



Erik Schultz
Thrive

Changing the Culture of Small Businesses Around the Globe

Erik Schultz is jet-lagged. It's no wonder: He just traveled 9,000 miles and 34 hours from Kenya back to his home to Ketchum, Idaho.

He's used to long trips, though. As co-founder and CEO of an operating foundation called Thriive, Erik travels several times a year to meet with NGO partners in various countries. Thriive offers interest-free financing called ThriiveCapital to small businesses in developing countries, and Erik and his team maintain a close connection with the businesses and communities they serve.

Thriive started as a program of the Arthur B. Schultz Foundation, a grantmaking foundation started by Erik's dad in 1985. Erik always knew the foundation existed and was interested in it, but it was decidedly his dad's thing.

In 1998, everything changed. Erik had a skiing accident that left him with a spinal cord injury and in a wheelchair. It was during this vulnerable time that he reevaluated his life and what he wanted to make of it.

"I realized I wanted a career helping people and doing good," he says. He saw his father's foundation as a natural way to do that. "I more or less gave my dad an ultimatum: I told him I wanted to professionalize the foundation and make it a formal vehicle for giving, and that I wanted to run it. He knew I was in a rough place at the time, and he agreed." Erik became the foundation's first executive director.

Inspired by his own experience with paralysis, Erik led the foundation to focus on providing quality, technology appropriate wheelchairs for disabled individuals who couldn't attain them. They partnered with local wheelchair manufacturers in developing countries to design and build durable wheelchairs for free distribution across the developing world—giving thousands the gift of expanded mobility and independence.

This led the foundation to realize the impact it could make by giving internationally. "The need is so much greater, and grant dollars go so much further in the developing world," says Erik.

PHOTO: In 2013–2014 alone, Thriive entrepreneurs created 900 jobs and trained 1,150 unskilled workers in five developing countries

With that in mind, Erik revived an earlier concept that his dad had initiated in the mid-90s: a pay-it-forward loan model for small businesses and entrepreneurs.

Arthur (Art) Schultz came up with the idea while in Russia in the early 90s, there to help small businesses grow and transition to a free-market economy in the early days after the fall of the Soviet Union. He offered to finance some new equipment for a struggling dentist to expand his business. Hearing the dentist say that he would never be able to pay him back, Art got the idea for a “grant with strings.”

“My dad said, ‘Instead of paying me back, why don’t you donate dental services for the poor people in your community? When you have given free dental services equivalent in value to the loan I’m giving you, the equipment is yours.’”

“When I saw this model, I said, ‘Why did you stop doing this, Dad? This could be applied to countries around the world,’” says Erik.



The foundation began making interest-free loans called ThriiveCapital to private small businesses in developing countries such as Vietnam, helping entrepreneurs to grow their businesses and create desperately needed jobs. They repay those loans not in cash, but by donating an equivalent value of staple products or job training to people in need from their communities.

“These pay-it-forward loans are not just helping one business grow; we’re teaching businesses to be philanthropic. In many places we work, there’s no culture of that.”

—ERIK SCHULTZ

In 2010, Thriive became an independent operating foundation. In partnership with local NGOs assisting small enterprises, today it supports hundreds of socially responsible small businesses, which in turn serve hundreds of thousands in need through global programs in Vietnam, Kenya, Palestine, Guatemala, and Nicaragua.

Erik runs Thriive full time and is exceptionally passionate about what he does. “With Thriive, we have the ability to create much more impact than I see with a conventional grant,” he says. “These pay-it-forward loans are not just helping one business grow; we’re teaching businesses to be philanthropic. In many places we work, there’s no culture of that. People give individually to their church and community, but giving at the small business level is unheard of.”

One of the keys to success, he says, is that Thriive is such a hands-on program. “We sit down with every business we make a loan to, and we get to know the communities and end recipients personally,” he says. “This helps us create a network of socially responsible businesses that serve their communities over the long term.”

“My dad had this inspiration 20 years ago, and to see it grow to our work today in five countries— I’m proud of that. We’re changing the culture of small businesses around the globe. We’ve got to weave more social responsibility into the free market, and Thriive is doing its part.” ■