

# A Student Companion for *The Blue Sweater*

## Why You Matter

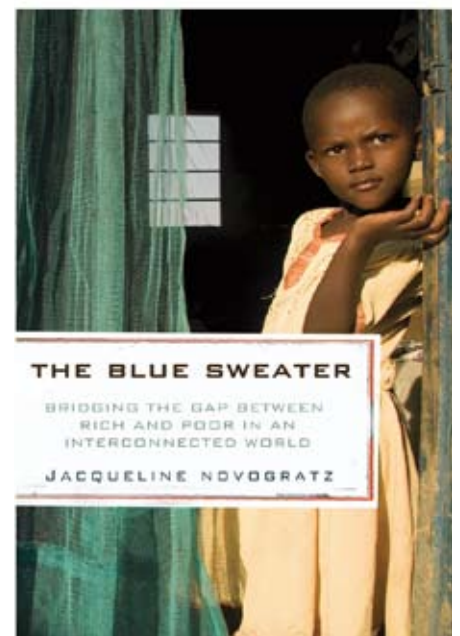
Students are one of Acumen Fund's greatest resources. Your combination of energy, creativity, and optimism can make you powerful agents of social change. As you'll read in *The Blue Sweater*, Jacqueline's own journey to founding Acumen Fund begins with a chance occurrence during job interviews on her college campus. We hope this packet serves as a guide for starting your own personal journey and for exploring ways to give back.

In this guide, you'll find discussion questions to spark dialogue with classmates and ideas for ways to help Acumen Fund on your campus. You can also visit our community page at <http://community.acumenfund.org>, where you can interact with other Acumen Fund student supporters and readers from around the world. The site includes many additional resources for *The Blue Sweater*: maps, photos, and forums to discuss the book. This packet only represents the very beginning of what you can discuss and accomplish.

If you have more questions or thoughts, send us a message at [whsing@acumenfund.org](mailto:whsing@acumenfund.org) to let us know how we can help.

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## A Letter from Jacqueline

Dear Students,

Thank you for choosing to read *The Blue Sweater*.

In many ways, this book is a love letter written in starts and spurts over ten years. I first put pen to paper on a rainy Sunday afternoon in January 1996, sitting in my cozy one-bedroom apartment in New York City thinking about what I'd just experienced in Rwanda. Ten years before, in 1986, I'd traveled to that country to help a small group of women establish Rwanda's first micro-finance bank. It was a time of affirming Margaret Mead's belief that big government doesn't create change: small groups of passionate, committed people do. As a twenty-five year old, I was a part of building a lasting institution that would change society's perceptions of what women were capable of accomplishing.

So you can imagine what it felt like in 1994 when the Rwandan genocide wiped out nearly 800,000 people, including people I'd come to know and love and respect. Among those murdered were friends of mine, people who believed in social justice and were willing to work toward building it. More shocking was the discovery that among the perpetrators were also people I knew and admired.

I wanted to capture the stories of the women with whom I'd built the microfinance bank, and the people I'd known best in Rwanda. I was haunted by the phrase "Never Again" and felt an obligation to share the stories I held inside of me. And so I wrote.

In the meantime, I was overseeing two programs within the Rockefeller Foundation and feeling growing unease with a world that turned to traditional charity or philanthropy to solve its problems. I'd seen too many instances of where traditional charity had done little or nothing to effect change, often creating dependency, with little accountability for results. At the same time, I'd seen markets ignore low-income people altogether. And I began to feel that telling stories, at least for me, was not enough. I needed to put my ideas – and values – into action.

In 2001, with the help of great friends and supporters, I started Acumen Fund, a nonprofit venture fund that would try to turn development on its head through a concept we now call Patient Capital. Patient Capital works between the markets and traditional charity. Patient capital investments are high risk, with a long time horizon and expectations for outsized social impact and near-market financial returns. Investments are combined with a significant amount of management support, and a commitment to measuring both social and financial returns. To date Acumen Fund has invested more than \$40 million in entrepreneurs in East Africa and South Asia bringing affordable, quality healthcare, water, energy, housing and agricultural inputs. Today I feel more convinced than ever of the power of the idea of Patient Capital – and in so many ways, we are just getting started.

*The Blue Sweater* chronicles my own journey from being a starry-eyed young woman with an adventurous soul who wanted to change the world to a more experienced seeker who still wants to change the world, but now has much keener sense of what works and what doesn't. I write often in the book that dignity is more important to the human spirit than wealth, and I continue to learn at a deeper level what this means. As a world, we need to find ways to give the two billion people who still live in poverty a fighting chance to follow their own dreams.

My hope is that you will see yourself in this book, and that you will use the stories as a springboard into your own stories and experiences. I hope you will dig into the questions around what it means to be human, how we can do such evil – and wonderful – things, and what kinds of systems must we put in place to bring out our better angels and suppress our monsters. I'd love to hear your thoughts of the questions that most provoked you or intrigued you or inspired you. I will read your letters and email and, though I can't respond to all of them, I will cherish them and know that I will learn from them. Mostly, I hope this book will remind you to live



Jacqueline with colleagues at Duterimbere in Kigali

A Student Companion for *The Blue Sweater* by Jacqueline Novogratz



Jacqueline Novogratz in Rwanda

out loud, to take roads less traveled and to follow your own dreams, remembering that none of us achieves anything of real value without the help of many others along the way.

Now is the time for big ideas, for innovation and for building companies, organizations and systems that help the world extend that fundamental principle that all men were created equal to every human being on the planet.

Very warmly yours,

Jacqueline

MAP OF AFRICA (WITH PLACES JACQUELINE VISITS IN BLUE)



## Questions for Discussion & Additional Resources

These questions and materials are meant to serve as guides to jump start discussion on *The Blue Sweater*. They are organized by some of the main themes in the book.

### Leadership

1. Who were the sources of Jacqueline's inspiration in the book? Who are your role models, mentors, or favorite writers? How do they inspire you?
2. A close friend tells Jacqueline to "Just start. Don't wait for perfection. Just start and let the work teach you." (Chapter 13). Discuss this idea of overcoming mental barriers fearlessly. What other qualities or traits might you need to start something new?
3. A potential donor tells Jacqueline, "Leaders are born, not made." (Chapter 16) What is leadership? Do you think some people are born leaders? Can leadership be developed over time and through experience? Does Jacqueline seem like a "born leader" or someone who became a leader?
4. One lesson that Jacqueline learns over and over again is the importance and power of listening to others. What are some examples from the book of either failure to listen or success in listening?

#### Suggested additional materials on leadership

"Letter From Birmingham City Jail" by Martin Luther King, Jr.

*On Leadership* by John Gardner

Seth Godin TED Talk on "The Tribes We Lead": [http://www.ted.com/talks/lang/eng/seth\\_godin\\_on\\_the\\_tribes\\_we\\_lead.html](http://www.ted.com/talks/lang/eng/seth_godin_on_the_tribes_we_lead.html)

### Personal Growth & Choice

1. How is the Jacqueline who founded Acumen Fund at the end of the book different from the ambitious college student at the beginning? What changed?
2. In Chapter 1, does Jacqueline make the right choice in turning down a promotion at Chase Manhattan and going to Africa instead? What would you have done if you were in her shoes?
3. Discuss the dilemma that Jacqueline faces when buying champagne in Rwanda in Chapter 7. Have you ever been in a similar situation where you were conscious of your own privilege?
4. One of Jacqueline's favorite quotes from Martin Luther King Jr. is "Power without love is reckless and abusive; love without power is sentimental and anemic" (chapter 8). How does Jacqueline balance power and love in her work and as a leader? Does she find a "third way" that is a median between the two?
5. Jacqueline sees moral imagination as the ability to put yourself in someone else's shoes and see the world from their perspective. When is moral imagination most necessary? How is it related to the concept of human dignity? Is this a skill that can be taught; if so, how?

### Literary Style

1. Why does Jacqueline use her blue sweater story as a starting point for her book? Do you have any experiences like the blue sweater story that explore the same types of themes in your life?
2. Jacqueline often describes the natural beauty of her surroundings before delving into the details of her work. Why do you think she uses this particular style to introduce readers to her stories and experiences?
3. Describe Jacqueline's storytelling style. What role does a story play in shaping how we understand or remember events?

### Patient Capital & International Development and Aid

1. Discuss the philosophy behind the concept of “patient capital,” which Jacqueline describes in Chapter 13. Does this seem like a viable solution to solving the problems of poverty? What other instruments exist for poverty alleviation? How does patient capital compare? Is it a sufficient “third way”?
2. How does Acumen Fund’s approach differ from Jacqueline’s beginnings in microfinance at Duterimbere?
3. Despite her focus on building businesses to solve poverty, Jacqueline gives money directly to the poor at various points in the book. Why does she give the money away? Has this book changed how you might donate your money in the future?

#### Suggested additional materials on development

“The Patient Capitalist,” *The Economist*: [http://www.economist.com/people/displaystory.cfm?story\\_id=13692513](http://www.economist.com/people/displaystory.cfm?story_id=13692513)

“Meeting Urgent Needs with Patient Capital” by Jacqueline Novogratz: <http://www.acumenfund.org/knowledge-center.html?document=49>

Andrew Mwenda TED Talk - “Taking a New Look at Africa”: [http://www.ted.com/talks/lang/eng/andrew\\_mwenda\\_takes\\_a\\_new\\_look\\_at\\_africa.html](http://www.ted.com/talks/lang/eng/andrew_mwenda_takes_a_new_look_at_africa.html)

Ngozi Okonjo-Iweala TED Talk on Aid versus Trade: [http://www.ted.com/talks/lang/eng/ngozi\\_okonjo\\_iweala\\_on\\_aid\\_versus\\_trade.html](http://www.ted.com/talks/lang/eng/ngozi_okonjo_iweala_on_aid_versus_trade.html)

Development As Freedom by Amartya Sen

The Bottom Billion by Paul Collier

The Elusive Quest for Growth by William Easterly

Dead Aid by Dambisa Moyo

Making Globalization Work by Joseph E. Stiglitz

### Social Enterprise

1. Think about Acumen Fund’s investment in WaterHealth International (WHI) in Chapter 15. What is the difference between seeing the poor as customers and seeing them as recipients of charity? Should poor people have to pay for basic services like water and housing? Why or why not?
2. Describe the transformation of the bakery in Nyamirambo from a donor-driven organization to a self-sustaining small business. Do you agree with how Jacqueline went about changing the bakery and the lives of the women who worked there? What effects did it have? How were Jacqueline’s efforts with the bakery different from the “patient capital” approaches she later espouses?

#### Suggested additional materials on entrepreneurship and market-based solutions to alleviating poverty

“Emerging Markets, Emerging Models” by The Monitor Group

“The Next 4 Billion: Market Size and Business Strategy at the Base of the Pyramid” by Allen Hammond, William J Kramer, Julia Tran, Rob Katz, and Courtland Walker at World Resources Institute

Nextbillion.net: blog co-managed by Acumen Fund and World Resources Institute that explores the connection between development and enterprise

#### Case studies on enterprises featured in *The Blue Sweater*

Aravind Case Study: “Aravind: Growing a Health Care Facility,” <http://www.acumenfund.org/knowledge-center.html?document=134>

A to Z Case Study: “Global Health Initiative: A to Z’s Private-Public Partnership,” <http://www.acumenfund.org/knowledge-center.html?document=44>

Water Health International Case Study: “Acumen Fund and WaterHealth International: The Role of Venture Philanthropy,” <http://www.acumenfund.org/knowledge-center.html?document=125>

### The Rwandan Genocide

1. What caused the women's initial distrust of Jacqueline when she first arrived in Kenya? How does she build trust? How can trust be rebuilt after great tragedies like the Rwandan genocide or in countries where corruption might be the norm?
2. Why do you think Jacqueline wanted to return to Rwanda after the genocide? What did she learn from her conversations with Honorata, Liliane, Agnes, and Prudence during her return trips? How did these stories change Jacqueline's understanding of human nature or your understanding of human nature?
3. What are the various coping mechanisms Jacqueline references in describing the post-genocide healing process in Rwanda? How have different societies dealt with the consequences of similarly horrific periods in their histories (ie, Germany after the Holocaust, the U.S. after slavery)?

#### Suggested additional materials on the Rwandan genocide

The BBC's coverage and history of the genocide: <http://news.bbc.co.uk/2/hi/africa/1288230.stm>

PBS's Ghosts of Rwanda webpage contains video interviews, excerpts of news reports, a timeline, and discussion about the genocide: <http://www.pbs.org/wgbh/pages/frontline/shows/ghosts/>

Rwanda-Genocide.org has links to a variety of other resources on the web if you'd like to learn more about the genocide.



Saiban, an Acumen housing investment in Pakistan (Chapter 14)

### How You Can Help

Jacqueline founded Acumen Fund in 2001 to experiment with a new approach to solving poverty – using patient capital to identify, support and grow businesses that can both effectively and sustainably serve the poor. Under Jacqueline’s leadership, Acumen Fund has successfully invested in over 37 businesses that provide affordable healthcare, water, housing and energy to millions of low income people in India, Pakistan and East Africa.

As these businesses grow, they will serve more and more people over time. But we need to do more. Over two billion people worldwide lack access to so many of the basic necessities that are so often taken for granted – that is one in three of the world’s population – *one in three of us*.

Help Acumen Fund make an even bigger impact on the world. Your support can do a lot to change the way the world is addressing poverty. Give dignity not dependency. Support choice not charity.

If the book inspired you to do something to help, here are some starters for how to spread the message on your campus and raise funds for Acumen’s work. These activities can also help you build skills (relationship-building, fundraising, organizing) you’ll use throughout your life. We encourage you to be creative and entrepreneurial – these suggestions are only the beginning. And don’t forget to share your ideas with the Acumen Fund community at <http://community.acumenfund.org>.

#### 1. Bring the book to your campus

**Common Book Programs:** Does your school assign a common book for all incoming freshmen?

- + Find out your school’s process for selecting common books and reach out to the primary contacts, using the materials in this packet to advocate for the book.
- + Make sure to contact Wei Wei Hsing ([whsing@acumenfund.org](mailto:whsing@acumenfund.org)) to let us know how we can help you make the case and keep us updated.

**Libraries and Bookstores:** Make sure the book is stocked in your campus library and bookstore. We’ve heard from students that in most cases all you have to do is ask for bookstores and libraries to carry copies, and they’ll place an order.

**Classes:** Give or recommend the book to professors and department heads who teach relevant topics—whether it’s Social Entrepreneurship, Global Development, Gender Studies, Leadership, Africana Studies or others.

**Be entrepreneurial:** Come up with your own ideas and share them with others on Acumen Fund’s community site at <http://community.acumenfund.org>.

#### Other ideas to get the word out:

- + Write a book review for your school paper.
- + Write a review on *The Blue Sweater* page of an online bookseller.
- + Use social media—Tweet or blog about the book.
- + Share copies with friends and family as holiday or birthday gifts.
- + Share copies with professors and administrators.
- + Host a book club or book discussion using the questions below to jump start the conversation with other students.
- + Set up a table at school conferences and events to raise awareness about Acumen Fund. Enlist your school’s bookstore to help sell books at your table.

If you can help make *The Blue Sweater* the common book at your school, it would be a HUGE win! It is such a huge win that we will reward the first student who succeeds at making *The Blue Sweater* the common book choice on their campus with a personal, 30-minute web conference with Jacqueline. There is also a possibility that Jacqueline can come speak on your campus as a common book author, subject to scheduling constraints.

## 2. Fundraise on campus for Acumen Fund

Do you have plans to run a marathon, climb a mountain, or skydive? Have a birthday or dorm party coming up? Use the opportunity to raise funds for Acumen Fund and get more of your classmates involved. Then, inspire other supporters by sharing your ideas and photos from your activities on our community site at <http://community.acumenfund.org>. Here are some ideas to get started:

- + Host a photo exhibit or organize an art auction
- + Organize a benefit concert
- + Partner with local businesses to host fundraiser events
- + Start an on-campus social enterprise

## 3. Donate to Acumen Fund

Jacqueline and Acumen's work would not be possible without your help. Even small contributions are appreciated. Every dollar counts and because of our approach, every dollar goes further. Give on our website at [www.acumenfund.org](http://www.acumenfund.org).



LifeSpring maternity hospitals in India

## ABOUT JACQUELINE NOVOGRATZ

Like so many young people today, Jacqueline Novogratz gave up a career on Wall Street for a chance to change the world and pursue a life of adventure. Trained as an international banker and development expert, in 2001, she founded Acumen Fund. Together, she and Acumen Fund have pioneered a "third way" -- called "patient capital" -- between venture capitalism and traditional charity, one that seeks to effect real change in countries where the average citizen lives on less than \$4 a day. This new approach regards people living on limited incomes not as passive victims, but as potential customers and budding business people in their own right.

Prior to Acumen Fund, Jacqueline founded and directed The Philanthropy Workshop and The Next Generation Leadership program at the Rockefeller Foundation. She also founded Duterimbere, a micro-finance institution in Rwanda. She began her career in international banking with Chase Manhattan Bank. She is currently on the advisory boards of Stanford Graduate School of *Business and Innovations Journal*, published by MIT Press. She is an Aspen Institute Henry Crown Fellow and a Synergos Institute Senior Fellow, as well as a frequent speaker at international conferences, including the World Economic Forum, the Clinton Global Initiative and TED. Jacqueline has an MBA from Stanford and a BA in Economics/International Relations from the University of Virginia.

## ABOUT THE BLUE SWEATER

*The Blue Sweater* is the inspiring personal memoir of a woman who has spent her life on a quest to understand global poverty and to find powerful new ways of tackling it. From her first stumbling efforts as a young idealist venturing forth in Africa to the creation of the trailblazing organization she runs today, Jacqueline Novogratz brings us a series of insightful stories and unforgettable characters -- from women dancing in a Nairobi slum, to unwed mothers starting a bakery, to courageous survivors of the Rwandan genocide, to entrepreneurs building services for the poor against impossible odds.

She shows, in ways both hilarious and heartbreaking, how traditional charity often fails, but how a new form of philanthropic investing called "patient capital" can help make people self-sufficient and change millions of lives. More than just an autobiography or a how-to guide to tackling poverty, this book challenges us to grant dignity to the poor and to rethink our engagement with the world.

## ABOUT ACUMEN FUND

Acumen Fund is a non-profit global venture fund that uses entrepreneurial approaches to solve the problems of global poverty. Acumen seeks to prove that small amounts of philanthropic capital, combined with large doses of business acumen, can build thriving enterprises that serve vast numbers of the poor. The organization was incorporated on April 1, 2001, with seed capital from the Rockefeller Foundation, Cisco Systems Foundation and three individual philanthropists. Its investments focus on delivering affordable, critical goods and services - like health, water, housing and energy - through innovative, market-oriented approaches.

The key is patient capital. Acumen uses philanthropic capital to make disciplined investments - loans or equity, not grants - that yield both financial and social returns. Any financial returns it receives are recycled into new investments. Over time, we have refined the Acumen Fund investment model, built a world-class global team with offices in four countries, and learned what does and does not work in growing businesses that serve low-income people.

## ACUMEN FUND'S PHILOSOPHY

Charity alone isn't the answer... Poor people seek dignity, not dependence. Traditional charity often meets immediate needs but too often fails to enable people to solve their own problems over the long term. Market-based approaches have the potential to grow when charitable dollars run out, and they must be a part of the solution to the big problem of poverty.

The marketplace alone isn't the answer... Very low-income people are too often invisible to businesses and society. Businesses see no significant market opportunity and governments view low-income areas as having insufficient tax revenues to pay for basic services like clean water, healthcare, housing and energy. Building new models that provide these critical services at affordable price - in the face of high costs, poor distribution systems, dispersed customers, limited financing options and, at times, corruption - requires imaginative business solutions and partnerships supported by investors willing to take on a risk/return profile that is unacceptable to traditional financiers.

Changing the Development Paradigm... Acumen Fund believes that pioneering entrepreneurs will ultimately find the solutions to poverty. The entrepreneurs Acumen Fund supports are focused on offering critical services - water, health, housing, and energy - at affordable prices to people earning less than four dollars a day.

For more information on Acumen Fund, please visit [www.acumenfund.org](http://www.acumenfund.org).

Acumen Fund is a 501(c)3 social venture fund that invests in enterprises that offer access to critical, affordable products and services to the poor through scalable, market oriented approaches. Our investments currently focus on four key areas: water, health, housing, and energy.

### Contact Us

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