

The Lemelson Foundation Focuses on Clean Energy in its first Mission Related Investments

The Lemelson Foundation (Foundation) provides a potentially useful illustration of the growing role of Mission Related Investing (MRI) in the nonprofit world. The Foundation was established to encourage and promote invention and innovation in the United States and, more recently, in the developing world. Sustainable development is an important theme of the Foundation's work, especially in the developing country context, where we seek to harness innovation to improve living standards for the bottom rung of the economic ladder.

Today, the Foundation, which has committed 5% of its portfolio to MRI, is focusing its first investments in the area of clean technology and renewable energy. Jerome Lemelson, the visionary inventor who started the Foundation in the early 1990s, dedicated a considerable amount of his time and efforts during the energy crises of the 1970s and 1980s to alternative energy technologies.

As evidence of the threat of global climate change grows by the day, the need for sophisticated technological solutions to help speed the transition to a low-carbon economy becomes more pressing. This transition holds out the promise of a more equitable and more sustainable future. Yet to be successful in the short to medium term, these technologies will require massive amounts of private and public sector funding.

Given the Foundation's focus on harnessing innovation to improve living standards for the poorest of the poor, and the growing awareness that the poor will bear the brunt of the initial impacts of a changing climate, we believe allocating resources to mission-related investments, specifically in the areas of renewable energy and clean technology, is a logical first step.