



IDEAS *into* ACTION

promoting
entrepreneurship
and business
education



The Goldman Sachs Foundation

ABOUT THE FOUNDATION

The Goldman Sachs Foundation is a global philanthropic organization funded by The Goldman Sachs Group, Inc. The Foundation's mission is to promote excellence and innovation in education and to improve the academic performance and lifelong productivity of young people worldwide. It achieves this mission through a combination of strategic partnerships, grants, loans, private sector investments, and the deployment of professional talent from Goldman Sachs. Funded in 1999, the Foundation has awarded grants in excess of \$40 million since its inception, providing opportunities for young people in more than 20 countries.

THE GOLDMAN SACHS FOUNDATION PROMOTES
innovation in education and the social sector by creating
opportunities for the brightest entrepreneurial minds to
develop new ideas in these fields, and infusing
entrepreneurial skill within the nonprofit sector.

BY BRIDGING business skills with social goals to stimulate social entrepreneurship, the Foundation aims to expand the pool of capable educators and nonprofit leaders who are properly equipped with the tools necessary to launch significant new projects, programs, and products.

THE FOUNDATION LEVERAGES

the insight and expertise of
Goldman Sachs to achieve its goal of
promoting social entrepreneurship
and business education.

AS A LEADING investment bank
and securities firm, Goldman
Sachs naturally recognizes the
importance of economics and
entrepreneurship education.

The subjects evoke common interest and excite the imagination because they are at the root of self-expression, business success, and personal freedom. They also impart lifelong skills and leadership tools, reflecting our strong belief that a grant of self-sufficiency is the most influential form of philanthropy.

The Foundation collaborates with outstanding university partners to develop programs that seek to build a sustained capacity in social entrepreneurship among increasing numbers of students and faculty at outstanding institutions. The prospect of financial support attracts talented, ambitious competitors to deliver creative and workable solutions to public problems. Firm professionals invest their time and talent in these projects to complement and deepen the value of the Foundation's financial support.

THE GOLDMAN SACHS FOUNDATION founded a bi-coastal partnership, involving the **Columbia Business School** in New York and the **Haas School of Business at the University of California, Berkeley**, to provide a national platform for student-designed social ventures.

The **National Social Venture Competition (NSVC)** is the only national business school competition that fosters the creation of businesses and nonprofit organizations that are profitable or financially sustainable and can demonstrate a quantifiable social return on investment.

The Foundation's grant to the business schools helped build the framework for teaching entrepreneurship and improving connections between social sector organizations, business schools, and the business community. It also supports training in social entrepreneurship and helps cultivate analytical, leadership, and business skills among competition participants.

Graduate students from business programs throughout the country may enter the NSVC. To qualify, business ventures must be financially sustainable or profitable and have a quantifiable social or environmental bottom line incorporated into their mission and practices. Judges evaluate plans based on how well they integrate financial and social goals, the level of analytical rigor applied to the plan, and the strength of their management teams. The final competition offers participants the opportunity to network with venture capital executives, civic leaders, and others with expertise and insight on the subject of starting businesses that reflect financial and social goals.



The Foundation's focus on social enterprise supports the preparation of aspiring education leaders, including the founders of Bronx Charter School, winners in the 2001 National Social Venture Competition.

The new Bronx Charter School for the Arts is slated to open in the South Bronx, New York, in 2003. The K-3 school will integrate music, drama, and visual arts and crafts into a traditional curriculum of reading, writing, science, social studies, and mathematics. The idea began when teacher Xanthe Jory learned of the NSVC competition and recruited two friends pursuing MBAs at Columbia Business School, along with a team of educators and volunteers, to put together a winning plan. The team's \$25,000 grand prize helped finance the search for a principal and school site. The Foundation also awarded a supplemental grant to the school as part of its Social Entrepreneurs Fund.

THE FOUNDATION has created a unique partnership in direct response to growing interest among nonprofit leaders in developing reliable streams of revenue independent of donations and grants.

The Yale School of Management—The Goldman Sachs Foundation Partnership on Nonprofit Ventures, which also includes the Pew Charitable Trusts, provides human capital, strategic planning, management experience, and financial resources to facilitate growth and income generation among nonprofits.

In 2002, the Partnership's **National Business Plan Competition for Nonprofit Organizations** was launched to improve the quality of business planning among nonprofits. The competition, which is both educational and remunerative, emphasizes the skills and financial discipline needed to develop a strong and sustainable business plan. Four grand-prize teams that best demonstrate these skills receive \$100,000 of seed capital, along with business consultations and other technical assistance; awards of \$25,000 go to four semi-finalist teams.

In addition to administering the competition, the Partnership created an online educational resource center, which enables nonprofits, students, researchers, management consultants, and others to learn about business venturing by nonprofit organizations. The Nonprofit Ventures Resource Center (<http://ventures.yale.edu>) is an important tool for nonprofit leaders concerned about the long-term sustainability of their organizations.

“This partnership fits precisely the mission of the Yale School of Management to educate leaders who will use their analytical skills in the service of social as well as private goals.”

Sharon Oster, Fredric D. Wolfe Professor of Management and Entrepreneurship, Yale School of Management

TO ENCOURAGE development of new ventures with a clear and beneficial effect on K-12 education, the Foundation has funded a new education track for the **University of Pennsylvania's Wharton Business Plan Competition.**

Key areas of interest for this competition are e-learning, software, teacher training, school services, alternative schools, curriculum development, educational materials, and extra-curricular programs. Teams that advance to the final round in this track become eligible to receive prizes.

In addition to the competition, the Foundation's grant supports curriculum additions at the University's Graduate School of Education, including courses that prepare students to launch education-related businesses; a program that introduces K-12 teachers to entrepreneurship; and an entrepreneurship concentration within an executive-format doctoral program in education and organizational leadership.



CHRIS PIENKOWSKI

Winner, Wharton Business Plan Competition
Education Track

Until he was 22 and decided he wanted to do more with his life, Chris Pienkowski worked as a carpenter. In 1996, he detoured into community college and, one year later, was accepted at the University of Pennsylvania. At 27, the self-described “unconventional undergraduate” entered the 2001 Wharton Business Plan Competition with seven full business plans, one of which, CoolSource Technologies, “just rose to the top,” he said. Although none of his entries won that year, Pienkowski did walk away with a Glockner Award for the best undergraduate business plan.

In 2002, CoolSource Technologies was Pienkowski’s sole entry in the Wharton Business Plan Competition—and it won the education track prize. The CoolSource concept is for premium, interactive educational software and

Web-based services designed to determine a child’s learning style, pace, and skill level. The program is aimed primarily at grades three through eight.

What had begun as a one-man project quickly expanded into a team effort. Pienkowski recruited a vice president of operations, a software developer, a systems specialist, and an educator. The team has built its first prototype and recently completed a first round of online testing with a control group of 11- and 12-year-olds. “We’re on the [fund-raising] circuit now,” Pienkowski said. “We had enough seed money to take us through the prototype [phase].” Winning the competition was a thrill for Pienkowski, who says he has been “bitten by the entrepreneurial bug.”

*Through its **Social Entrepreneurs Fund (SEF)**, the Foundation has set aside funding to provide start-up or second-stage funding to smaller nonprofit initiatives likely to achieve excellence and innovation in education and youth development. SEF recipients are highly skilled leaders with exciting visions of how to create change with integrity and commitment—as well as a proven track record of shaping or growing an organization—and a passion for creative approaches to solve tough problems. The SEF extends the Foundation’s ability to participate in shaping and supporting social entrepreneurs working to remedy education and social problems around the world.*

Web Site for Classroom Materials

Charles Best is a teacher at an urban public school that is often short on resources. He knows his students' needs better than anyone—so he has created a unique Web site that helps teachers acquire specialized education resources.

DonorsChoose.org connects teachers with prospective funders who wish to support educator-designed projects that benefit urban schools. Support from the Social Entrepreneurs Fund helped Best expand and maintain the site, which in turn has helped his organization grow.

Global Funds for Education Basics

Maya Ajimera, founder and executive director of the *Global Fund for Children (GFC)*, has created a unique global network of innovative, indigenous social entrepreneurs who promote effective youth development in their home countries. GFC distributes grants to small, community-based organizations that provide basic academic and life skills education to children around the world who are excluded from formal education systems. The effort focuses on grassroots organizations that have not yet attracted support through traditional funding networks because of their small-scale operations, remote locations, or lack of contacts in the philanthropic field. GFC is a fitting grantee for the Foundation's Social Entrepreneurs Fund, which supports deserving and effective programs that mitigate social problems.

The National Foundation for Teaching Entrepreneurship (NFTE) is focused on teaching youth the fundamentals of starting a business. The curriculum imparts essential skills in critical thinking, workplace readiness, teamwork, planning and organization, and decision making.

Through its financial assistance and advisory support, the Foundation forged a working relationship between NFTE and consulting firm McKinsey & Company to launch a strategic planning project that has enabled NFTE to extend its services to a significant number of new schools, students, and teachers.



A team of Prep for Prep students, trained by NFTE, present their business plan in the Prep for Prep/Goldman Sachs Foundation Institute for Entrepreneurship Business Plan Competition.



NFTE is a partner in a number of Foundation-sponsored initiatives. NFTE curricula and teachers are key ingredients in the Foundation's Signature Initiative efforts to develop underrepresented, talented youth. Using NFTE resources, entrepreneurship education opportunities are provided to students in projects supported by the Foundation with **A Better Chance, Bank Street College of Education, Center for Talented Youth, Prep for Prep**, and in the U.K. with the **Technology Colleges Trust**. NFTE curricular materials and mentoring by Goldman Sachs professionals play a significant role in many of these initiatives.

*Surveys reveal a profound lack of understanding on the part of high school students when it comes to personal finance. Schools express interest in teaching this subject, but the material has not been readily available. The Goldman Sachs Foundation devised an innovative solution in partnership with **Junior Achievement (JA)**.*

“Too many students are just not ready for the world of checkbooks, savings accounts, credit, or investments. The Junior Achievement/Goldman Sachs Foundation Personal Finance Program I saw was exciting and fun. More importantly, it will help us better educate young people about their future.”

Rosario Marin
U.S. Treasurer



Student from Edward R. Murrow High School, Brooklyn, N.Y., joined (from left) Stephanie Bell-Rose, President, The Goldman Sachs Foundation; Marty Lee, Executive Vice President & COO, Junior Achievement, Inc.; and Rosario Marin, United States

The Foundation and JA developed a Web-based personal financial literacy program called the **Junior Achievement/ Goldman Sachs Foundation Personal Finance Program**. It aims to teach students how to make informed decisions about setting and reaching personal financial goals. The program promotes deeper interest in and understanding of income, money management, spending and credit, savings and investing, and risk management.



Treasurer, as they launch the JA Personal Finance Program and announce the development of the JA/Goldman Sachs Foundation Personal Finance Program Web site.

The site is also available to parents and the general public and can be accessed at www.ja.org/personalfinance. The Foundation's grant also funds the teaching of personal finance through a state-of-the-art curriculum now reaching students in classrooms throughout the United States.

To expand the reach of quality economics education to all young people, The Goldman Sachs Foundation has partnered with the National Council on Economic Education (NCEE). NCEE promotes effective teaching of economic principles in schools, and offers the most broadly available Advanced Placement (AP) economics course material for high school teachers and students.

The Foundation's grant to NCEE supports a comprehensive program to promote public awareness of economic education and to improve the participation and performance of all students on the AP economics tests.



Students from across the country test their knowledge of economics and finance in the NCEE/Goldman Sachs Foundation Economics Challenge.

The focal point of the program is the NCEE/Goldman Sachs Foundation Economics Challenge, a unique, national competition for high school students. The contest is modeled as a “college bowl” and features teams of high school students competing to showcase their economic understanding and reasoning abilities. In 2002, nearly 2,000 students from around the U.S., representing 475 teams from more than 250 schools, joined the competition. The competition judges frequently include Goldman Sachs professionals.

Finally, the Foundation is providing financial support for a plan to update and expand the use of the AP economics curriculum.

This publication describes selected grants within the Foundation's portfolio of philanthropic investments that seek to promote entrepreneurship and business education. For more information on the Foundation's programs and projects, please visit us at www.gs.com/foundation.

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