

A force for social change

BY CHANTAL SCHAUCH

Carol Newell has made it her life's work to make systematic change in society through philanthropy, while encouraging others to follow her lead

Already versed in traditional, large-scale family investments and portfolio management by the time she was nineteen, Carol Newell took a hard look at the possibilities of wealth when she came into her inheritance; instalments over several years which accumulated to more than \$30 million in the early 1990s. Through planned divestiture of 80% of family stock and reinvestment, the assets grew to \$76 million by the mid-1990s. Believing she had “more than enough,” Carol chose to dedicate the majority of her wealth to making the world a better place. Establishing what would become a life's work as a passionate social entrepreneur and philanthropist, Carol decided to focus on “systemic change in society”. After the sale of her family business, Carol invested her \$50 million discretionary capital-base in Canadian and US organisations, businesses and individuals working at the forefront of economic and environmental innovation.

Carol grew up in the US in a wealthy business family. Her father was CFO of the Newell Company, a house-wares manufacturer in Upstate New York. When Carol was

nine years old, her father died, leaving her 47-year-old mother to make the transition from homemaker to businesswoman and to take the seat on the board of directors. “My mom would include me in meetings with our portfolio managers and I was encouraged to contribute to making decisions. Naturally, I was also exposed to philanthropy – Mom approached it in a traditional way – supporting education, healthcare, the arts and such.” When Carol came into her first inheritance in 1977 at age 21, she started on a path of self-examination. She was influenced by emerging movements in socially responsible investing and the realisation that our consumer-driven society would inevitably be unsustainable.

By the time her last inheritance instalment came around in the early 1990s, Carol had moved to British Columbia, Canada, and had formed a strong, activist vision for her wealth. “I felt I was the steward of my wealth; not the possessor. I wanted to fuel solution-building businesses and environmental conservation in my own region. It was a formidable amount of capital so I needed to get help to implement my vision. I also felt the need to remain anonymous so

had to find a strategic, bold business partner – a values-based individual who fundamentally understood and had experience in what I was trying to do.”

Carol found the perfect match in Joel Solomon, an heir himself, who at the time was already very experienced in social venture capitalism in the USA. He is also an advocate of utilising the tools of business and philanthropy and applying them towards building a “solutions economy.” Joel brought on board his business partner, Martha Burton, and together they built a small team of like-minded experts to form a private family office for Carol, with Joel at the helm as CEO. With a 50-year vision and 500-year intent, they implemented a “whole-portfolio activation” model. “We wanted to shift the way capital is used, moving the business culture from a single, profit-driven bottom line to one that combines the long-term well-being of the human and natural world as a measure of success,” says Joel. The first independent organisations that Carol founded under the umbrella of her Renewal family office were the seed-capital firm, Renewal Partners, and the charitable foundation, Endswell.

Carol's mission for Renewal Part- ➡➡

Carol Newell

Social entrepreneur and philanthropist Carol Newell is the Principal of Renewal, and the co-creator of Play BIG, an initiative to encourage others with wealth to activate their resources for social change. Ms Newell is an active member of Hollyhock Centre, the Threshold Foundation, Canadian Women's Foundation, Women Donors Network, Investors' Circle, Social Venture Network and the Wealth & Giving Forum. In 2007, she was appointed a Member of the Order of Canada. In 2008 she was honoured by her Alma Mater, St Lawrence University with a Doctor of Humane Letters. Carol grew up in the US and now resides in Vancouver, Canada.

ners was the creation of a new model of a private equity investment portfolio, one that would align financial, social, and environmental goals with effective asset management for long-term community solutions. In 1994, the team sought out early pioneers in the social investment field, particularly in under-funded sectors such as organic food production and distribution, responsible investing, independent media, and greener consumer products. “We earmarked \$7 million of Carol’s wealth for a portfolio of long-term investments to help grow young entrepreneurial companies,” says Joel. “Especially ones that would help create a lighter footprint. We chose those leaders that focused on important emerging new products and services necessary for a sustainable economy,” he adds.

Today, the portfolio, consisting of over 70 companies, has had an IRR of 12.2%, not including dividends, interest or associated costs. But more importantly, the portfolio has helped fuel businesses at the forefront of social and environmental innovation including internationally recognised Stonyfield Farm, the world’s largest organic yoghurt maker; Seventh Generation, one of the world’s leading producers of green household products; Jantzi Research, Canada’s leading research house for socially responsible investment; New Society Publishers, Canada’s largest publisher dedicated to sustainable books and Small Potatoes Urban Delivery (SPUD), the largest internet gro-

cer for organic and natural foods in North America.

“From the beginning, Carol made it very clear to us that she wished to disseminate the knowledge and expertise that the family office gained along the way and make it available to others,” says Joel. Therefore, Renewal has taken the opportunity to work with select groups of families on their wealth activation strategies and offers private and educational gatherings several times per year through collaborations including Social Venture Institute (SVI), Hollyhock Foundation and Play BIG.

Carol’s open attitude and the success and solid track record of Renewal Partners also triggered the idea of making the Renewal Partner model available to other investors. And so they did. Renewal2 Investment Fund has been successfully established as one of only a handful of independent social venture funds in North America. Joel Solomon, who has taken the role of Chairman for the Fund, explains: “Just like we did for the original model, we focus on under-funded sectors that are critical to a sustainable economy, early stage companies that require patient capital and scalable businesses that can generate meaningful shifts in consumer behaviour.” Through this initiative, individuals, organisations and even foundations across North America can leverage the opportunities of a portfolio of leading businesses in under-funded sectors at a minimum investment level of \$250,000.

“The urgent issues aren’t going anywhere. The same questions emerge about how to put more dollars and leverage into the hands of solution-builders, especially in this uncertain financial environment. Even if we have less, we’re still the ones who have the most. It’s a moment to be as creative and candid as we’ve ever been. Let’s continue to be responsive to the times. There’s so much we can learn from each other while we do it.” Carol Newell





The Renewal Family Office

Founded by Carol Newell in 1994, Renewal is a collection of organisations with a mission to put the powerful tools of business and philanthropy to work in the creation of a triple bottom line economy. www.renewalpartners.com

“On the charitable side,” says Carol, “I decided to have the Endswell Foundation established as a private registered charity in Canada to fund environmental issues in British Columbia.” The Renewal team designed an intentional spend-down strategy for Endswell to build the type of infrastructure and capacity that would provide immediate and long-lasting impact in the province. The foundation has made over 700 grants totalling more than \$20 million in the past 15 years.

Among the major accomplishments are: the establishment of Tides Canada, a public foundation that has the capacity to serve the philanthropic needs of hundreds of Canadians rather than just one individual; the Social Justice Fund at Tides Canada, which supports initiatives for economic opportunity, democratic process, human rights and cultural diversity; The LEED certified restoration of the Tides Renewal Centre, a historic landmark office building dating from 1898 in downtown Vancouver and hub for social innovation; the development of a conservation model for the Great Bear Rainfor-

est and the support and development of the Hollyhock Foundation on Cortes Island, off the coast of British Columbia.

“I could never have imagined the breadth, reach and effectiveness that has come from this work,” reflects Carol. “It’s as though my unleashed assets allowed the heart of social change and the sustainability movement in British Columbia to grow with the strength to match its convictions, employing all the advantages of the best training. It has given my money a real purpose.”

After more than ten years of anonymity, Carol came forward having found the necessity to speak out. “This may be the biggest legacy moment of our lives - I would urge like-minded individuals and organisations to put their resources to work to capitalise on the immense potential our money can have on our communities and society as a whole,” Carol says. With her usual unwavering attitude, she has been spearheading yet another project, “Play BIG,” to encourage and assist individuals with significant capital to align their wealth more fully with their values to stimulate social change.