Venture Philanthropy: Carson Barnett and Sway

Carson Barnett’s fund at MCF lives up to its name. The Scout Fund seeks opportunities to provide seed funding to new organizations with innovative approaches to existing problems. MCF’s Venture Impact Program (VIP) allows her to do this, by providing a vehicle that enables impact investing through grantmaking. Her support of fledgling company, Sway, is a great example of VIP in action.

Carson is connected to Berkeley SkyDeck, the startup accelerator of UC Berkeley. It’s through this connection that she was introduced to Sway. Sway describes itself as “a design-driven materials lab on a mission to replenish the planet with the regenerative power of seaweed.” It had recently been announced as a winner in Ideo’s “Beyond the Bag Challenge,” an initiative sponsored by Target, Walmart, CVS, and others, to reinvent the experience of getting goods home. As a person who cares deeply about the environment, Carson was intrigued.

Upon investigation, Carson discovered three things: Seaweed has the power to regenerate ecosystems, Sway’s packaging solution harnesses the power of seaweed to eliminate single-use plastic pollution with compostable packaging – and they urgently needed start-up capital to prototype and scale their product.

Carson saw that this is an opportunity tailor-made for VIP. So she made a $100,000 custom grant which MCF was able to transform into an impact investment for Sway. Sway’s first investment.

The impact was immediate. Sway was able to leverage this investment as a sign of confidence in the organization, and pitch it to other potential investors. VC firm FutureProof signed on for another $250,000 and the pipeline looks promising.

Carson’s hope was that her investment could serve as a catalyst for Sway and it has done just that. She’s also happy that her fund was able to perform “double-duty”: support an organization with enormous potential, and, in time, have the investment returned to her fund for future deployment.

A win for Carson, a win for Sway and a win for the environment.

If you’re interested in exploring ways to provide seed capital for social impact through philanthropy, get in touch.

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