

# *Lisa Renstrom*

*Entrepreneur Carl Renstrom made a fortune from hair curlers and enjoyed the high life. His daughter Lisa was imprisoned in Mexico in a battle over his legacy and today her aim is to use her hard-fought for wealth to make a positive impact on the world.*

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Whilst in Amsterdam at the Global Impact Investing Network (GIIN) Investor Forum in December 2016, we came across an organisation called Toniic: “a global action community for impact investors”. Toniic had just published a report from its T100 project, which assesses its members’ journeys towards making their portfolios “100% impactful”.

We were intrigued: who are these people, where do they get their money from and what motivates them to make their investments “impactful”?

Amongst assorted entrepreneurs, venture capitalists and high net worth individuals featured in the T100 report, one stood out because of her colourful back story.

Lisa Renstrom’s wealth is a legacy from her father Carl, who became famous in the 1950s when a succession of Hollywood A-listers such as Elizabeth Taylor and Bridget Bardot hung out at his Villa Vera hotel in Acapulco. The money that paid for the hotel came from a smart move he made years before, the patenting of a simple metal hair curler that made him a fortune in the years before World War II. It was called the Tip Top Easy Curler. In 1964 he sold the Tip Top Products Company for \$25m – nearly \$200m in today’s prices.

Following that, Lisa Renstrom says, her father “had a lot of fun but lost the majority of his money, except for these properties in Mexico”. And therein lies a story. Her father built a family holiday home in Acapulco in the 1950s and then added smaller villas for guests. It eventually became the Villa Vera Hotel & Racquet Club.

When her father died in 1981, Lisa was 21 and fresh out of college, having studied finance. At 23 she went to run the hotel in Mexico. What was that like at such a young age? There is a wry smile: “To have this young blonde woman arrive... One of the things that made it easier was that there were housekeepers there who had held me when I was a little girl. They looked at me as ‘La Patrona’ (the employer).”

But soon after Renstrom got there, she was summoned to go to court. Three brothers had been running the hotel and claimed her father had gifted them the business. They had persuaded the Mexican government to sue her for fraud and Renstrom was subsequently imprisoned, the rule being she was guilty until proven innocent. At the time, her daughter Alex was just ten months old.

### A “NOT TERRIBLE” EXPERIENCE

Renstrom describes prison as “not terrible”. She had the key to her own room with seven other people and got some racquets brought in from the hotel so that she could teach tennis.

She also met some interesting people. “There were a lot of Colombians there who were moving small amounts of drugs,” she says. “One of them ran the beauty parlour in the jail. She had a callous on her hand that she would buff people’s nails with.”

She credits the experience with giving her courage, opening her eyes to the world and giving her a gauge by which she could measure other challenging situations. “It made me not afraid of things,” she says.

Six months later she got out after firing the first lawyer she had hired, realising that “he was more interested in his reputation and the notoriety of the case”.

The Villa Vera, alongside another hotel, was eventually sold in 1993. After that, Renstrom threw herself into environmental campaigning. She was president of the Sierra Club between 2005 and 2007, a large and influential environmental campaigning organisation in the US, with more than two million members.

Today she is on the boards of several similar organisations, including ecoAmerica, which seeks to persuade national leaders to back climate solutions, and Interfaith Power & Light, another environmental campaigning organisation.

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About her wealth Renstrom says that, together with her husband, they are worth less than \$15m. She’s now a committed environmentalist but says it goes wider than that for her. “My values are around investing in companies that will enable this planet to have human beings living on it with sustainable economies and functioning civilisations. It’s around sustainability and justice.”

For much of our Skype call, Renstrom has been a very laid-back interviewee, allowing gaps in her flow to give due thought before answering questions. But when asked about the motivation



↑ Minnesota’s Eureka Recycling, supported by RSF Social Finance.

for her values-led investing, she becomes increasingly animated, her words demonstrating both a frustration with the way the world has turned out and a determination to try and make things better.

“When I grew up, I believed that people were good, that we were on a path of positiveness and when it hit me that wasn’t true it really pissed me off and it threatened my world view,” she says.

“I want to believe that human beings are innately good and that we get fucked up for a variety of ways and reasons, and all these religions have been trying to help us not be. We have to have an underpinning of the Confucianism or the golden rule of ‘Do unto others as you would have them do unto you’ or we are going down.

“There are lots of choices that we are making all over the place that are about greed and ego and dishonesty and not about the common good.”

### SHOW ME THE MONEY

So, given such strong feelings about the state of the world, where is she choosing to put her money? Renstrom’s investments amount to around \$6m, split into equal thirds between debt, public equity and private.

Private investment includes some money in bonds with certified B Corp SNW Asset Management, which has impact investment offers addressing education, gender equity and the environment – Renstrom’s money is in the latter. The bonds yield between 2% and 2.2%.

She also has money in some Community Development Financial Institution promissory notes (CDFIs) over a five-year period, with returns from 2% to 4.5%. Renstrom says she would like to find a CDFI investing in low income housing as she is a “CASA” (a court-appointed special advocate; a guardian to a young person in the care system). “The young person I advocate for will soon be in real need of low income housing as the neighbourhood is gentrifying and driving out the lower rental apartments,” she explains.

When it comes to equity, Renstrom has invested in Generation’s Global Equity Fund. She says about it: “They are super-disciplined, placing environmental, social and governance issues at the front of their business risks and opportunity analysis. It has grown at 12% annualised since I’ve owned it and averages a 1%-plus dividend yield.”

One of her favourite investments, she says, is \$500,000 with RSF Social Finance (a social investment organisation) that operates a revolving loan fund for social enterprises. RSF is interesting because the social entrepreneurs and investors meet quarterly to determine an interest rate that is fair for all involved. Renstrom says the current interest rate is between 0.5 and 1.5%.

She describes the investees as “underfunded operations that you would like to see grow”. Perhaps not surprisingly given her passions, many of them are in sustainable agriculture, with names such as the Carolina Farm Stewardship Association and the Crown O’Maine Organic Co-operative.

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 *Crowne of Maine organic cooperative, supported by RSF Social Finance.*

The RSF investment is a very low financial return, but when I highlight this her earlier breezy manner reappears. She seems unbothered. “I haven’t decided where I’m going to place that money so I’m parking it there for the time being,” she says.

Renstrom has recently chosen some new advisors for her impact investing strategy: Veris Wealth Partners. The investments the firm could offer relating to the environment were again a factor in her choice but “integrity, acumen, and spirit of the people at a firm is where I start”.

Another reason for hiring an investment manager was to help her measure the impact of her investments. She thinks that one reason assessing impact is important is because of the natural competitiveness of investors. “I want people – especially men – to say, ‘Oh look, mine is better than yours, mine is bigger than yours!’ They can say this about their impact returns rather than their financial returns.”

Her excitement about the potential of values-aligned investing (as she prefers to call it) is contagious and after further email exchanges she suggests we stay in touch. “If you check back in six months I will have even more to share!” she promises. ■