



SLINGSHOT MEMPHIS  
INVESTOR LETTER  
Q1 - 2019

## Introduction

Slingshot Memphis aims to create a demonstrable reduction in poverty by promoting a results-driven poverty-fighting ecosystem. To accomplish this mission, our team has built a framework to accurately and cost-effectively estimate impact. Slingshot's evidence-based approach is designed to attract and direct more resources toward solutions with the greatest return.

Slingshot's framework is both very complex and straightforward. Simply put, we measure what matters. **Slingshot is positioned to ask the right questions, unearth the right data, and provide actionable intelligence.** In the fight against poverty, all of these functions are integral to optimizing impact.

Slingshot has filled a void in the marketplace of nonprofits that work to improve the quality of life for Memphians living in poverty. But like that of our nonprofit partners, our work is time sensitive. Wendell Berry states, "If ever we are going to do good to one another, then the time to do it is now; we are to receive no reward for promising to do it in the future" (*The World-Ending Fire* 69). Just as earlier investments in equities grow faster due to compounding interest, earlier investments in poverty reduction can reduce more suffering over time. We don't wait.

In Slingshot's [2018 Year In Review](#), we wrote, "We are called to love our neighbors as ourselves. To create more justice, we are called to relinquish more. And we are called to do so faster and with more impact. This demands more urgency and transparency."

## Strengths and Growth Opportunities

Slingshot had an extremely productive first quarter. First, we invested many hours improving our partner expansion and investment allocation processes. To mitigate opportunity costs for Slingshot and for our partner organizations, we must continue streamlining our decision-making practices, asking only the right questions and none more.

Second, we completed measurement infrastructure assessments alongside six nonprofit partners. Helping these organizations create a healthy feedback loop is paramount to optimizing their poverty-alleviating impact. Slingshot also began the full impact assessment process for seven additional partners.

This more robust assessment includes four dimensions: the ratio of benefits to costs, the use of best practices, measurement infrastructure quality, and the ability to create systems-level change.

Third, because serving a growing number of partner organizations requires innovation, we have developed better tools to collect evidence from our partners, the rubrics used to assess the evidence, and the report templates to turn the evidence and assessments into meaningful recommendations. Our measurement process is now cleaner, easier for all parties involved, more transparent, and less costly to deploy. As a result, we can produce higher quality reports and recommendations than in the past.

Lastly, we created new and improved procedures to identify internal growth opportunities. These include reducing our margin of error, streamlining our operations, and avoiding mission creep.

In summary, the first quarter was focused on improving Slingshot's return on investment.

**Moving forward, we will remain transparent about our processes, create more accountability, and draw more stakeholders into our problem-solving methods.** Slingshot leverages data to help organizations identify and seize growth opportunities. We recognize our obligation to do the same.

## Closing

All change, even change for the better, can be challenging. Yet our confidence in Slingshot's ability to promote a results-driven poverty-fighting ecosystem has never been higher. Thaler and Sunstein write, "Dramatic, but less world-historical changes, rejecting long-standing practices, can often be produced by a nudge that starts a kind of bandwagon effect" (*Nudge* 59).

Of course, Slingshot's ability to nudge the market is dependent upon our growing list of stakeholders. Before year-end, Slingshot is working to raise \$1.5 million. We hope that no fewer than 600 unique donors will join this effort. And, since all of Slingshot's operating costs are paid in full, every dollar that we raise will be strategically and expeditiously invested in our portfolio of nonprofit partners.

To create a better quality of life for Memphians living in poverty, to love our neighbors as ourselves, we cannot afford to wait.

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