



## Call for Articles

### **An invitation to write an article for the next Philanthropy Impact Magazine Issue 22 (June/July 2019)**

#### **Working title Impact Investing: Trends, Issues and Capabilities**

Articles should address the theme from the author's perspective, or an author may propose an alternative topic within the theme for this edition.

It is important to hear from professional advisers as well as philanthropists, social/ impact investors, trusts and foundations, and other key stakeholders.

When published the magazine has an initial exposure to our contact list (13,000+) composed of professional advisers to (U) HNWI (private client advisers, wealth management, private banking, independent financial advice, tax and legal sectors), philanthropists and social investors, trusts and foundations, and charities.

By 17 May 2019 please email John Pepin at [john.pepin@philanthropy-impact.org](mailto:john.pepin@philanthropy-impact.org) with your suggested topic prior to writing the article. The ideal article length is around 750-1000 words. The deadline to submit an article is 17 June 2019.

#### **Background**

According to past research reported by GIIN, the current size of the global impact investing market to be \$502 billion (<https://thegiin.org/research/publication/impinv-market-size>). According to Kelsey Piper (<https://www.vox.com/future-perfect/2018/12/18/18136214/impact-investing-socially-responsible-sri-report>) 'socially responsible investment is a \$12 trillion industry' in the US.

Impact investments are investment made by companies, organisations and funds with the intention to generate a measurable social and/or environmental impact that also produce financial returns.

It's crucial to balance the financial return and the societal return and to understand what the implications for philanthropists and social/impact investors are when getting involved in impact investing.

#### **Potential Questions to Be Addressed: (please feel free to add to these)**

- What do (U) HNWI clients need from their professional advisers in support of their philanthropic, social and impact investment journey?

- Is impact investing about saving the world driving positive social and environmental change. Is it in practice is it in its infancy? Is it impactful? Has there been real progress? Does it work? How can it be done right?
- What are the various approaches to impact investing and their efficacy; addressing the continuum of capital (attached) from responsible to sustainable and impact driven investment, to social enterprise to philanthropy?
- How do we achieve deeper impact investing? And how can investors, entrepreneurs, and intermediaries seek to generate social and environmental impact while achieving financial returns?
- Are professional advisers to (U) HNWI prepared for the various forms of social impact investing? The Corley Report indicates there is a need to strengthen their competence and confidence. What is needed to support the shift to impact investing e.g. agreed best practice, adjusted rewards, products, regulatory drivers, better reporting, and the need to improve the deal flow and the ability to invest to scale? How should advisers respond to the increasing demands for sustainable investing products? How should advisers adopt these strategies and understand what impact they are actually generating? What information is required?
- Is there a lack of sustainable/impact investment of the billions invested by charities including not investing to influence listed companies to improve practices, products, and contribute to the SDGs? And what approach is the Coalition taking to bring a change in this behaviour?
- What is the interest of millennials in impact investing? Is there a lack of support from families and financial advisers and a lack of investor education designed to meet their needs?
- How are venture philanthropists and impact investors are working together to fund early-stage impact enterprises?
- Why should social and impact investors take an interest in and invest in social investment funds?
- What is driving this move to impact investing?
- What are the current trends in social/impact investing? What do people see as the future of social/impact investing?
- Working with private clients, should impact investing be viewed as a type of philanthropy or should it be treated like something different? What is the balance between the two?
- If professional advisers are advising clients on philanthropy, how do does one introduce them to impact investing?

# INVESTMENT-RETURN CONTINUUM

SOCIETAL IMPACT MISSION RELATED INVESTMENT CONTINUUM						
FOCUS	Achieving impact primarily through grant (some loan) funding		Measurable high impact solutions to societal problems Seeking positive outcomes		Sustainable investment, pursuing ESG practices/ positive outcome	Responsible investment, avoid harm/negative outcomes
	<b>PHILANTHROPY</b>	<b>VENTURE PHILANTHROPY</b>	<b>SOCIAL INVESTMENT</b>	<b>THE MIDDLE GROUND*</b>	<b>IMPACT - SRI - ESG INVESTMENT</b>	
FOCUS	Societal returns/ Impact  Generally no financial returns to the social investor/ philanthropist		Matching the soul of philanthropy with the spirit of investment, resulting in high engagement and a long term approach to creating social impact  Generally no financial returns to the social investor/ philanthropist		Societal return  <b>SECONDARY FOCUS:</b> Below market financial Return to the social investor - or returns not proven	Relatively even balance on achieving a societal return as well as a competitive financial return  Tolerate higher risk
	Maximising financial returns to investor  Delivering competitive financial returns  <b>SECONDARY FOCUS:</b> Creating societal returns		Maximising Financial Returns to Investor, No regard for ESG  <b>Delivering:</b> Competitive Financial Returns			

\*The middle ground rests at the mid point of the continuum between social investment in social enterprises (whose primary purpose is a societal return of some type; and only secondarily with some modified form financial return) and impact/ SRI/ESG investing (whose primary purpose is to maximise financial returns to investors whilst achieving some social good which is secondary). The middle ground is where there is an equal emphasis and balance between societal and financial returns on investment.



**NOTE: the term impact investment is also applied to the full societal impact continuum**

The chart above reflects returns from the perspective of the investee and their impact - societal and/or financial. Investors including intermediaries would decide on the appropriate investment mix depending on their objectives for capital and their values. Ref: *Aperio and Bridges*