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Current Trends in Socially Responsible and Impact Investing

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ESSENTIALS *of* IMPACT INVESTING

A GUIDE FOR
SMALL-STAFFED
FOUNDATIONS

Produced by

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INTRODUCTION

Impact investing has the potential to enable every foundation, regardless of size, to pursue its philanthropic mission more effectively. It can help individual donors, families, foundations with few or no staff, and all sorts of giving entities put more and different types of capital to work for social good. Even better, it can deliver philanthropic impact alongside financial returns—which can enable reinvestment of those funds in pursuit of even more social good.

Of course, years of experience teach that impact investing is neither a panacea nor a pipe dream. It is one of many tools we will need to use to address the complex social and environmental problems we face. It can be difficult work—and, like all difficult work, it sometimes fails. But the practice of impact investing is growing daily. And its practitioners are sharing tools, techniques, and experiences that can enable others to learn from both their successes and their challenges. Thanks to that work—and that willingness to share—the opportunity now is immense: the essentials of effective impact investing are becoming clearer, and best practices are emerging that can enable all sorts of innovative investors to engage.

We offer this guide with that opportunity in mind—and specifically to support small-staffed foundations seeking to use impact investing to further their missions. It provides a starting point, a review of key questions to consider and ways to answer them, and a variety of tools and connections to additional resources you may need. It aims to:

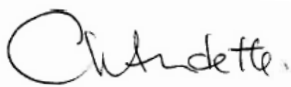
- **Increase awareness and use of impact investing tools.** We hope this guide will provide philanthropists with knowledge, tools, and resources that will help them increase the use of their capital and create more impact for social or environmental good.
- **Supply technical know-how to foundations and grant makers.** The information in this guide is meant to be actionable. While every funder has different capacities, goals, and circumstances, we aim to provide advice, guidelines, and suggestions that small-staffed foundations can apply to their work—today or in the future.

- **Grow the field—and the impact investing community.** The more impact investors doing good work, the stronger the field. To foster and build a community of investors, we have included case examples from other small-staffed foundations, so readers can learn from their experiences and connect with others who share your goals and challenges.

We and other leaders in our organizations have seen the many remarkable effects that impact investments have made on the issues our clients and members care most about. Our decades of experience in the field have shown us the most effective ways to make these investments, and how to help funders determine the approach and strategy that is right for them, discover the opportunities that best align with their resources and goals, and evaluate past investments to inform future ones.

We are excited to help your foundation make the most of impact investing—and look forward to hearing about the ways you used this tool to realize the important changes you seek.

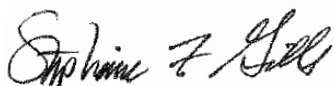
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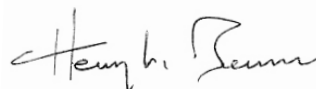
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