

IP Faith-based Investing Show 3

What is the primary trend and what makes for a successful company in the faith-driven space?

This is Investor Perspectives. I'm the host of Investor Connect, Hall T. Martin, where we connect startups and investors for funding.

In our new Investor Perspectives series entitled "Faith-Based Investing in a Post-COVID World", you'll hear about primary trends and what makes for a successful faith-based company.

As the COVID pandemic passes, we emerge into a new era. The faith-based investing space is now undergoing tremendous change as we shift to a post-COVID world. Faith-based investing takes precedence with many investors in the financial industry. We have investors and startup founders describe the changes coming up.

Our guests are:

1. [Steve Gatena, Founder and CEO, Pray.com \[01:26\]](#)
2. [Shane Enete, Associate Professor of Finance at Biola University and Investment Analyst at Inspire Investing \[04:17\]](#)
3. [John Siverling, Director of Private Markets, OneAscent Capital \[09:31\]](#)
4. [Endel Lias, Founder and Managing Principal, Nexus Impact Advisors \[13:29\]](#)
5. [Jeff Shafer, CEO, CommonGood Capital \[19:17\]](#)
6. [Kenn Kelly, CEO, Never Settle \[22:18\]](#)

We hope you enjoy the show.

For more episodes from Investor Connect, please visit the site at: <http://investorconnect.org>

Check out our other podcasts here: <https://investorconnect.org/>

For Investors check out: <https://tencapital.group/investor-landing/>

For Startups check out: <https://tencapital.group/company-landing/>

For eGuides check out: <https://tencapital.group/education/>

For upcoming Events, check out <https://tencapital.group/events/>

For Feedback please contact info@tencapital.group

Please [follow](#), share, and leave a review.

Music courtesy of [Bensound](#).

[01:26] Our first guest is Steve Gatena, Founder and CEO at Pray.com. Pray.com is the world's #1 app for daily prayer and faith-based audio content. Pray.com is the easiest way to incorporate prayer into your daily life. Pray.com is the only religious app in history to become a Top 5 grossing Lifestyle app in the Apple app store and the company has been named as one of the Best Places to Work by the Los Angeles Business Journal as well as one of the world's fastest-growing mental health apps by Sensor Tower. Steve, thank you for joining us.

Hall Martin: And so, what do you see as the primary trend in the faith-driven investing world right now, what's the main thing going on?

Steve Gatena: So some of the trends that we see in the faith-driven investing space is an influx of capital coming into the direct-to-consumer space. So there's a lot of new venture capital funds spinning up that are devoted to investing in consumer faith brands. And there's also older venture capital funds, some of these legacy players that have also decided to invest in the faith-based media space. So we've been seeing a massive influx of capital coming in really on the consumer side of faith, and investing into platforms like pray.com to build out massive consumer businesses.

Hall Martin: So what makes for a successful company in the faith-driven space?

Steve Gatena: At pray.com, our mission is to grow faith and cultivate community so that we can leave a legacy of helping others. And we really are a mission driven company. We're a company, right, so, we are about margin, and we are about mission. At pray.com, really, our mission and our values are the most important thing to us, and I'm not sure that I could be successful in the faith space without building a business on profit and purpose, without building a business on margin and mission. So I'm not sure how the other companies in the space work, but at pray.com, we're all about profit and purpose, we put our mission first, we put our values first, we put our customers first, and we really lead by example.

Hall Martin: Great. So what is your participation so far?

Steve Gatena: my participation in the faith-based investing space is really, being an entrepreneur building a faith-based company, we built the highest-grossing religious media product of all time. So we've actually been a top 10 grossing lifestyle app in nearly 100 countries around the world. We've been the number one grossing religious media app all over the world. So my participation in the faith-based investing space is I accept venture capital dollars to build a high-growth tech media business.

[04:17] Our next guest is Shane Enete, Associate Professor of Finance at Biola University and Investment Analyst at Inspire Investing. Inspire invests in some of the most impactful companies in the world, but also seeks to be one of the most impactful companies in the world. Every year, Inspire donates at least 50% of corporate profits to impactful charities with their Give50 campaign. Shane, thank you for joining us.

Hall Martin:What do you see as the primary trend in the faith-driven investment world today, what's really driving it?

Shane Enete: Let's see, well, I'd say, you have the millennial group that's come of age, and they really care deeply about integration, about whole person investing. They don't like this idea of just maximize risk-adjusted returns, and that's all you think about. They tend to be more sensitive towards social justice issues, and the environment, and human rights; and so it really maps well to their general conscience, that investing influences culture and people, and so we should make sure when we invest, we're conscious of how it's influencing culture and people. So it's a real natural fit, and I think Gen Y and Gen Zers are similar, if not more geared that way, and so you have a little more pressure from these groups as they gain more power to make sure the investment processes is geared towards more holistic whole person type of investing where you identify non-financial criteria to incorporate into an investment process. And before, and really what's changed a lot is the litigious sensitivities – before, when I worked at a consulting firm, we would have clients, we would have pensions and endowments in cities, and we'd manage their money. And often, the city or the pension was scared of adapting a non-financial criteria to the investment process, because they're fiduciaries, and they were worried they were going to get sued. And so, if you say, we don't want any guns in our portfolio, then you may have constituents who want guns and other constituents who don't want guns. And so, then are you really acting in the best interest of everyone, and so everyone just stuck with, let's just look at risk adjusted returns, let's just do what's called a mean variance optimization, and make sure that's the only thing we're looking at. And so, when I say non-financial periods, like, let's look at ESG components, let's see how the carbon footprint of our portfolio, let's look at how well the governance is of – how we're doing with our proxy voting, how the employees are treated, the companies that we own. So you add those components, and then with BRI you're adding extra elements of ESG as kind of a little bit narrow, whereas Bible kind of looks at this, it expands the idea of what is human flourishing beyond just basic human rights to also defining entertainment as violence being bad, pornography being bad, and then looks at how abortion and things that go beyond a traditional kind of human view of what is human flourishing to a biblical view.

Hall Martin: Great. So what makes for a successful company in the faith driven space?

Shane Enete: Okay. So it's interesting, an investment manager who is applying a biblically responsible screen has two different ways of doing it, a positive way and a negative way. So he or she is either going to identify something the company's doing bad, and negative screen them, or identify something the company's doing well and over-allocate towards them. And so a company could either play defensively and not do anything that would be against the Bible, or could play offensively and do things that are particularly geared towards loving others and

loving God well. And so, you could do both, yeah, don't do anything against biblical values, and then also go out of the way to do things particularly well in terms of loving God and loving others. So really one of the key words is redemptive business models – if a company is seeing how what it produces, its services or its products is redeeming culture in a way that brings us closer to Eden, I think that that would position themselves well for a BRI movement. At the minimum, you just don't do something that would be – that you can actually find biblical texts to say is not good. For example, harvesting aborted fetuses in your R&D research, avoid that, because that'll get flagged, and then companies won't want to, or, investors won't want to buy that company. But if there is _____ investible universe, if there's good data, like Inspire has Inspire Insight, where you can kind of look at all the different – whether companies have been flagged in certain areas, and so you have in the S&P 500, 250 of them are out, have been screened in some way where they violated biblical principles according to the criteria. And so, then if you're a company that's not been screened, then that's good; but then if you are one of the remaining half companies, 250 companies, then you could be over allocated to, if your business model is considered redemptive in some way...

[09:31] Our next guest is John Siverling, Director of Private Markets at OneAscent Capital. OneAscent Investment Solutions manages a variety of values-based investment strategies designed to help investors live aligned with what they value most. Their broad suite of investment solutions includes turnkey models, individual strategies, and retirement portfolios that combine a disciplined investment process and a commitment to values-based investing. John, thank you for joining us.

Hall Martin: And what you see is the primary trend in faith-driven investing in today's market.

John Siverling: Sure. I'll kind of take this kind of dual approach in the public and private side, because I think they are very much aligned in how they look at things. I would say that today we're moving away from a focus really on that idea of avoiding or like negative screening or screening out companies, and now we're moving more towards kind of more of an inclusionary approach to investing, kind of that ESG, best in class type of an approach. The avoid idea has been around for probably 60-70 years since it first really came on the scene, where people were trying to avoid certain industries like tobacco, and alcohol, and gambling, and things like that. So that's been the avoid. Now, I think what you're seeing is people are looking more at this, how do I find great companies, how do I find things that are going to elevate the kind of the community around them. So we talk at OneAscent about the eliminate, which is kind of like the standard everyone uses, but then to evaluate the funds and the companies we're looking at, to see how are they going to do their work, how are they going to excel in what they're trying to approach, and that's kind of a fundamental standard thing. And then the elevate piece is really where we're going, because there's more transparency and information, there's more data available, there's more ways to actually kind of look into how things are happening. It's easier, still not easy, but easier to be able to look and try to find great, great companies in that space, and that's really what we do in private markets anyways. Right? I mean, the idea is that you're looking for great entrepreneurs who are trying to fill a need, and you're trying to pick those

people. So in a sense, the private markets are a little bit ahead of the public markets in terms of focusing on this idea of elevating, selecting great people and great companies within a broader marketplace.

Hall Martin: Great. So what makes for a successful company in the faith driven space?

John Siverling: Sure. So I would say that there's no single description, there's no one template, right, as it is across the entire venture world, there's no single description that fits what we do, otherwise everyone would be doing it, and it wouldn't be as hard as it is to do venture investing and angel investing. So I do think that every situation is a little bit different, and you really have to, for that reason, you have to dig into the company, the leaders, the business model, the risks associated with it at that stage of business and at the stage of its development. But I would say this, I think that what we have found, and our team, within OneAscent Capital has 20 plus years, individually and decades combined of experience in looking at and investing in companies and funds, and the one thing I think we found is, if you look back and you kind of look at your history of investing, one of the biggest indicators of success or potential success is a passionate team, a team committed to solving a problem, not a team that's doing this for money, not a team who's doing this to try to make a buck, or to become the next Elon Musk. Really, the idea is people who are passionate about what they're trying to do, have a passion for that, have a passion for the people around them, and have a passion for solving a problem. That's the type of situations, that's the type of leaders and teams and companies that are most likely to succeed in the marketplace from our experience.

[13:29] Our next guest is Endel Liias, Founder and Managing Principal at Nexus Impact Advisors. Nexus Impact Advisors is a boutique consultancy specializing in faith-driven impact investing. They work with a range of clients — from individual investors, angel networks, and family offices to foundations, non-profits, and investee companies — to increase the flow of capital from purpose-driven investors to high-impact organizations that create wealth, reduce poverty, and effect meaningful change. Endel, thank you for joining us.

Hall Martin: So what do you see is the primary trend in faith-driven investment today, what's the main thing happening here?

Endel Liias: So I would say that there are two things that come to mind, so there's not a primary, there's a number of things, but if I had to pick two, and if you'll allow me, the first is an increasing investor awareness in the importance of having a coherent strategy for all of your resources. And so, I think that historically – and this will probably not be news to you, you probably had a number of conversations about this – but historically, there has been really a way that resources have been thought of, financial resources that is, in this kind of bifurcated manner; and effectively, in one pocket, you have your philanthropic giving, or your tithing for a _____ for a believer; and on the other side, you have your investments that you just seek to make as much money as possible with. And I think that this is a false dichotomy, it's also one that is increasingly being realized by investors, and this is what's increasing the demand for

products. And it is for a couple of reasons, so first is it presumes that the primary manner of achieving Kingdom Impact in the world and doing good is through philanthropic means and charity. And I think that's both limited, but it's also incorrect. And, of course, business and entrepreneurship are powerful tools for human flourishing, both at the individual level, but also at the societal level, and often, quite more impactful than philanthropy can be anyway. And the second reason that I think there's a growing awareness of this is that this kind of bifurcation, and this kind of dualistic thinking, is actually, it lacks integrity. And I don't mean moral integrity or moral principles, what I mean by that is just, it lacks integration and coherence as a whole. And so, I'll give you an example. Think about it, say that I'm someone who's passionate about the environment, and I give my charitable dollars to Greenpeace or Save the Rainforest, Rainforest Action Network, whatever it might be. And I do that with all my philanthropic money, but on the other side, I invest my much bigger pile of money, whether I'm a foundation or even an individual, into companies that pollute the earth, and that are involved in deforestation. And there's this total dissonance between these two things, but historically, they actually haven't been thought of, the two buckets have been fully separate. So this integration of one's overall portfolio, and really thinking about it holistically to say, how do I align my investments with my values, that is, I think the first big trend that's going on and that's an awareness amongst investors, but also increased education of them about what ways they can actually go about doing it. Because it's one thing to say, oh that sounds great and I hear you, but it's another thing entirely to actually get to a place where you're able to take action with all of your resources and align them with your values. And then, just very quickly, the second one, I would say, is really around this notion of spiritual impact measurement. It's hard enough in the broader secular impact investing world to measure social impact. There's a number of different frameworks and ways that people think about it, and there's a lot of work going on by very smart people to try and streamline those. But that's very hard, it's even harder, of course, to measure spiritual impact, because these are spiritual things, they're not material. And so, there's really good thinking that's going on from a number of different colleagues in the space. There's a guy named James Waters at Eido Research in UK doing what's called a Kingdom Impact Framework to really assess businesses in a very structured, rigorous way. I know with the impact – sorry, the Ambassadors Impact Network that I work with, we have a three-part frame that really focuses on looking at the values of a company, the activities of a company, and then the product or service itself, and the extent to which the gospel is furthered through those three pillars. And there is no perfect measurement tool, but these are some really cool efforts that are ongoing, and I think, further good thinking around that is really one of the cool trends I'm seeing.

Hall Martin: Great. And so, what makes for a successful company in the faith-driven space, how is it different from any other startup?

Endel Liias: I would say success would depend on the investor. But at a bare minimum, it would involve some faith-driven element in the business itself. And so, whether or not that is the faith of the CEO, and the way that they try and inculcate their beliefs and their values into the culture of their company, that might be something that is important to one investor. For other investors, like the Ambassadors Impact Network, as I mentioned, they are interested in companies that are a bit more explicit in the furtherance of the gospel through their work, and so, it goes

beyond just the faith of the CEO. And so, in terms of successful company, I think you can really, from a business standpoint, you can have them across industries, across geographies; and that's one of the beauties, you can really be pushing into the kingdom, anywhere in the world, in any sector; but it really when it comes to the faith driven side of things, it requires being thoughtful about what you're interested in as an investor, and what you're looking for, and then being able to ask questions that are reasonable of an entrepreneur to be able to answer, that is you're not imposing overly burdensome things on them, but you're trying to understand what are the things that are feasible and practical within your business that you might do that make you faith driven, and what are those things, and how do you measure those things.

[19:17] Our next guest is Jeff Shafer, CEO at CommonGood Capital. CommonGood is a financial services firm aligning capital with the values and goals of investors. They provide advisors a curated platform of private alternative investments that mobilize capital to generate competitive returns as well as meaningful impact in communities around the world. Jeff, thank you for joining us.

Hall Martin: And so, what do you see is the primary trend in faith driven investing today?

Jeff Shafer: You know, I think the trend we're seeing is true not only in faith driven investing, but those who don't even espouse to have a faith is just that – is the human condition. And if you just go back to, just go to 2020, you have COVID. We were faced with our mortality more than we wanted to be faced in many, many years. You had the political unrest. You had the civil unrest. And so, people are starting to say, wait a second, capital has power, and so, let's use this in a positive way. In the context of faith based investors, I think people are really wrestling with what does it mean to be a steward of our investment capital. _____ they're wrestling with what does it mean to be a steward of our time. Historically, it's been about generosity and charity, but I think that's coming into play, where more and more people are saying, I want to be a part of this solution, and they're using their capital to do that in non-traditional ways other than just pure philanthropy.

Hall Martin: Great. So what makes for a successful company in the faith driven space?

Jeff Shafer: Number one, you got to have profit, and that kind of goes, what, wait, this is faith based. Well, here's why I say that – if you don't have profit, you don't have a business, you can't scale, and you can't maintain your influence and impact on your employees and in the world for that matter. – And then right behind that, I think there needs to be clearly delineated non-financial metrics, that, as a management team, and as people looking in, you know their values, and then actually they need to report on those metrics. Whatever those metrics are to that organization, it's probably some combination of how they're treating their employees, it's probably something about their broader stakeholders. And the last thing I would say is, and I think this is true of business in general, but it definitely should be true of a faith based business, there needs to be a service leader, servant leadership, and this idea of service. If you're not serving your stakeholders well, then you're probably missing something out, and that's one of

the movements that's been happening is people are starting to say, how are we impacting, how are we influencing not just our customers, but our investors, our vendors, the list goes on and on. So those would be some of the things I'd say, a successful faith driven company would look like.

[22:18] Our next guest is Kenn Kelly, CEO at Never Settle. Never Settle is a global award-winning digital marketing agency helping businesses build a bigger story. They serve both enterprise and small businesses and develop impactful user experiences through technology and marketing solutions to help you build a bigger story that drives results for your business, all at a price you can afford. Kenn, thank you for joining us.

Hall Martin: And what's the primary trend in faith driven investing today?

Kenn Kelly: I think that the primary trend is based on humanitarian issues, where people are investing in companies that are making a specific difference in humanitarian issues. So impacting the human, you know, our culture and people specifically, instead of just trying to find something, that's like the end solution of whether that's a business or a service or a solution, that it's somehow enriching people's lives.

Hall Martin: Great. And so, what makes for a successful company in the faith driven space?

Kenn Kelly: When I think about successful companies that I would invest into, it's ones that are tied that, that have the biblical foundation at the operating and partner level agreement, and then have a specific way to generate a profit, and that that profit is enriching the lives of the people that they're servicing. And so, for me, or some of the investors that I work with, it could be investing into a local manufacturing company that's really taking care of their employees and they're building roads. And the way in which they're treating their employees is good or it could be a green tech company that's going to change the way batteries are made forever, and get rid of toxic metals that are going to _____ that are going to impact future generations. So I think the end solution should help, but there should be no limit to the type of business of what it's doing. Those two principles, is it based on biblical, does this have a biblical foundation, and is it enriching the lives of the people around it and their community.

Thank you for joining us today.

As always, be sure to leave a review, subscribe to this podcast, and share it with others.

Let's go startup something today.