Introduction

Let's start with this crazy thought: Let's think of money as a means of creating relationships and as an intermediary between human beings rather than a possession to be accumulated, counted, invested, and spent. This goes back to the roots of money where its original function was as a medium of exchange. Whether it took the form of cowrie shells, a tally stick, actual coins, or some other token of value, its main function was to facilitate the evolution of civilization when it became unwieldy to use the barter system as a way to trade a surplus of what you'd created for something else that you needed. While bartering is making a much needed comeback in today's economy, our lives are too complex for it to ever be the sole means of exchange. In fact, there is no evidence of a society, historical or contemporary, that uses bartering exclusively to facilitate its economy. I'd have a pretty hard time trading one of my blog posts to City Market Co-op for my groceries. Money will remain a part of our lives for the foreseeable future, so I want to talk about the way we look at money.

My fascination with the abstract idea of money began in the last years of my life in corporate America. In 2006, after 17 years climbing the corporate ladder, I left the gilded cage of full-time employment to explore life as an entrepreneur. Before then, I'd never thought of myself as an entrepreneur. Ever. And the decision to jump off the corporate ladder was not my own, at least not at first. In 2005, I was the head of marketing at Seventh Generation but had been trying for years to create a new Department of Corporate Responsibility within Seventh Generation with me at the head of it. My boss, Jeffrey Hollender, one of the founders of Seventh Generation, encouraged me to write a proposal that he then presented to the management team. In a follow-up meeting with him and our human resources director, Jeffrey told me he loved the concept, but the management team felt the company didn't have the budget for such a move, and since I'd made it clear I wasn't interested in continuing in marketing. . . . Well, you can probably guess how he ended that sentence.

Losing that job was one of the best things that ever happened to me (and I've since thanked Jeffrey for his tough love). I didn't realize how much my corporate career had felt like a cage until I was actually free of it. Even though leaving meant saying goodbye to the gilded part of the cage, i.e., the steady paychecks, benefits, and other trappings of security, within days of that fateful conversation with Jeffrey, I decided not to start looking for another job and to strike out on my own.

Now, when I look back over those first 17 years of my career spent with corporations large and small, I discover that the entrepreneur inside me had been subconsciously rattling the bars of my self-imposed cage for years. In fact, a former colleague who was asked to provide a reference for me in 1999 wrote that I was a "boat-rocker, never satisfied with the status quo." I believe he meant it as a positive attribute, but I remember being, at the time, terrified that the prospective employer with whom I was interviewing wouldn't see it that way at all. (The employer must not have had a problem with it because I did get the job!) Over time, I've come to love my inner boat-rocker and believe it is precisely what makes me an entrepreneur: a healthy dose of dissatisfaction with the status quo coupled with the ingenuity, drive, and determination to create something new and different.

But it takes more than ingenuity, drive, and determination to launch and grow a new business. It takes money. Usually more than a rookie entrepreneur thinks (way more), and the process of raising it often becomes a full-time job. That's not something most entrepreneurs expect. When you've got a great idea that's formed itself into a business plan, then a prototype, and maybe even into some early sales, it's exhilarating. You're on to something good, and you're sure that others must certainly see it too, so the funding will just come, right? I wish I could say that's the case, but for most entrepreneurs—especially the many who don't have a rich uncle (or equivalent) to help them get started—raising capital is a time-consuming, frustrating but oh-so-necessary process.

On top of all that, not all start-up funding is created equal. The type and source of capital that you bring into your business is possibly more important than the amount of money you raise. This is not something entrepreneurs want to hear, either. They want to focus on what they do best—launching, team building, marketing, selling, and coming up with the next big idea—not raising money. And when they do think about money, they often don't think about the long-term repercussions of bringing in outside capital. This can be a devastating oversight that leads founders toward an end they never imagined. Such was the case with Ben & Jerry's, as we'll see later in the book. But the relationship between money, individuals, and businesses can also be a promising opportunity.

Money has gone far beyond being just a means of exchange. It has become a status symbol that is represented by the size (or number) of our homes, the cars we drive, the clothes/jewelry/limited edition sneakers we wear, where and how often we vacation; you get the picture. A century ago, it inspired a comic strip called *Keeping up with the Joneses,* but today, we've gone far beyond that because now, we have to keep up with the Kardashians.

This book is for entrepreneurs who want to source money for their businesses in a mindful way. Even more so, it is for people who want to put their money to more productive use. It's for those who have decided how much they need to live a comfortable life and still have some money left over that they'd like to do something useful with—both for their future selves and for the current world. This book is about how your money can create current good for your local economy and your community while creating future value for yourself and your family: to do good while you're doing well.

So let's start with the concepts of saving and investing. I think most people would agree that saving—for a rainy day, for an anticipated future purchase, for the day when we no longer work for a living—is a good and important thing. Some of us are taught the valuable lesson of saving at an early age. Some never had to learn it because our parents or grandparents had enough to pass along a sizable inheritance. And many of us either never got the lesson or chose not to heed it.

This book does not pass judgment on those who do or do not have savings. It's about investing in our shared future with whatever means we have available. Whether it's money, or entrepreneurial spirit, or technical assistance, or a willingness to mentor, or even just moral support, all of us can play a role in creating a sustainable future for the communities where we live and work. More importantly, we can also help create a more equitable future for all Americans.

A Google search on the American Dream yielded several results ranging from articles on Medium.com to blog posts to high school essays, all of which used this wording to describe the concept: the ideal that every citizen of the United States should have an equal opportunity to achieve success and prosperity through hard work, determination, and initiative. I find it striking that the definition uses the words *should have* instead of the more affirmative *has*. I wonder if it's because whoever originally wrote the definition believes, like I do, that not everyone has an equal opportunity. At least, not yet.

The American Dream has been, almost from the start, false advertising. The notion that you can start with nothing but a great idea and some gumption to start your own business, be your own boss, make a good living, and retire handsomely is . . . well, it's really only true for some. Historically, the most likely achievers of the American Dream have tended to bear remarkable resemblance to our Founding Fathers.

I'm not trying to disparage the individual achievement of successful entrepreneurs; I'm merely suggesting it's not a coincidence. Of course, there are examples of successful entrepreneurs whose gender, race, ethnicity, or religion differ from 18th century American leaders, but they are a mere fraction of entrepreneurial success stories, and I bet they'd agree when I say it is inordinately harder for them to succeed. Why? Because a key ingredient to success—money—is controlled by the limited group for whom the American Dream has been working so well for the past 250 years. Again, no coincidence.

By the first half of the 20th century, most start-up financing in the U.S. came from wealthy individuals and families like the Rockefellers, Whitneys, and Vanderbilts. Here, we find the roots of our modern-day problem of the concentration of wealth among the few. While the term *angel investor* wasn't coined until 1978 by a University of New Hampshire professor, the practice of wealthy people funding start-ups has been deeply rooted in the American business system for over 100 years. Originally, the term *angel* took its benevolent connotation from patrons of the arts, specifically Broadway theater, where it was used to describe wealthy individuals who poured funds into theatrical productions that would otherwise have had to shut down.[1] Similarly, in the business sector, angel investors have been the wealthy folks willing to back start-ups, i.e., highly risky, unproven, early stage companies, long before other financial backers are ready to step in. Without them, many businesses would never get past the concept phase.

But there's a price to be paid by entrepreneurs for an angel's benevolence. Investors who accept high risk expect a high reward. The dot-com boom in the 1990s helped drive investor expectations through the roof, and despite its subsequent bust, the high reward expectations still remain to the point where the shark has overtaken the angel in 21st century pop culture as the image of an early stage investor. It has become clear that financial support for new businesses is less about spurring economic growth and more about maximizing personal gain. It's about hunting the elusive unicorn—that one "disruptive" business proposition that will take off like a rocket and get sold to the highest bidder for 30 times your original investment. It is precisely this phenomenon that exacerbates the system of privilege and bias in America.

If you Google business failure rate in the U.S., you'll find plenty of articles stating anywhere from 50%–80% of businesses fail within their first five years. Not great odds. Still, hopeful entrepreneurs continue to try, and hopeful investors keep pumping in money. Why? Is it because entrepreneurs are trying to become the next Mark

Zuckerberg, Elon Musk, or Jeff Bezos? These are the role models of business success we're given: the millionaire (billionaire?) entrepreneurs who turned ideas into empires. And on the investor side, we've got the Sharks: Mark Cuban, Lori Greiner, and the rest. Is the goal on both sides of the relationship simply to strike it rich? If so, the American Dream is not only biased; it starts to feel more like the lottery. The odds sure seem stacked against winning, but I'll go so far as to say that they're not stacked equally. Some Americans get much better odds than others.

The ability to take an idea and turn it into a successful business is a path strewn with obstacles. And yes, many of the obstacles exist for anyone who starts down the entrepreneurial path, regardless of gender, ethnicity, education, or social status. Where the dream breaks down is in access to the resources needed to overcome those obstacles. There are some powerful resources out there, not the least of which is access to money to help them get started, to help entrepreneurs achieve their dream. But it's more than money. It is the networks and connections that can help open doors, provide technical assistance, or even just be a source of validation that dramatically improve chances for success. These networks are more powerful than money precisely because a strong network begets access to money. This is where the system becomes inequitable because the networks that provide the greatest access to money, resources, relationships, and other benefits tend to cater to a privileged few.

I'm not the first to point this out. In fact, in 2017–2018, the media started reporting statistics that less than 3% of venture capital goes to women entrepreneurs and less than 1% to Black entrepreneurs. As a result, a movement is growing to bring more women and people of color into venture capital as investors. This is a positive step to be sure, but, to me, it smacks of rearranging deck chairs on the Titanic. In other words, too little, too late. The point is not that we need more venture capital, not even different, more diverse venture capital. I believe the venture capital system (and I include angel investing with it) is contributing to our lopsided American Dream. Instead of trying to fix angel and venture capital, I'm proposing a new system to replace it.

We have the power to change the money system and, thereby, the U.S. economy. For much of the past 40–50 years, we have abdicated our power over our money to big banks and Wall Street, and in so doing, we have allowed them to perpetuate a system of privilege and bias. The way we change this system is to take back our money and demand that it be used in ways that are consistent with our personal values. An easy first step is to bring our money closer to home by banking with a locally owned bank or credit union where it will be put to work in the form of small-business loans, home mortgages, and other projects right in our own communities. But a far bigger impact will be achieved when we can start to do the same with our investments.

Without a system for local investment, money tends to flow out of the local economy to Wall Street investments, which leads to an exacerbated concentration of wealth and a greater divide between gentrified and marginalized areas. A potentially bigger problem is that in communities where there is plenty of entrepreneurial spirit but little access to appropriate capital, we often see a brain drain as prospective entrepreneurs move to areas with a perceived abundance of capital to start their businesses. Or, the would-be entrepreneurs let their dreams die and take unfulfilling jobs just to survive.

I believe there is a sleeping giant of patient, local-minded investment capital that is waiting to be awoken to the possibilities arising from the regulatory changes and innovation spurred by the JOBS Act of 2012. The emergence of equity crowdfunding at the state and national level between 2011–2019 has opened the door for broader access to local investment opportunities for all Americans. It has been an exciting and powerful experiment, and I've had the privilege of being a part of it from the very early days. Much is working, but more needs to evolve. We need more options. That's what I and many others continue to work on. We are creating new ways for millions of us to make small but important changes with our money. If enough of us make these changes, together we can move mountains.