



# Impact Investing 101

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# Investment philosophies focused on social impact have many names...

- Socially Responsible Investing
- Sustainable and Responsible Investing
- ESG (Environment, Social, Governance) Investing
- Impact Investing
- Socially Conscious Investing
- Double or Triple Bottom Line Investing
- Ethical Investing
- Mission-related Investing
- Green Investing
- Values-based Investing

# Investors interested in social AND financial returns are numerous and diverse.

Individuals

Foundations

Religious Institutions

Banks and Credit Unions in low- and middle-income communities

Venture Capitalists &  
Private Equity Investors

Family Offices

Institutions

Colleges and Universities

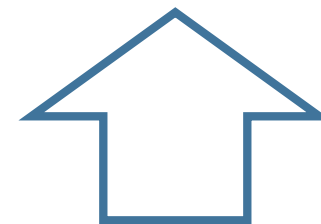
Pension Funds

Money Managers

Investment Management Firms

**The industry is growing rapidly, and expected to continue on this path.**

The total US-domiciled assets under management using socially responsible strategies **expanded from \$3.74 trillion at the start of 2012** to **\$6.57 trillion at the start of 2014,** an increase of **76%.**



These assets translate into **1 out of every 6 dollars** under professional management.

## The industry has three main segments:

- Environmental, Social & Governance (ESG) Integration
- Shareholder Engagement & Advocacy
- Impact Investing

# Impact investing aims to improve communities underserved by conventional financial services.

- Impact investments are made:
  - with the intent to deliver both social AND financial returns;
  - in multiple asset classes and are often private investments; and
  - into companies, organizations and funds often focused on low-income communities, in both developed and emerging markets.

The ultimate goal of community investing is to enable a sustainable solution to the world's most pressing social challenges by empowering people left out of the financial mainstream.

# Defining characteristics of impact investing:

Financial  
Return

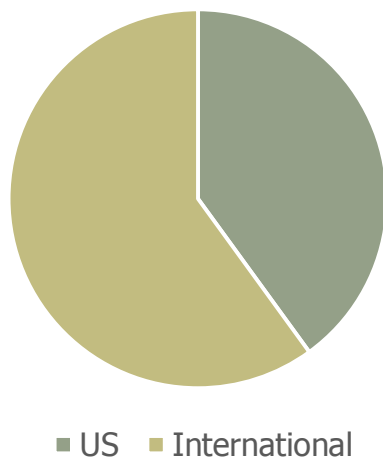
Intentionality

Measurable  
Impact

# However you size it, still small relative to \$210 trillion capital markets

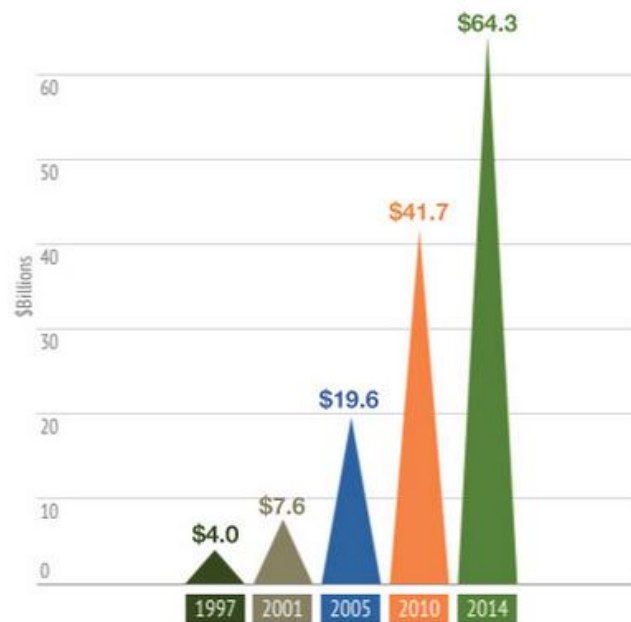
JP Morgan Global Social Finance and GIIN 2015 Impact Investor survey: 145 fund managers, DFIs, banks, foundations, pension funds, insurance companies, and family offices reported \$60B in AUM.

## Geographic Distribution of Impact Investments, 2015



US SIF: A total of 880 community investing institutions, including community development banks, credit unions, loan funds and venture capital funds, collectively manage \$64.3 billion in assets.

## Community Investing Growth 1997–2014



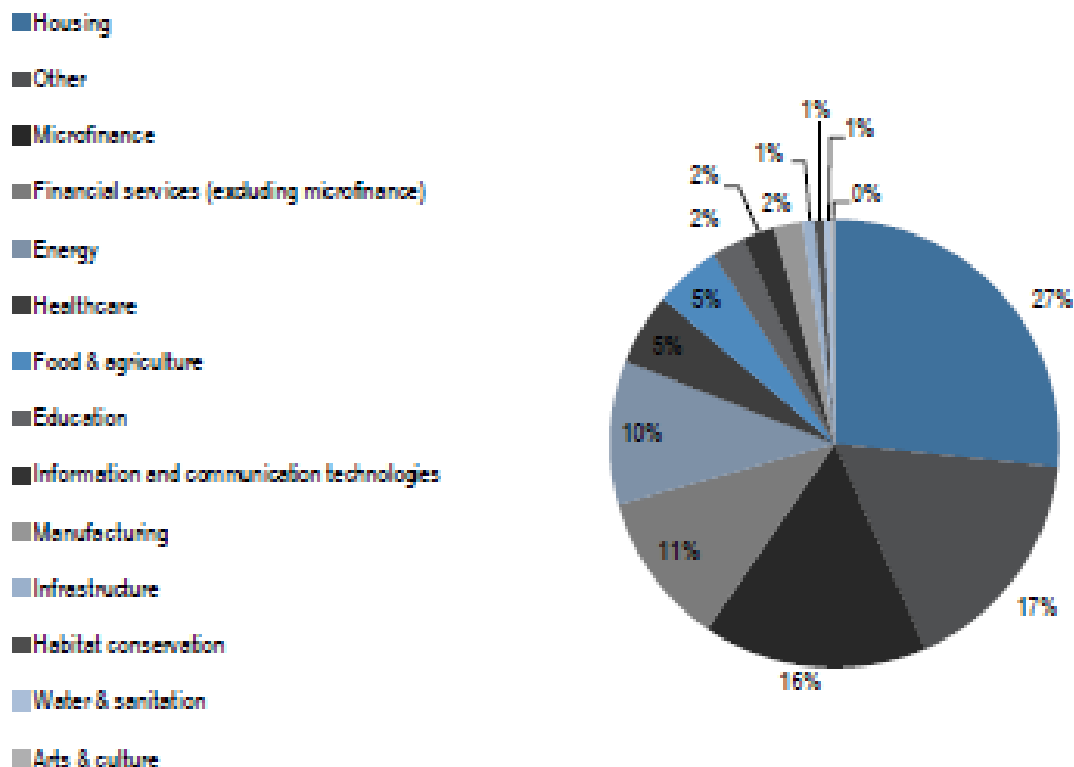
Source: J.P. Morgan and GIIN, Eyes on the Horizon: Impact Investor Survey



# Broad sector diversity, with housing, microfinance, and financial services majority of impact investing AUM

## Assets Under Management by Impact Sector

n = 145; AUM-weighted average; Total AUM = USD 60bn



# About Calvert Foundation



- Calvert Foundation is a 501(c)(3) organization that has been a pioneer in the impact investing space.
- In 1995, Calvert Foundation created the Community Investment Note, a fixed income product through which investors can help provide economic opportunities around the world.
- In almost 20 years, more than 15,000 investors have collectively invested over \$1 billion dollars.

# Calvert Foundation's Impact



Over the past three years alone, our investors have enabled us to create the following impacts:

80

Countries served

120,000

Microfinance  
customers served

3,400

Affordable housing  
units financed

3,800

Jobs created or  
maintained

"My interest and action lie in doing things where there's a *multiplier effect*. I know that my investments make an *impact over and over*, in communities where people live and work everyday."

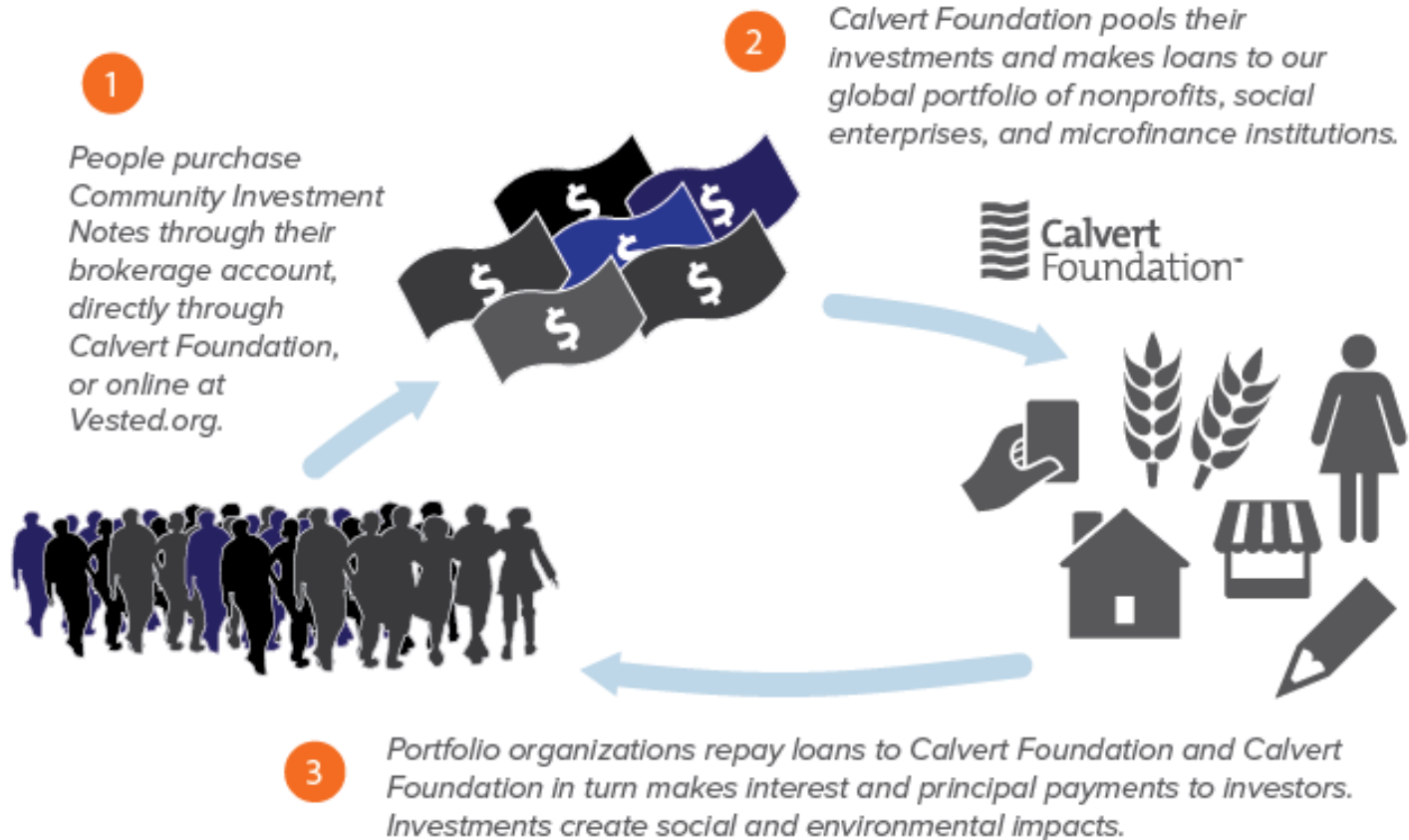
-- Tim Wheeler, Durango, CO Small Business Owner and Investor since 1995

# Calvert Foundation focuses its investment on specific issues areas:

- Calvert Foundation's Community Investment Note investors can support:
  - Affordable Housing
  - Education
  - Small Business
  - Women's Empowerment & Clean Energy (WIN-WIN)
  - International Microfinance
  - Fair Trade
  - Ours to Own: Denver
  - Ours to Own: Twin Cities
  - Ours to Own National



# How impact investing works at Calvert Foundation:



# Additional Impact Investing resources:

- [The Forum for Sustainable and Responsible Investing \(US SIF\)](#) – A professional association focused on sustainable, responsible and impact investing that offers a financial director of investment products
- [Global Impact Investing Network \(GIIN\)](#) – Organization dedicated to improving the effectiveness of impact investing that offers resources for investors
- [Impact Assets 50](#) – A selected list of 50 impact investing fund managers
- [Invest for Values](#) – A resource on the different investment products that align investors' money and values