

Impact investing in film

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Shutdown of Participant challenges other investors to drive impact through film



Screenshot of Ava Duvernay's "When They See Us" | Image Credit: Participant Media

When **Ava DuVernay** made her 2019 series, "When They See Us," about the five Black teens convicted of a rape they didn't commit, Participant helped her get it in front of tens of millions of Netflix viewers.

Alongside the film, Participant collaborated with **Color of Change** on a directory of local prosecutors to highlight racist practices. Former prosecutor **Linda Fairstein**, who pressed the 'Exonerated Five' case, resigned from two nonprofit boards.

News broke yesterday that Participant is shutting down. The social impact production house backed by billionaire **Jeff Skoll**, was known for social-action initiatives that accompanied films such as “The Help”, “Spotlight” and “An Inconvenient Truth,” one of the most successful documentaries in Hollywood history.

“I founded Participant with the mission of creating world-class content that inspires positive social change, prioritizing impact alongside commercial sustainability,” Skoll wrote in an email to Participant employees. Over two decades, Participant released 135 films and five series, earning more than \$3.3 billion at the box office, but reportedly struggled to consistently make money amid a shifting entertainment environment.

“It is the right time for me to evaluate my next chapter and approach to tackling the pressing issues of our time,” Skoll continued.

He said he was emboldened by the next generation of impact storytellers and content creators. From philanthropists to producers to distributors, “more and more individuals and organizations all over the world are recognizing and adopting impact models as core to their approaches.”

Even as Participant exits, mission-driven investors are leaning into the power of film and culture as an opportunity for delivering impact at scale. They are going beyond grants, to invest in film to drive social change.

For her latest project, “Origin,” the adaptation of the book *Caste* by **Isabel Wilkerson**, DuVernay raised funds from **Ford Foundation**, along with **Emerson Collective**, and the **MacArthur** and **Robert Wood Johnson** foundations.

Ford, with its long history of grant funding for artist-driven documentary and emerging media projects, is excited about impact investments in commercial film. With “Origin,” Ford’s **Roy Swan** told *ImpactAlpha*, “The goal was to try to maintain creative purity and authenticity,”

Ford provided the film’s first \$10 million (of a total of \$39 million) as a program-related investment loan. Swan will interview DuVernay on stage at the upcoming Mission Investors Exchange gathering in Los Angeles next month.

“It’s very helpful to make something that’s unconventional, more conventional,” he said. “Single films and even some of these film funds may not be the type of thing that institutions focus on.”

The **Kellogg** and **Libra** foundations, along with Ford and Emerson, have also invested in **Charles King’s** Macro. Macro has achieved commercial success with films including “Just Mercy”, “Fences” and “Judas and the Black Messiah,” by putting voices and perspectives of persons of color in front of mass audiences.

Scott Budnick's One Community, also backed by a Ford program-related investment, co-financed "Just Mercy," which jumpstarted a national criminal justice reform advocacy campaign.

With "The Barber of Little Rock," **Dwayne Wade's** 59th and Prairie production company depicted the racial wealth gap in the US through the story of People Trust, a community bank in Little Rock, Arkansas.

"Despite their closure, they remain a beacon for future media companies striving to highlight urgent issues and amplify marginalized voices on screens big and small," Kellogg Foundation's **Cynthia Muller** told *ImpactAlpha*. "This opens up a significant opportunity for others in the industry to draw inspiration from Participant's work and innovative approaches."

Campaigns for change

Over two decades, Participant pioneered an era of activist filmmaking. In an interview earlier this month, Participant's **Delvon Worthy** said film influences culture and culture enables change.

"We believe that a good story well told can change the world," Worthy, Participant's director of partnerships, told *ImpactAlpha*.

To nudge along such change, Worthy helped Participant organize campaigns alongside its films "in support of movements that are already happening," he said. "People see a participant film and they're like, 'What can I do next? How can I get involved?' And so we want to make sure we can facilitate that."

Participant is one of a family of impact-focused organizations created by Skoll, the former president and first employee of eBay. Others include Skoll Foundation, which supports social entrepreneurs around the world, and Capricorn Investment Group, which manages the billionaire's fortune.

"While today funders and impact leaders speak often about the importance of shifting the narrative and allowing diverse voices to be heard, 20 years ago the transformative power of storytelling was not fully recognized as a lever for change," Upstart CoLab's **Laura Callanan** shared with *ImpactAlpha*. "Participant helped to change that."

Real impact

A [newly launched site](#) documents some of the real-world impacts Participant's films and campaigns helped achieve.

The production company viewed film and pop culture “as the entry point to raise awareness, and change hearts and minds,” **David Linde**, Participant CEO, said alongside the release of “Food, Inc. 2” one of the last films produced by the company.

For “Food, Inc. 2,” released earlier this month, Participant launched a multi-part campaign with nonprofits including The Open Markets Institute and The Coalition of Immokalee Workers to bring attention to farm workers rights, check corporate power and improve public health.

Participant’s campaign for the original “Food, Inc” helped pass the Food Safety Modernization Act, what Linde called “the first major piece of food safety legislation since the 1930s.”

Alongside “Roma,” the Academy award-winning 2018 film, Participant worked with nonprofits to bolster rights for domestic workers globally. The effort resulted in legislation in Mexico that guaranteed the rights of 2.4 million domestic workers to have written contracts with benefits including paid time off.

With the release of “Dark Waters,” starring **Mark Ruffalo**, Participant supported activists to influence more than a dozen laws in the US to clean up and ban ‘forever chemicals,’ known as PFAs. Europe enacted an all out phase out and ban of PFAs altogether.

Prior to Participant’s shuttering, Worthy welcomed the impact investment push into film. Impact capital “does allow for more diverse stories to be told. It can support the change,” he said. “Nothing brings people together more than film.”

Disclosure: Ford Foundation is an investor in ImpactAlpha. The Robert Wood Johnson and MacArthur foundations are ImpactAlpha sponsors.