

A VC Fund Backed By Kevin Durant And Diddy Will Donate Its Profits To 11 Charities Improving Diversity In Tech

When mobility startup Lime was looking for a high-profile celebrity for its launch in Oakland, it turned to its venture backer, Andreessen Horowitz. Partner Chris Lyons already knew who should [rep the launch](#): Marshawn Lynch, an Oakland resident known for riding his bike around town and now a backer of Lyons' Cultural Leadership Fund.

Celebrity connections are one thing, but it's the investment—and how the fund plans to give back to nonprofits—that makes the Cultural Leadership Fund different from most other Silicon Valley-Hollywood connections. Black cultural icons from Shonda Rhimes to Kevin Durant to Quincy Jones have pooled nearly \$18 million to invest in Andreessen Horowitz's Cultural Leadership Fund. In the year [since it launched](#), the fund has cut 39 checks to startups including Overtime, a sports media network, and Propel, which helps people manage their food stamps. Some of its backers have gone a step further and added personal investments, like when [Will Smith backed Hipcamp](#), which helps landowners rent out campsites Airbnb-style.

"If you believe that the next generation of wealth is happening within the technology sector, African Americans need to have our place in that as well," Lyons told *Forbes*. "So the Culture Leadership Fund is putting a number of [backers] across all different worlds onto the cap tables of some of the world's most competitive companies."

Step one of the fund is to deliver impressive returns to its backers and distribute the gains from tech into a more diverse investor base than the [white, male-dominated industry](#) that typically benefits. But rather than profit from celebrity money management, the Cultural Leadership Fund set out to increase diversity in tech by donating all of the fees it charges for management, plus any upside the fund itself would typically make, [called carried interest](#), into nonprofits that are increasing diversity in technology.

"Even though we're making money, we're giving it all away because we feel like it's important to really empower and build up this ecosystem," Lyons said.

On Friday, the fund announced it had selected the 11 organizations it plans to donate its management fees and future carry to, ranging from [The Last Mile](#), which helps incarcerated individuals learn to code, to [Management Leadership for Tomorrow](#), which helps train Black, Latinx and Native American leaders.

"I'm pinching myself that this VC fund is actually funding us," says Christina Lewis, the founder of [All Star Code](#), one of the organizations selected. Her nonprofit runs a summer intensive program to teach young men of color how to code. Since its launch in 2013, over 440 men have gone through the program, with 95% going on to study at a four-year college and over 80% choosing to major in computer science.

She's found that often tech companies and venture firms are willing to donate the intellectual capital to groups through offering up speakers or office space, but rarely do they also make donations. "It's just really powerful when a company does decide to put some money where their mouth is," she says.

The Cultural Leadership Fund's approach is a unique one for Silicon Valley. While there are venture funds dedicated to investing in startups founded by people of color or women, the Cultural Leadership Fund decided not to focus on investing in minority groups. Instead, Lyons says, it chose to donate its money to groups that could address the tech diversity problem in different ways.

All Star Code, for example, is partnering with [Eagle Academy](#), which runs all-boys schools in New York City, to create a year-round computer science program for its high school students.

"I'm excited to be included with such an esteemed group of individuals who are focused on creating access for young African Americans in technology," Sean "Diddy" Combs said in an email. "I am also grateful because this partnership will be helping the next generation of leaders from my hometown of Harlem."

The hope is not only to help bring more diverse populations into the tech industry, but also to find them jobs working with the companies backed by the Cultural Leadership Fund.

"By working with these nonprofits, we're now creating a network that we can introduce talent of diverse backgrounds to our portfolio companies," Lyons says. "Through these organizations that we're going to be working with, we're creating a new pipeline opportunity."

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