application as having “for-profit and nonprofit elements.” The increase remains driven by for-profit organizations. There was variation across the different Echoing Green Fellowship programs: 59 percent of Climate, 50 percent of Global, and 34 percent of Black Male Achievement applicants had for-profit elements. These data are similar to those in 2014.

### ORGANIZATION STRUCTURE AS PERCENTAGE OF TOTAL APPLICATION POOL, 2012-2015



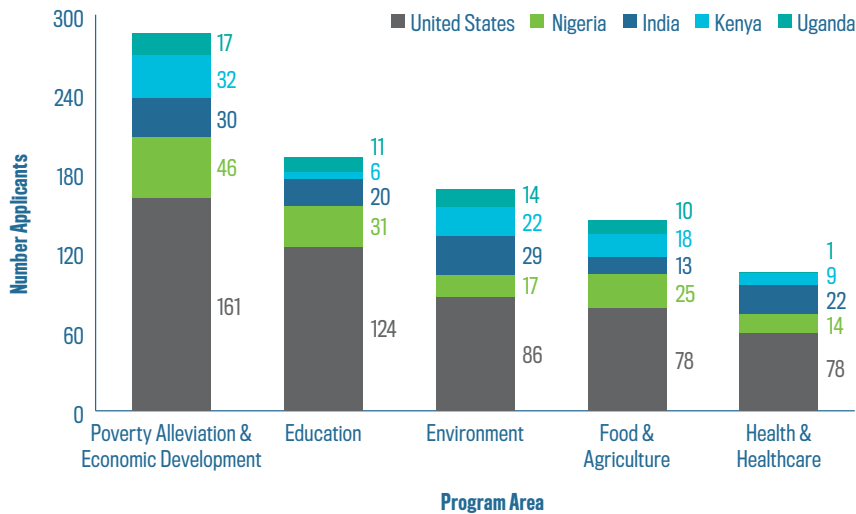
Source: Echoing Green Fellowship applications, 2012-15. “Other” includes those who have not yet decided and a variety of self-reported structures.

## Takeaways

- Fellowship applications with elements of for-profit business models continue to increase, and for the first time, compose half of all proposed programs – a 35 percent increase since 2006.
- A more equal distribution of legal structures, as applications have become less concentrated in nonprofits, is a global trend.
- Over the past four years, for-profit applications have been most likely to focus on national operations (those serving more than one part of the same country), whereas nonprofits have been most likely to target local populations (those in one city or town).
- On average and at the median, for-profit applications continue to report raising the most funds since launch across all organization types. Hybrids reported 59 percent more average funds raised than those that applied in 2014, perhaps reflecting the organizations’ older average reported age.
- The Climate Fellowship, which began in 2014, again received the highest proportion of applicants with for-profit elements, at 59 percent.

# Program Areas and Applicant Citizenship

## PROGRAM AREAS OF FOR-PROFIT AND HYBRID ORGANIZATIONS BY APPLICANT CITIZENSHIP, 2015



Source: Echoing Green Fellowship applications 2015, for-profit and hybrid organizations only. The graph displays the five most cited program areas by the five most cited countries of citizenship. The other program areas, selected by less than 16 percent of this subset of applications, were Arts & Culture, Civil & Human Rights, and Public Service & Civic Engagement.

The top five program areas of focus by for-profits and hybrids remained the same year-over-year (YoY), with Poverty Alleviation & Economic Development again the most commonly cited. Similarly, the most well-represented citizenships submitting for-profit or hybrid applications stayed consistent, coming from the United States, Nigeria, India, Kenya, and Uganda (which also reflected the makeup of the overall applicant pool).

Over the past four years, for-profit and hybrid applications have become more evenly distributed across the top program areas, indicating more applicants are using for-profit business models to address a larger variety of problems.

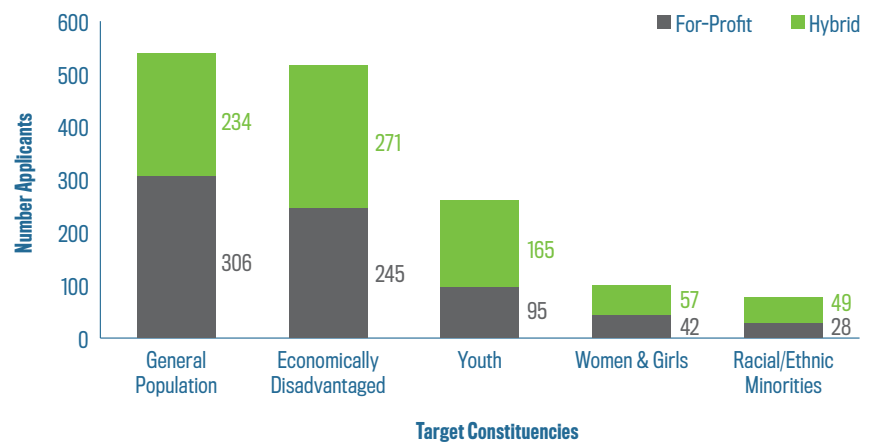
In the same time period the percentage of for-profit and hybrid applications received from U.S. citizens has steadily decreased from 60 to 39 percent, reflecting a more international applicant pool. Applications from Nigeria and India increased by five percent YoY, and over the past four years, show the most consistent increases in applications with for-profit elements relative to their nonprofit counterparts. Echoing Green received for-profit and hybrid applications from seven new, geographically diverse countries YoY.<sup>2</sup>

## Target Constituencies

In 2015, for-profit and hybrid applications most commonly targeted general and economically disadvantaged populations.

Over 2012-2015, for-profits have trended toward serving general populations, while hybrids continue to focus on serving economically disadvantaged populations. Nonprofits continued to primarily focus on serving more narrowly-defined populations like youth or minorities.

## TARGET CONSTITUENCIES OF HYBRID AND FOR-PROFIT ORGANIZATIONS, 2015



Source: Echoing Green Fellowship applications 2015, for-profit and hybrid organizations only. The graph displays the five most cited constituencies. The other options, selected by less than 6 percent of this subset of applications, were Immigrants and Refugees, Men and Boys, Persons with Disabilities, Senior Citizens, and Sexual Minorities.



# Funds Raised

## By program area

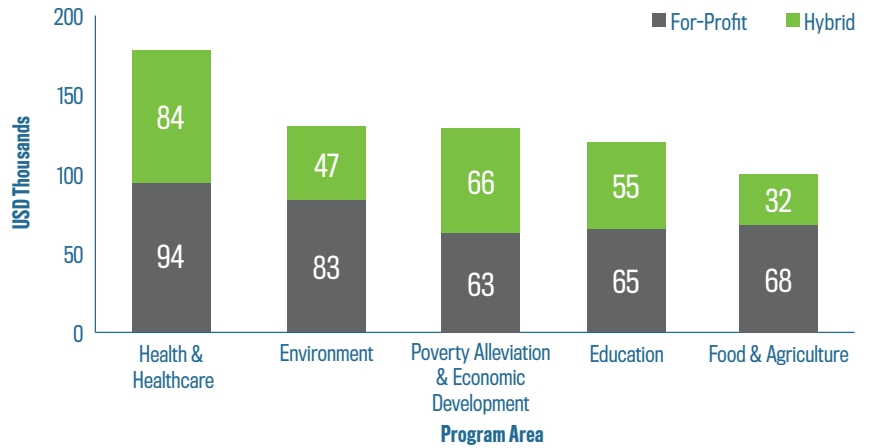
This year, as in the past two, applicants working in Health & Healthcare reported the highest amount of average funds raised since launch. There was significant YoY variation in hybrids' reported average raise by program area; for example, those working in Health & Healthcare reported 145 percent more than the 2014 pool. Interestingly, among for-profit and hybrid applications, Food & Agriculture was the only area with a reported decrease in average funds raised, at 18 percent, YoY. While applications in this program area increased by 40 percent YoY, they were also much younger— those that reported operating less than one year increased by 46 percent.

## By organization type

In 2015, among applicants that reported raising funds, for-profits reported a higher average raise than hybrids, as they have since 2012. For-profits reported a similar average of funds raised as their 2014 counterparts at just over USD 72,000. The median amount raised stayed constant at USD 25,000 YoY. This year saw the smallest fundraising gap between for-profits and hybrids since 2012, down to USD 14,000 from USD 36,000. Hybrid applications' average funds raised jumped from USD 36,000 to USD 58,000 YoY.<sup>3</sup> Their median was USD 12,000, an increase of USD 3,000 YoY.<sup>4</sup> Part of the increase in reported funds raised by 2015 hybrid applicants could be related to their later organization stage – though still the youngest among organization types, hybrids saw the largest YoY increase (37 percent) in those reporting later stages of operation (Begun Pilot Testing and Already Have Proof of Concept).

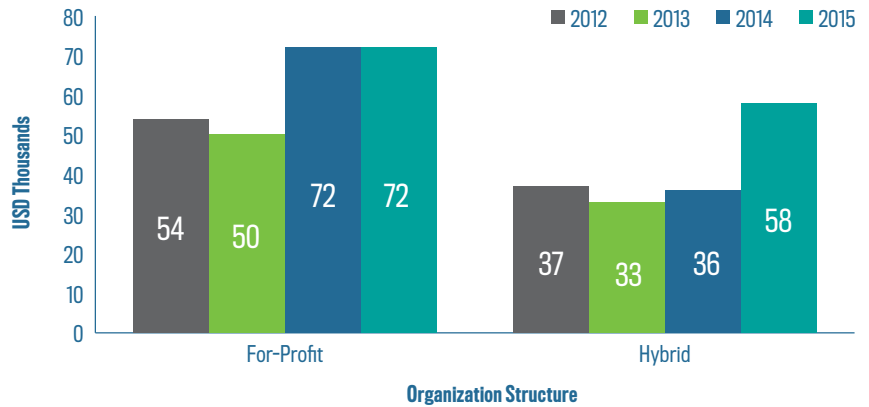
Indeed, over the past four years, as in the overall applicant pool, hybrid and for-profit applicants have reported increasing years of experience. Those that reported being at the earliest idea stage with no existing operations decreased from 40 to 26 percent of the total for-profit and hybrid pool over that time period.

## FUNDS RAISED (AVERAGE USD) BY PROGRAM AREA OF HYBRID AND FOR-PROFIT ORGANIZATIONS, 2015



Source: Echoing Green Fellowship applications 2015, for-profit and hybrid organizations only. The graph displays the five most cited program areas by for-profit and hybrid organizations. The other program areas, selected by less than 15 percent of this subset of applications, were Arts & Culture, Civil & Human Rights, and Public Service & Civic Engagement.

## FUNDS RAISED (AVERAGE USD) SINCE LAUNCH BY HYBRID AND FOR-PROFIT APPLICATIONS, 2012-2015



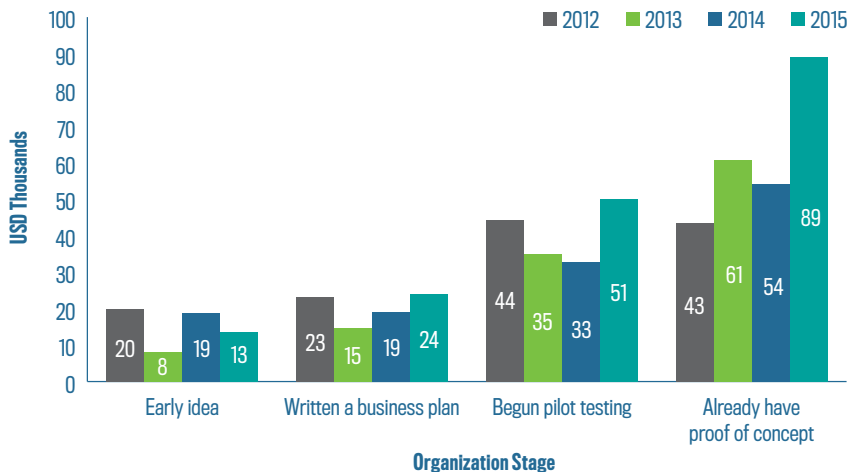
Source: Echoing Green Fellowship applications 2012-15, for-profit and hybrid organizations only. Data has been restricted to organizations that reported raising more than USD 0 but less than USD 1 million since launch to the time of application. In years 2012-15, less than 1 percent of applications reported raising more than USD 1 million since launch and 28 percent reported raising USD 0.

## By organization stage

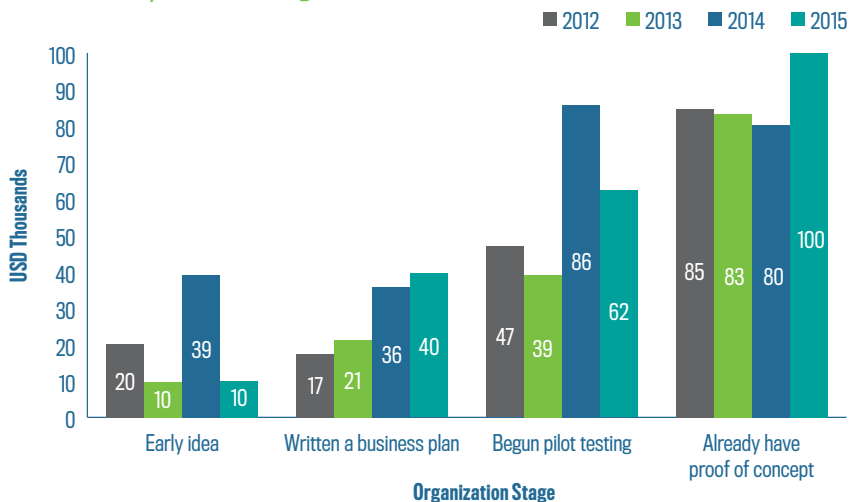
Continuing a four year trend, the gap in reported funds raised increased between for-profits and hybrids at later organization stages of growth. For-profit applications again reported raising more than hybrids across all organization stages.

## FUNDS RAISED (AVERAGE USD) BY ORGANIZATION STAGE OF HYBRID AND FOR-PROFIT ORGANIZATIONS, 2012-2015

### Funds Raised by Hybrid Organizations



### Funds Raised by For-Profit Organizations



<sup>1</sup> Read more about [overall application trends](#). It may be interesting to note that, according to an Echoing Green trend analysis performed by Harvard Business School, in 2006 only 15 percent of all applications proposed programs with some element of a for-profit business model.

<sup>2</sup> The seven new countries are based on primary applicant citizenship data collected by Echoing Green since 2012. They are: Barbados, Benin, Lebanon, Lithuania, Mozambique, Oman, and Panama.

<sup>3</sup> Nonprofit applications reported raising an average of USD 70,000 in 2015, continuing a steady upward trend since 2012.

<sup>4</sup> Data has been restricted to organizations that have raised more than USD 0 but less than USD 1 million since launch to the time of application. In years 2012-2015, less than 1 percent of Echoing Green applications report having raised more than USD 1 million since launch to the time of application and 29 percent have reported USD 0.

Source: Echoing Green Fellowship applications 2012-2015, for-profit and hybrid organizations only. Data has been restricted to organizations that reported raising more than USD 0 but less than USD 1 million since launch to the time of application. In years 2012-2015, less than 1 percent of applications reported raising more than USD 1 million since launch and 29 percent reported raising USD 0.

## About Echoing Green

Echoing Green’s mission is to unleash next generation talent to solve the world’s biggest problems.

- Read more about our [impact investing work](#).
- Compare this year’s snapshot to the [2014 snapshot](#).
- Learn about Echoing Green’s Fellowship [selection criteria](#).
- Read the interactive 2014 [Year of Innovation report](#).

This snapshot is a publication of Echoing Green and was created by Min Pease and Kayleigh Rogers-Torres. They acknowledge Lindsay Booker and Ben Beers for their contributions.