

Philanthropy: Investing in social entrepreneurs

GEORGE STRANAHAN HAS made a career of empowering people. He's made a career out of a lot of other things, too. However, the core, underlying rhythm for George has been about empowering the underdog and encouraging people, especially himself, to explore new and different solutions.

One of my fondest memories was a discussion with George about living on the edge of chaos — not in chaos (important distinction). That doesn't mean there isn't slippage now and then onto one side or the other. Yet, on that edge is where creativity, opportunity and innovation live. Governor John Hickenlooper, a one-time Stranahan business partner, links George's business savvy to the man being just "continuously curious."

It's that essence of curiosity and entrepreneurship that George shares with nonprofits. A believer in social entrepreneurship, George created a model of investment and repayment, called it the Manaus Fund, approached Tim McFlynn and Michael McVoy, and said, "I have an

idea, and I'd like you to help me implement it."

The model works like this. A nonprofit approaches the Manaus Fund with a great idea. As no one comes with a fully baked idea, the Board and applicant discuss, refine and help the applicant craft a solid business plan. If the idea meets Manaus' mission, and the nonprofit has the ability to repay the Fund, a "loan" is made and a repayment contract signed. Once repaid, Manaus re-invests those funds back into the community.

Carbondale's Third Street Center was one of Manaus' early beneficiaries. Manaus "loaned" the Center \$530,000 for pre-development costs. Within two years, the Center obtained a bank loan to cover the cost of converting and greening the vacant elementary school into a nonprofit center, repaid Manaus, which Manaus then



invested in other organizations. The Center is now home to 37 nonprofits and artists.

Many investors know that a key

ingredient to success is a good leader with a solid vision. Many say that without this leadership, it doesn't matter how good the idea is. A strong leader is what Manaus saw in Brent Gardner-Smith, then Director of Aspen Public Radio (APR). Brent approached George, Tim and Michael with APR's need to hire an additional reporter.

"It wasn't an overnight decision," said Brent. "Rather, there was a lot of discussion back and forth about what excited Manaus and what worked for APR."

In the end, Manaus loaned APR \$120,000 for the three-year salary of a bilingual reporter, who was charged with informing the RF Valley on what life was like from the Latino

perspective. In return, they agreed on an innovative revenue-sharing plan, whereby APR committed a percentage of their future earnings to Manaus. This was based on the belief that donations and underwritings from Carbondale and beyond would increase once the downvalley community felt served with good, local news. APR's reporting staff grew to three, which would not have happened without the Manaus Fund loan.

The Manaus Fund was founded six years ago with \$2.7 million in donations. Manaus has invested \$4 million in social entrepreneur partnerships, and now has assets, including receivables, in excess of \$4 million. And, the Board has grown from its original three to include Jeff Seltzer and Rob Pew.

This is the third in a series of articles where we will be exploring Aspen's philanthropists in action. Ginni Galicinao is a Philanthropic Advisor and Legacy Coach. She works with families, individuals and businesses to find fun, inspiration and fulfillment by clarifying and focusing their philanthropic efforts. www.philanthropy-legacy.com; ginni@gingali.com

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