

Blue Dot Advocates, PBC

2020 public benefit report

2020 stands in US history as the year of the police murder of George Floyd, and as the year the COVID-19 pandemic struck.

For those of us who pay attention to the purposes for which capital is deployed, the year also stands as a stark illustration of why that matters.

COVID-19 worldwide killed [at least 3 million](#) humans in 2020 alone, and devastated the lives of millions more. In our country, those people were disproportionately People of Color.

Communities of color in the US live in the path of infectious disease in part because for generations their neighborhoods have been denied equitable access to investment capital that would have brought better jobs, better education, better healthcare, and a stronger voice in political decisions.

The racist killing of George Floyd – following on the racist killings of Breonna Taylor and Stephon Clark and Philando Castile and Freddie Gray and Eric Garner and Tamir Rice and Michael Brown and so many others – seemed for a moment to shock our country into a reckoning with how profoundly racism is embedded in, well, everything.

Communities of color are more exposed to violence, and specifically Black communities are more exposed to police violence, in part because over generations we have disinvested in those communities while we extracted value from their labor and used over-policing to keep a lid on the resulting unrest.

Financial capital is an essential nutrient for the health of any social organism in the world we live in. That is why we at Blue Dot do what we do.

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Like so many other organizations, 2020 forced us to look at how we as an entity reflect and express the systemic racism we all are swimming in. Like others, we have struggled to even begin the process, and we expect never to “complete” it. We are committed to keep working to become a more inclusive and equitable team.

We did shift the focus of our charitable giving, adding the Black Lives Matter Fund, Campaign Zero, My Brother’s Keeper, Color of Change, the BIPOC Alliance, and the Peace Development Fund, to traditional recipients Thousand Currents and the Chinook Fund.

We did not increase the amount of our charitable giving, or issue any public statement of solidarity. We aspire to express our solidarity through our daily work.

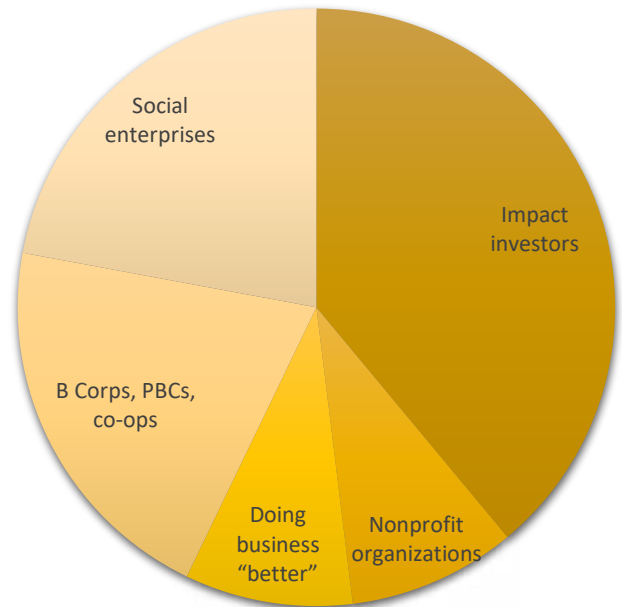
The core of that daily work, in the language of [our charter](#), is “providing legal expertise to organizations that apply ethical, market-based solutions to social and environmental problems.” We screen new clients to help us meet this standard. (For a summary of our client screen, see [our 2019 report](#), page 3.)

98% of Blue Dot’s 2020 gross revenue came from the 77 clients that satisfied our screen. Of these clients:

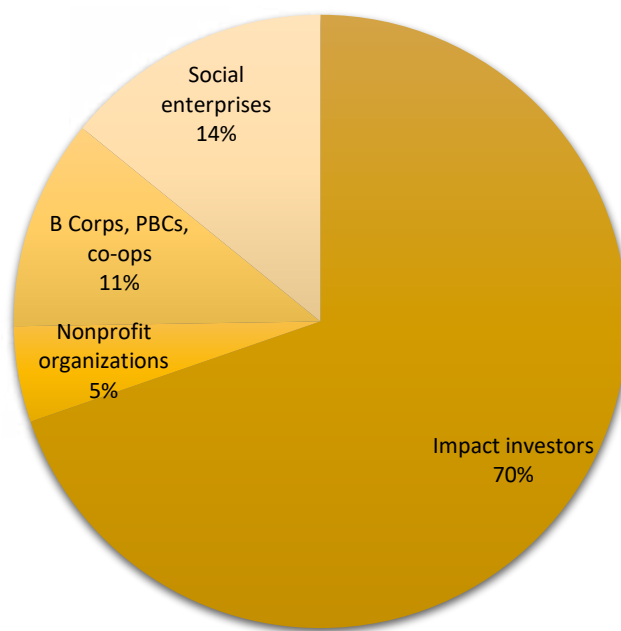
- 30** were impact investors, funds, or fund managers (including investment funds formed and/or managed by nonprofits)
- 17** were social enterprises
- 7** were 501(c)(3) nonprofit organizations
- 16** were certified B Corps, public benefit corporations, and/or cooperatives
- 7** were otherwise doing business “better”

Of these 77 clients:

- 14** were at least 50% owned, founded, or managed by women; and
- 12** were at least 50% owned, founded, or managed by People of Color



Our 2020 gross revenue by category breaks down like this:



As measured by revenue, in 2020 about 45% of our work went to organizations that were directly serving under-represented communities, including bridging the seed funding gap for Black entrepreneurs, supporting Native owned businesses, and otherwise investing in low income communities of color.

We continued to offer discounts to make our fees accessible for certain startups and nonprofit operating organizations that meet our client screen, and we continued to offer limited pro bono services to projects selected by the team.

In 2020 the team contributed pro bono and public service hours valued at \$26,723 (down about 62% from the spike in 2019), and the aggregate value of our fee discount program was \$99,893 (up about 19% from 2019).

Another pillar of our work (again quoting our charter) is “building legal structures based on shared prosperity, mutual respect among stakeholders, and restoration of natural systems.”

We enjoy frequent opportunities to help create deal terms that center the interests of stakeholders who are under-represented in more traditional financing structures.

An example in 2020 was the work we did with [Candide Group](#) to structure an unconventional equity investment into [Native American Natural Foods](#). NANF is a Native-led social enterprise based on the Pine Ridge Reservation in South Dakota, aimed at creating livelihoods for Native ranchers while bringing bison back to the prairie. It is the maker of Tanka Bar, a bison meat and fruit bar based on traditional Lakota food ways.

The company was severely undercapitalized for years, and faced damaging competition from later entrants backed by deep pockets, but the founders refused to give up. They organized a strong team to execute a turnaround, and secured logistical support through a strategic partnership with Niman Ranch. They turned to Candide to lead an equity investment round that would support the founders’ goal to keep NANF under Native ownership for the long term.

To accomplish that, we worked with Candide to paper an investment with a redemption right, under which the company can repurchase shares from the investors, for a price capped at 2x the initial investment. If the company doesn’t have the resources for a redemption, the investors are committed to seeking a Native buyer (which could be a Tribal entity, or the rancher co-op supplying NANF’s bison). Additionally, regardless of ownership shares, the majority of any financial distribution or proceeds from the company must go to Native owners.

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As we have described in more detail before (see [our 2019 report](#)), we use the [B Impact Assessment](#) (BIA) to report on our overall social and environmental performance, as well as to support our B Corp certification.

Our certified BIA score for 2021 (based on 2020 data) is 100.8, nearly unchanged from our 2018 score of 100.9. Once again we earned Best For The World honors in the Governance category. Details can be found on [our B Corp Directory page](#).

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The outcry for change sparked by the George Floyd murder and others like it seemed in some ways to swell and then subside. But the reckoning is not done.

Talk of a “reckoning” implies that we will come to grips with what we have been avoiding, that there will be a truth-telling, an accounting.

Accounting of course is the language of business. And the idea of pro-social business and finance starts with an accounting of who is served and disserved by the way we do business, an accounting of who and what counts. That work has a long history, but it is still just getting started.

Obviously, private investment alone cannot repair our nation’s original sins of slavery and colonization. We need policy change and government action. We need personal growth and individual action too.

All we have done so far is far from enough.

At Blue Dot, we know that we need to deepen our practice and look more deeply at how we as an organization fall short of our own ideals.

But we also know that financial capital is an essential nutrient for the health of any social organism. And that is enough to keep us building on what we are doing.