

PLEDGE
1%



Equity Case Studies

May 25, 2022



In the last 2 years...

\$2+ Billion

in new philanthropy through equity pledges

CORPORATE EQUITY

	1% Upfront Model	1% Distributed Model
Summary of Trade-offs	<ul style="list-style-type: none">+ Lock in social impact legacy (<i>legally binding</i>)- 1% upfront shareholder dilution	<ul style="list-style-type: none">+ Spread out shareholder dilution (<i>Example: 0.1% a year for 10 years</i>)- Potential for reduced social impact (<i>Risk increases if change in ownership and/or leadership is likely</i>)
Directional Examples	PagerDuty, Crunchbase, Upwork, Puppet, Skilljar, Checkr	Twilio, SendGrid, Okta, Coinbase, Olo, Slack, Auth0, Unity
Typical Stage	Primarily early and growth stages (<i>>12 months from exit or IPO</i>)	Primarily growth and late stage (<i><12 months from exit or IPO</i>)

SOURCE OF EQUITY

Corporate Equity

Checkr

coinbase

DocuSign®



okta



PagerDuty

skilljar

slack

twilio



unity

zuora

Founder Equity

ATLASSIAN

CODE42



PLURALSIGHT

Combination (Founder & Corporate)

airbnb



Auth0



Lookout

Equity Source

Corporate: 1% Upfront Model

Equity Model: 1% Upfront Model

Timing of Commitment

Growth Stage. > 12 months pre IPO

Vehicle

Shares

Funding schedule

TBD

Investor dilution

Approved 1% upfront

Pros/Cons of this Model

Pros: Locks in Social impact legacy

Cons: 1% dilution all at one time

Checkr

EQUITY CASE STUDY



Catalyst

Ron Conway

Equity Source

Corporate

Equity Model: 1% Distributed Model

Timing of Commitment

Late Stage: < 6 months pre IPO

Vehicle

Shares

Funding Schedule

0.1% shares transferred per year for 10 years; begins on 1 year anniversary of IPO

Investor Dilution

1% spread over 10 years post IPO

Pros/Cons of this Model

Pros: Spread out shareholder dilution

Cons: Risk to Social Impact Legacy

coinbase

EQUITY CASE STUDY



Catalyst
CEO

Equity Source
Corporate

Equity Model: 1% Upfront Model

Timing of Commitment
Late Stage (< 12 months from IPO)

Vehicle
Warrant

Funding Schedule
Warrants exercisable in full at time of IPO with scheduled sale to sell shares over 5 years

Investor Dilution
Dilution occurred when warrant executed

Pros/Cons of this Model
Pros: Social Impact legacy preserved
Cons: Investor Dilution Upfront

PagerDuty

EQUITY CASE STUDY



WE ARE HERE FOR YOU

- **Formalize your equity commitment**
 - ◆ The CEO Equity Playbook
 - ◆ The Companion Guide for CFOs/GCs
 - ◆ Consultation (Pledge 1%)
- **Support for time, product, profit pledges**
- **Employee activations**
 - ◆ [Pledge 1% Blog](#)



YOUR NEXT STEPS

DOWNLOAD THE EQUITY PLAYBOOK: [P1.today/equity](https://p1.today/equity)

JOIN THE PLEDGE 1% MOVEMENT: [P1.today](https://p1.today)



Questions? Jan@Pledge1Percent.org Amy@Pledge1Percent.org

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