

Social Finance Presentation

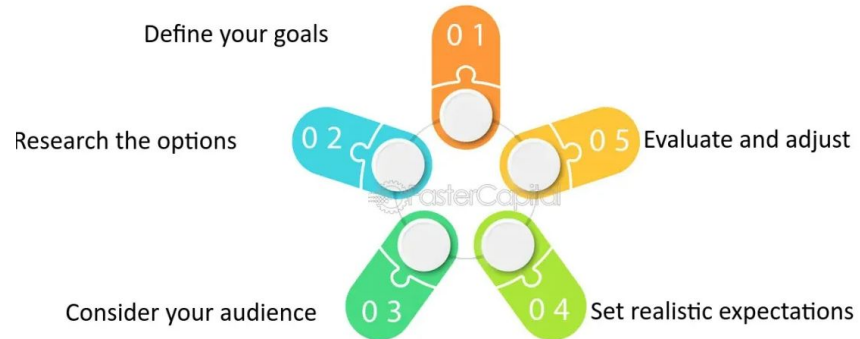
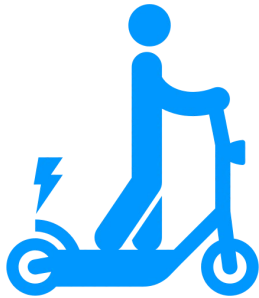
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What is Social Finance?

Social finance is the intersection between social relationships and financial investments. These financial investments achieve returns both **socially and financially** to funders, social enterprises, and community groups that are seeking improvement in certain social sectors. A prime example is the collection of electric scooters around Newark, which reduce carbon emissions and assist residents and others travel around the city - while also proving to be profitable in the future.

These investments usually follow a **five-step financial strategy** based around defining goals, researching options, audience consideration, realistic expectations, and evaluation and adjustments.

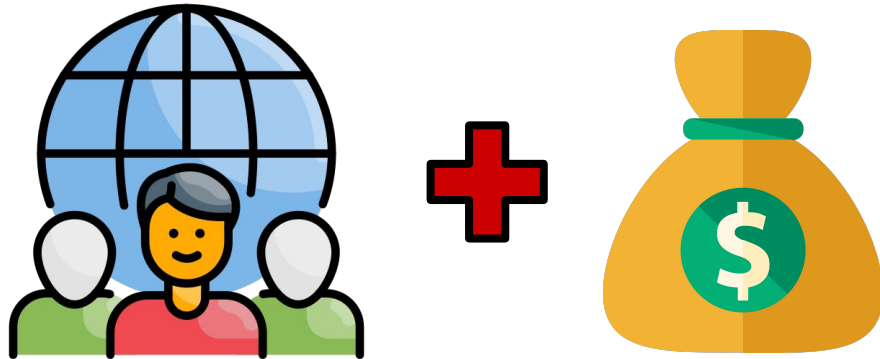


Why Social Finance is Important

Social finance allows for **investment into society** while also receiving a financial return at the same time.

This allows investors to both help people in need and invest into causes that require money, and in return receiving further financial gain.

This cycle incentivizes investors to support social finance projects, and gives social finance projects that need funding the money they need.



A New Social Investment: Improving NJ Transit

In comparison to other countries such as Japan, China, and European countries, trains in the United States are **vastly inferior.**

As a frequent passenger of NJ Transit, I have seen seats that are taped up with duct tape or covered in hot glue in order to keep them from falling apart.

“Most Amtrak trains in the US travel between 110 and 145 miles per hour” while “high-speed trains in Europe can reach up to 200 miles per hour”

- *Business Insider*



Step 1: Defining Our Goals

Our goals are to update US train infrastructure with new high speed trains to replace the current older, ran down trains that are commonly used.

We would also like to improve the train scheduling, making transportation more reliable and efficient.

We hope to stimulate growth in a newly refined public transportation system, which will help to lower carbon emissions while also increasing profits in order to help investors make a financial profit.



Step 2: Research Options



| | Pros | Cons |
|---------------------------|---|---|
| Interstate Transit | <ul style="list-style-type: none">• Better Regional Connectivity• Reduces Traffic congestion• Stimulates Economic Development | <ul style="list-style-type: none">• Higher Costs• Complex Stakeholder Engagement• Longer Implementation |
| Local NJ Transit | <ul style="list-style-type: none">• Better Local Mobility• Enhanced Livability• More Cost-Effective | <ul style="list-style-type: none">• Low impact on regional connectivity• Funding Issues• Infrastructure Limitations |



Step 3: Considering Our Audience

The Consumer Audience: Our project will help to benefit consumers with a faster, more reliable, and cheaper form of public transportation.

As well, train transportation will be more carbon efficient compared to car travel, helping the environment.

The Investor Audience: We expect that with improvements being made toward NJ Transit, we should see more customers begin to use NJ Transit, as well as more investors willing to advertise through NJ transit, which will help investors to receive high returns over time once the project is completed.

We also expect to some federal funding, which should help to offset some of the costs that the project is expected to have.

Step 4: Realistic Expectations



High speed rail projects have already begun in various locations throughout the United States, including the Las Vegas to Los Angeles, with a cost estimate of 12 billion dollars for 218 miles of track. (***The Guardian***)

In comparison, NJ Transit has roughly 544 miles of track (***NJ.com***), which, if the costs remained the same, then this project would likely have a cost of roughly 30 billion dollars.

Reflecting back onto our own project, this sets forth realistically a long-term road map spanning decades to see significant improvements on the current infrastructure.

Step 5: Evaluate and Adjust



Budget Management: We plan to manage the budget with the help of subsidies from the state and federal government. While this will help, there should still be a high upfront cost, which we can adjust based on any other investments/partnerships we receive.



Other Investors/Partners: With Amtrak developing high speed trains of their own, we can seek a partnership with them in order to supply innovative high speed trains alongside the funding for new rails.



Passenger Count Impact: We expect that with faster, cleaner, more efficient train travel more passengers will choose public transport, which will have a significant impact on the profits and help to reimburse some of the costs of the project.



Long-Term Effectiveness: In the long term, we plan to receive more advertisement investments for train travel that will more effectively pay off the costs of the project alongside the increased passenger count.

Conclusion

Social finance is an important way to **help society grow while also receiving a financial return**. While improving NJ Transit would be a difficult undertaking and one that would have a high upfront cost, with the US falling behind in public transit and the potential for a high financial return, such a project would be highly beneficial for all parties involved.



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