

From Innovation District to Impact District

Michael Clark 16 November 2016

Summary

Innovation districts have sprung up all over the world, creating ecosystems for tech innovation in urban centers, and spurring economic activity and entrepreneurial creativity. This article proposes a modification on that concept to introduce the notion of an impact district, capitalizing on the same energy but with social impact as a primary objective. An area such as Germantown in Philadelphia would be a prime target for situating an impact district, where the benefit of the impact district would have the compounding effect of contributing to an area with need.

Innovation districts¹ have sprung up all over the world, creating ecosystems for tech innovation in urban centers. Innovation districts have spurred economic activity and entrepreneurial creativity from Barcelona to Boston, from Paris to right here in Philadelphia. These geographies have taken tech innovation out of the office parks and into the urban center. What if we took all of the wonderful social innovations found in this Journal and concentrated them in a Philadelphia neighborhood? What if we took all of the talent, investors, and ideas gathered at a

conference like SOCAP² over a span of four days in Fort Mason, and concentrated them in a Philadelphia neighborhood over a span of four years? Finally, what if local residents could not only participate, but play a central role in developing social innovations and enterprises?

The innovation district model is transferable to the field of social impact. Innovation districts consist of clusters of entrepreneurs, research universities, venture capital firms, and tech startups. We imagine building a new type of local ecosystem centered on residents, social entrepreneurs, impact investors, B Corporations, schools, social service organizations, and research universities; an impact district.

Impact investing and social entrepreneurship have the potential to revolutionize the way we build businesses, unlock the capital markets, and incentivize social sector collaboration. We propose to root that revolution in a Philadelphia neighborhood, one with a long-standing history of social innovation and revolution itself: Germantown.

Collective impact³ and impact investing⁴ have taken the social sector by storm. Even though they have already yielded promising returns, these concepts still feel a bit sterile (not unlike some office parks). What if we gave them a living, breathing physicality? No place has done this better than the Downtown Project in Las Vegas.⁵ The

Downtown Project transformed an overlooked area in Las Vegas into a thriving tech hub, while creating over 165 companies, 1,000 jobs, and \$135 million in economic output.

What would a Downtown Project for social impact look like? Could it generate similar impact and investment? Could we root this in a neighborhood like Germantown, with talent, institutions, and history, but also a place that could benefit from improved social outcomes? Stay tuned.

Author bio

Mike Clark is the Executive Director of Impact Germantown. He is a systems entrepreneur based in Philadelphia, Pennsylvania. He has researched, published, and worked in the areas of collective impact, financial innovation, impact investing and social entrepreneurship. Mike also served as a Peace Corps volunteer in Bulgaria. He holds a Bachelors degree from the University of Scranton, and a Master of Public Administration from the University of Pennsylvania's Fels Institute of Government.

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