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Good Capital and the Emergence of the Social Capital Market

Kevin Jones, cofounder of the social investment firm Good Capital, sat in the social enterprise incubator Hub SoMa in downtown San Francisco, smiling at the constant buzz of social entrepreneurs collaborating around him. Given that his firm provided growth capital to innovative social enterprises that sought to solve problems of poverty and inequality, the entrepreneurs in the Hub represented the pipeline of talent that Good Capital hoped to invest in one day.

It was late 2010 and Jones couldn't help but reflect on the remarkable progress Good Capital had made since its inception four years prior. What had started as a desire to raise a fund that met the funding gap for expansion-stage social enterprises had grown to include the launch of the international SOCAP conference and the opening of Hub Bay Area social enterprise co-working spaces as well.

As the new year approached, Jones reflected more and more on the direction Good Capital should take in the coming years. Having success with his fund, the SOCAP conference, and Hub Bay Area, he thought about what aspects of Good Capital's core competencies should be emphasized in the future. Should Good Capital focus on raising a second venture fund to continue to increase the flow of capital to innovative social ventures? Or was there greater opportunity to be had by continuing to shape the social capital market through additional SOCAP conferences and the opening of more Hub locations? The field of impact investing appeared to be on the verge of taking off, with the recent release of a J.P. Morgan report proposing that impact investments be defined as an emerging asset class.¹ With so much talk about the future of impact investing, Jones couldn't help but contemplate what Good Capital's next move should be in the exciting and evolving social capital marketplace.

Founding of Good Capital

Founded in 2006 by Tim Freundlich, Kevin Jones, and Joy Andersen, Good Capital (GoodCap) was formed to fill the funding gap that they saw for both for-profit and non-profit social enterprises. Given the expertise of these three visionaries – Freundlich a practitioner of social investing at Calvert Foundation; Andersen, the founder of the social enterprise consultancy Criterion Ventures; and Jones, a Silicon Valley serial entrepreneur with multiple successful exits – it was no surprise they would band together to fulfill this growing need in the capital market.



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