

# Going for gold?

## Active Philanthropy Publishes a Different Book on Impact Investing

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*What really is this 'impact investing'? Some readers might sigh 'Not again!' Still, it is a question that we hear every day from donors, foundations, public officials, company representatives and others. In the philanthropy and social investment sectors we may already consider impact investing an old friend, but many people outside these circles that should join this friendship still do not even know that it exists.*

**At Active Philanthropy** we therefore decided to tell the stories and facts behind impact investing in a different way.

**W**e joined forces with Inga Michler, an experienced economics reporter at the German daily newspaper 'Die Welt', and asked her to report directly from the trenches of impact investing. And she did! Inga Michler spent time with social businesses and not-for-profit organizations in Germany (Looney, Karuna, VerbaVoice), India (Drishtee, Husk Power Systems), Italy (Sharing), the Netherlands (Resto Vanharte) and the UK (Blue Sky Development & Regeneration) to tell their stories and share their experience with impact investing.

Some of the organizations portrayed in the book had to learn the hard way that, contrary to their initial plans, they will never become a profitable social enterprise. Some of them had to admit that they won't even be able to return the capital received by their investors, and that their funding will always rely on other sources of support. Other organizations are such successful investments that they struggle every day to focus on their social mission. The CEO of one of these investments even confesses that they will not be called

an impact investment any longer once the day of 'big financial returns' arrives.

These stories from the field are healthy in many ways. They show that there is not one success story of impact investing. They show that the entrepreneurs behind these investments work very hard to achieve a social as well as a financial return, something that we may sometimes forget. They show that for every problem, for every target group, there is not always a business plan. They show that we need to keep our distance from all these stunning sector forecasts – just recently again by JP Morgan – and focus on the single investment and its social and financial return. The future of this field is encouraging, but it is not going to yield the big financial profits the sector is dreaming of. The reality of this field rather is about positive social change and small steps day by day. And maybe it is about yielding financial profits too, but this needs time, patience, expertise, trust – and philanthropic investments.

These stories therefore provide a different, very honest answer to the question: what really is impact investing? The first reactions we received from donors expressed their curiosity to learn more about the sector now. We consider this a good sign and would hope that others in the sector can also use these stories to support their efforts to spread the idea of impact investing.

You can find these stories in the book *The Reality of Impact investing: Stories from the field*. It is available as an e-book and can be downloaded [here](#)>

If you still prefer to read stories on paper, you can order the printed edition of the book via the webpage.

It should be noted that Active Philanthropy would not have been able to produce this book without the financial support of the Federal Ministry for Family, Senior Citizens, Women and Youth, the KfW banking group and the BMW Foundation Herbert Quandt.

*'Although Jed Emerson developed the concept of 'blended value' in the 1990s.*

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