



SLINGSHOT MEMPHIS  
INVESTOR LETTER  
Q3 - 2018

## Introduction

In our [Q2 Stakeholder Report](#), we highlighted the importance of taking calculated risks when fighting poverty. We wrote, “Change of any kind can be difficult, but without taking a chance, nothing will get better.” This sentiment continues to infuse our daily work at Slingshot.

Learning more about the local nonprofit landscape and gaining a better understanding of unmet needs in the community has encouraged us to take more risks. The more that we see - what works and what is needed - the more convinced we are to push harder and move faster.

Slingshot’s value proposition in the fight against poverty can be captured in two words: **transparency** and **urgency**.

## Transparency

Slingshot aims to play a role in changing the dialogue around poverty and nonprofit effectiveness, motivating everyone – funders and fighters – to think about *impact*: the net change that a given intervention or program creates in a person's life.

Given the limited resources available in our community, coupled with how many of our neighbors are currently living in poverty, transparency is paramount to maximizing poverty-fighting impact. Nonprofits and funders alike must gain a better understanding of which programs create the most impact per dollar of cost. Among other information, this necessitates a better understanding of the nonprofits fighting poverty with high-impact solutions; the unmet needs for people in poverty; where philanthropic dollars are flowing, and so on.

This sort of information and transparency is crucial for our work and is also a lever for affecting change. Our [ultimate goal](#) is to create a demonstrable reduction in poverty; in order to do that, we must promote and cultivate a results-driven poverty-fighting ecosystem in Memphis.

Transparency, though at times frightening, can lead away from solutions previously thought to be effective. In his book *Originals*, Adam Grant states, “Justifying the default system serves a soothing function. It’s an emotional painkiller: If the world is *supposed* to be this way, we don’t need to be dissatisfied with it. **But acquiescence also robs us of the moral outrage to stand against injustice and the creative will to consider**

**alternative ways that the world could work (7).**” To love our neighbors, Slingshot remains dissatisfied and is unwilling to gravitate toward that which already exists.

We are most grateful for - and reliant upon - our [partner organizations](#). Their willingness to be transparent is indicative of their intent: to truly help those in need. It is with and through them that our work comes to fruition. After all, you cannot slingshot that which does not exist.

At the beginning of Q3, we completed impact assessment reports for our six [affiliate partners](#). By the end of Q3, we were wrapping up even more robust reports for our investee partners, the first such reports to feature the full [Slingshot Impact Assessment instrument](#).

The Slingshot Impact Assessment is intended to broaden and deepen our understanding of our partner’s work, helping us look more closely at an array of our partner’s methods and practices. The results of this assessment will better inform our understanding of the potential opportunities to more effectively support and extend our partner’s beneficial impact on Memphis.

The risks our partners are taking on behalf of our under-resourced neighbors have motivated us to take more risks ourselves. We are challenging the ways things have been done and have purposefully become way more visible in the community.

## Urgency

At Slingshot, we recognize that investing more now in the fight against poverty pays much larger dividends than if we were to wait. We call this the *compounding value of human life*. Early investments generate more impact than do later ones. This too motivates our urgency. We don’t wait!

Through our work, we have a front row seat to the ways in which our partner organizations are making an impact in the fight against poverty. And through working with our partners in this fight, we have engaged many of the people that they serve.

It is through making these human connections that our urgency grows even more. To quote Simon Sinek in *Leaders Eat Last*, “When we divorce ourselves from humanity through numerical abstraction, we are ... capable of inhuman behavior. **The more abstract people become, the more capable we are of doing them harm (107).**” Ultimately, Slingshot leverages data to reduce separation from our neighbors. The more we reduce this separation, the more we recognize our need to be more urgent.

Our urgency shows up in our [growing team of experts](#). It shows up in our [expanding portfolio](#) of [partner organizations](#). And it is easily found in our [growing number of like-minded investors](#).

We now ask you to [join our work as an investor](#). But don't stop there. Invest directly in our partners and in other nonprofits with high-impact solutions in the fight against poverty.

Ultimately, what is important is for you to ask yourself, What if not you? If you do not invest in this fight, what poverty-reducing opportunity would be missed? What opportunity to create more equity for your neighbors would be overlooked?

## Closing

If we really want to alter the fight against poverty, we cannot iterate our way toward change.

We must have “moral outrage to stand against injustice and the creative will to consider alternative ways that the world could work.”

We must think bigger and bolder. Our neighbors deserve it.

Invest more, invest better, invest faster.

*Justin W. Miller*