IMPACT INVESTING RESOURCES
This resource was originally prepared by a lay leader at a church in Madison, WI to help his church explore impact investing with church-owned assets.

At Rooted Good, we equip catalytic and strategic leaders with resources and processes that build confidence and capacity as we collaborate to help the Church imagine and become something new for the good of the world, as it is today.

www.rootedgood.org
This document offers a sampling of available resources for those interested in impact investing.*

1. Definitions
2. Advisory Resources
3. Impact Investment Vehicles
4. Articles and Case Studies
1. Definitions

“IMPACT INVESTMENTS are investments intended to create positive impact beyond financial return. As such, they require the management of social and environmental performance ... in addition to financial risk and return. We distinguish impact investments from the more mature field of socially responsible investments (“SRI”), which generally seek to minimize negative impact rather than proactively create positive social or environmental benefit.” — (by J.P. Morgan)

Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending on investors’ strategic goals.

The growing impact investment market provides capital to address the world’s most pressing challenges in sectors such as sustainable agriculture, renewable energy, conservation, microfinance, and affordable and accessible basic services including housing, healthcare, and education.

For many faith-based investors, values play a critical role in guiding their investment choices. Impact investing offers a vehicle for investors to move beyond screens and directly translate their values into measurable positive and intentional impacts while still pursuing their financial objectives. (by GIIN)

CDFI — COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION: An umbrella name for banks, credit unions, and non-profit loan funds that provide loans to US underserved areas/regions. Examples in Wisconsin: Wisconsin Women’s Business Initiative Corporation, Forward Community Investments

**ESG — ENVIRONMENTAL, SOCIAL, GOVERNANCE:** ESG investing considers due diligence questions on how environmental, social and governance factors impact performance, both positively and negatively, and uses these criterial to screen investments.

**MRI — MISSION RELATED (OR MISSION DRIVEN) INVESTING:** Market-rate investments that support the mission of an organization by generating a positive social or environmental impact, while generating reasonably competitive rates of financial return.

**SD’S — UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS):** A set of 17 integrated and interrelated goals to end poverty, protect the planet, and ensure that humanity enjoys peace and prosperity by 2030. (See “What are the Sustainable Development Goals?”)

**SRI — SOCIALLY RESPONSIBLE INVESTING:** Socially responsible investing, social investment, sustainable socially conscious, “green” or ethical investing, is any investment strategy which seeks to consider both financial return and social/environmental good to bring about social change regarded as positive by proponents. (Wikipedia)
2. Advisory Resources

FIIN IMPACT FOUNDATION’S The Faith Impact Project aims to prepare and support Faith Based Organizations, as well as their Fiduciary Intermediaries, as they identify their faith-based values and then seek to align them with global issues through investments for a net positive social and environmental impact.

GLOBAL IMPACT INVESTING NETWORK (GIIN) is the leading industry network dedicated to increasing the scale and effectiveness of impact investing around the world through collaboration and knowledge exchange. GIIN focuses on reducing barriers to impact investment so more investors can allocate capital to fund solutions to the world's most intractable challenges. www.thegiin.org. The GIIN’s Faith-Based Investing Repository is a curated set of publications and online resources designed to demonstrate the business and impact case for faith-based investing.

IMPACT ASSETS. "As a leading impact investing firm, we offer deep strategic expertise to help our clients define and execute on their impact goals. We also offer innovative philanthropic and impact investing products and services that enable our clients to target their exact impact goals." An independent 501(c)3 organization. https://impactassets.org/what-we-offer/

IMPACT INVESTING HANDBOOK: This handbook developed by Rockefeller Philanthropy Advisors offers impact investing case studies and detailed guidance for individuals, families, foundations, and corporations.

IMPACTPHL’S Answering the Call: Putting Faith into Action through Impact Investing, a webinar that explore how faith values and impact investing intersect and how these faith-inspired investors are activating their assets for impact.

INTERFAITH COUNCIL ON CORPORATE RESPONSIBILITY Interfaith Council on Corporate Responsibility A membership group of faith-based investors working on shareholder advocacy.

VALUES ADVISOR https://www.valuesadvisor.org/join A site that allows you to find investment professionals who do impact investing.
“FAITHFUL INVESTING: THE POWER OF DECISIVE ACTION AND INCREMENTAL CHANGE” is a book edited by James Murphy. “(Churches) are asking how they can invest for their future, growing their endowed and other invested funds, while also focusing on their values and making the world, nation, and their local communities healthier, more vibrant, and more equitable in a number of ways. This book attempts to bring leading experts and practitioners from across the denominational spectrum to offer their wisdom and expertise on these topics so that the lay and ordained leadership of our congregations/organizations can discern decisive steps forward, taking into account their context particular needs and goals capacity, and financial resources.”

WE AREN’T BROKE: UNCOVERING HIDDEN RESOURCES FOR MISSION AND MINISTRY by Mark Elsdon. This book explores how Christian faith-based organizations can use their extensive invested assets for greater social good through impact investing, encouraging churches and other faith-based organizations to seek not just financial return, but social return on their investment. Elsdon describes some of the barriers faith-based organizations may experience engaging in impact investing and provides practical guidance about how to leverage investment assets for greater social impact. The book includes a glossary of financial and investment terms written for a faith-based audience as well as a study guide for group discussion.
3. Impact Investment Vehicles

**BENEFICIAL RETURNS**  [https://www.beneficialreturns.com/](https://www.beneficialreturns.com/)

Beneficial Returns provides commercial loans to 3rd-world businesses doing social good. “Conventional investing is about deploying money based on the future you project. Impact investing is about deploying capital for the future you want. Beneficial Returns borrowers are building that very future.” Stories of Impact: [https://www.beneficialreturns.com/stories](https://www.beneficialreturns.com/stories)

Per Ted Levinson, “We are on the deep end of impact and risk. We mostly serve in small, relatively new, and often tough areas in Latin America and Southeast Asia. Investors include: Impact Assets, RSF Social Finance, Arizona Community Foundation, Sisters of Charity of Cincinnati, Skees Family Foundation, Tides.

Most of their money comes from “Recoverable grants” from foundations and philanthropic organizations. 1/7th of these grants is returned each year for seven years, at 0% interest.

They also have a “Participation” program in which investors buy a portion of one of their loans, allowing investors to specifically target their desired area of impact. Their repayment is directly tied to repayment of that loan by the borrower. These are 3-5 year loans, with a 3.5% annual return, where repayments are made each quarter.

Investment minimum is $25,000. Participants receive semi-annual updates, and can go on investor trips to establish direct connections with the borrower.

*Contact:*  
— Ted Levinson, Founder and CEO (ted@beneficialreturns 415-994-6668), 180 Ninth Avenue, San Francisco CA 94118.

**CALVERT IMPACT CAPITAL**  [https://calvertimpactcapital.org/](https://calvertimpactcapital.org/) is a global nonprofit investment firm with a 25-year track record of providing positive social and environmental impact and financial returns. They are relatively unique in providing a large global portfolio supporting impact investments.

They offer their **Community Investment Note** portfolio. Initial minimum investment in these notes is $20 for individuals and $1,000 through a brokerage firm. Current returns run from 0.4% for a 1-yr note to 2.5% for a 10-yr note through several CUSIP options. They, in turn, typically lend these funds out at 4% to 4.5%, plus provide financial advice and service. They monitor how that
money is utilized to guard against unreasonable or predatory loans.

Community Investment Note supports the following Portfolio Impact Sectors: affordable housing, community development, education, environmental, health, microfinance, renewable energy, small business, and sustainable agriculture. An in-depth description of their Community Investment Note and its wide-ranging impacts can be found in their 2021 Impact Report.

The Portfolio includes loans to VisionFund International, World Vision’s microfinance subsidiary. In FY2020, VisionFund International’s network of microfinance institutions provided loans to one million clients across 28 counties, with nearly three-quarters of these going to women and over a third to clients actively involved in farming.

Contacts:

   – Justin Conway is Vice President of Investment Partnerships. 
     (JConway@calvertimpactcapital.org and 301-280-6006).

   – Amanda Joseph is their Director of Faith-Based Initiatives. 
     (ajoseph@calvertimpactcapital.org and 301-280-6009). Amanda is available for 
     general consultation on Impact Investing beyond Calvert Impact Capital.

ENVEST MICROFINANCE (a B Corporation)  https://envestmicrofinance.org/  “…a for-profit global microfinance fund that offers a unique impact investment opportunity for accredited investors. Since its founding in 2012, Envest has delivered strong financial returns to investors while expanding access to credit in communities underserved by banks. Envest lends to microfinance institutions in the developing world.”

Investments in Envest are equity investments, investors are essentially buying ownership in the company. Envest then takes those funds and provides loans to microfinance firms. Minimum investment: $25,000, Min. Term: 2 yrs, 4-6% typical return. Investments in Envest are typically regarded as Venture Capital investments.

Contacts:

   – Jon Bishop, CEO and Founder (jonbishop@envestmicrofinance.org  w:608-216-9898, 
     c:608-225-8005)  306 E. Wilson Street, Suite 2E, Madison, WI 53703

   – Laura Dreese, President

   – Sarah Odden, Director of Investments

MICROVEST,  https://microvestfund.com/

MicroVest is an asset manager that specializes in allocating private debt capital to responsible microfinance and small and medium-sized enterprise (SME) finance institutions serving unbanked and underbanked microentrepreneurs and small
businesses in emerging markets. As one of the first U.S.-based microfinance investors, MicroVest has built a track record since 2003 of investing in institutions whose interests are aligned with the borrowers and communities they serve. MicroVest is a registered investment adviser, Certified B Corporation.

Contact:

– (info@microvestfund.com, 301-664-6680) 7315 Wisconsin Avenue, Suite 300W, Bethesda, MD 20814

NEW COVENANT TRUST COMPANY (NCTC), a subsidiary of the Presbyterian Foundation, New Covenant Trust Company...

"NCTC ... can help you develop an investment portfolio that matches your faith-based values and principles. NCTC is able to offer customized solutions for investors, whatever their mission. Funds include: Fossil Fuel Free, Diversity, Equity and Inclusion, and New Covenant Funds". (equity and bond investment opportunities)

Contacts:

– Joe Tackett, Planning and Development Officer (Joe.Tackett@presbyterianfoundation.org, w:502-569-5957, or c:502-759-2290),
– Kyle Nolan, (Kyle.Nolan@presbyterianfoundation.org) serves as the Foundation’s Ministry Relations Officer for our region.

PRESBYTERIAN INVESTMENT AND LOAN PROGRAM (PILP), https://pilp.pcusa.org/who-we-are/

PILP is "a corporation of PC(USA) created to provide low-cost loans to congregations, governing bodies and related entities of PC(USA). We provide loans for the construction or purchase of buildings, renovations, and even refinancing of existing debt... The Investment and Loan Program raises funds for lending by selling interest-bearing term notes." Minimum Investment: $500. Terms range from 6-60 months. Fixed Rate, Adjustable Rate, and Mission Market Fund notes available. Annual interest rates currently range from 0.25% to 1.30%, depending on note type and term.

Contact:

– loan.help@pcusa.org, (800) 903-7457, 100 Witherspoon St, Louisville, KY 40202

RELIGIOUS COMMUNITIES IMPACT FUND Religious Communities Impact Fund (RCIF), founded by Catholic sisters.

"The Fund is a portfolio of debt and equity investments in projects consistent with the Gospel mission
of economic justice for all. The investments benefit the economically poor; especially women and children, concentrating on those who are unserved or poorly served through traditional financial sources. The funding recipients, usually intermediary agencies, are those seeking ways to give beneficiaries an effective voice in the planning and implementation of the given projects.

Contact:

— info@rcif.org (505-372-7561), 1010 Marquez Place, Suite D3, Santa Fe, NM 87505

RSF SOCIAL FINANCE. RSF takes a holistic approach to funding social entrepreneurs. https://rsfsocialfinance.org/

“With a Social Investment Fund Note, you’ll support enterprises working to create positive social and environmental change. Know where your money is working, engage with the community, and participate in quarterly interest rate conversations.” Minimum Investment: $1,000. 90-day term. Current annualized interest rate of 0.35%.

Contact:

— sif@rsfsocialfinance.org, (415-561-3900) PO Box 2007, San Francisco, CA 94126

WORKING CAPITAL FOR COMMUNITY NEEDS. Working Capital for Community Needs

Madison based organization that other Madison faith-based organizations invest in. “The Capital for Communities Fund is a social impact fund, channeling funds from socially responsible donors and investors to Latin American non-governmental organizations that specialize in providing credit and access to international markets to marginalized people (women, the unbanked and underbanked, and indigenous populations). These are self-sustaining nonprofit and for-profit microfinance institutions and cooperatives...” WCCN 2020 Impact Report.

WCCN has been involved in social impact investing for thirty years, investing over $150 million in Latin America since 1991 and supporting roughly 20,000 people a year. Minimum investment is $100. Investment options range from 3 to 7 years, with returns of 0% to 3.5% depending on amount and term of note.

Contacts:

— Will Harris, Exec. Director (info@wccn.org, 608-257-7230) 211 S Paterson Street, Suite 260, Madison WI 53703

— Mark Elsdon, WCCN Board President, (mark@preshouse.org, 608-216-7312)
4. Articles & Case Studies

Bouri, Amit. “GINN: Why Impact Investing is a Natural fit For Faith-Based Investors.” Financial Advisor, August 12, 2019


This article reviews various ways Faith-Based investors are implementing Impact Investing. “Impact investing enables investors to set out a proactive thesis on the good they want to achieve and pursue it through investments.”

Christ Cathedral in Cincinnati

https://faithfinance.net/what-happened-when-a-church-learned-to-see-its-money-in-a-new-way/

A story about how one faith community learned to use their endowment to benefit their community through a minority business loan fund.


https://thegiin.org/assets/Engaging%20Faith-Based%20Investors%20in%20Impact%20Investing_FINAL.pdf

This article summarizes findings by GINN (see reference above) of their Faith-Based Investing Survey that included 33 respondents, one-on-one interviews with 32 individuals, and convenings with leaders from the faith-based investing community. This paper outlines key insights from the Faith-Based Investing Survey, interviews, and convenings along with proposed engagement strategies that could be assumed by field-building organizations—like the GIIN and others—to support faith-based investors on their impact investing journey.

SOME KEY INSIGHTS:

While the landscape of faith-based investors is extremely diverse, faith-based investors tend to pursue low-risk, market-rate investments for their portfolios
Faith-based investors are often heavily reliant on their investment advisors to guide investment strategies.

Uptake of impact investing has been limited though faith-based investors have a history of utilizing other responsible investing strategies, such as negative screening and shareholder advocacy.

Impact investing presents an opportunity to magnify ... shared values through collaboration among faith-based investors and with secular impact investors.

Goldmark, Alex. "Social Impact Investing: It's Not Wall Street as Usual."
https://www.good.is/articles/social-impact-investing-it-s-not-wall-street-as-usual

An interview with Antony Bugg-Levine and Jed Emerson, authors of “Impact Investing: Transforming How We Make Money While Making A Difference” They note:

“In the United States, retail investors with as little as $1,000 can invest in a diversified impact investing fund through the Community Investment Note offered by Calvert Foundation, or a similar offering from RSF Finance. ... impact investing products will increasingly be offered by “mainstream” advisors and wealth managers at much lower investment minimums than is possible today.”

J.P. Morgan Global Research "Impact Investments: An emerging asset class"
https://thegiin.org/assets/documents/Impact%20Investments%20an%20Emerging%20Asset%20Class2.pdf

“Impact investments generally aim to improve the lives of poor and vulnerable people or to provide environmental benefits at large. In this report, we focus primarily on investments that target the ‘base of the pyramid’ (BoP) defined by the World Resources Institute as people earning less than $3000 a year.

Impact investments can deliver positive social outcomes by expanding access to basic services for people in need or through production processes that benefit society. ... business can deliver positive outcomes for BoP+ populations through their method(s) of production such as by providing quality jobs, enhancing energy efficiency, facilitating local asset accumulation and/or purchasing inputs from local or smallholder providers. Other businesses deliver positive social outcomes by providing customers with access to needed and cost effective products or services, including agriculture, water, housing, education, health, energy or financial services.

Markets at the base of the economic pyramid are typically under-served by traditional business, which may exclude this population from being considered part of its potential customer base. BoP populations are also often unable to access services provided by the government.”
BOTTOM OF THE PYRAMID BUSINESS SECTORS THAT CAN BENEFIT FROM IMPACT INVESTMENTS:

- Housing: Affordable urban housing
- Water: Clean water for rural communities
- Health: Maternal health
- Education: Primary education
- Financial Services: Microfinance

“Recognizing that charitable donations will never reach the scale needed to address the world's problems, and that business principles and practices can unleash creativity and scale in delivering basic services and addressing environmental challenges, impact investment introduces a new type of capital merging the motivations of traditional investments and donations.”

NCF (Nathan Cummings Foundation) Commits to 100 Percent, March 12, 2018

https://nathancummings.org/ncf-commits-to-100-percent/

Today the Nathan Cummings Foundation announced that they will align 100 percent of their nearly half-billion dollar endowment with their mission.

NCF President Sharon Alpert: “The problems we are working on – like the climate crisis and growing inequality – will not be solved by grantmaking alone. Capital markets have to change to drive sustainable and inclusive growth that will create long-term value for people, the planet, and the economy.

“American foundations collectively have trillions in assets but often only use the legally required 5 percent on their missions through grantmaking. This move asks the question ‘what is possible if foundations begin using the other 95 percent?’

NCF Trustee Rey Ramsey added, “This is a concrete step that illustrates that capital can and must reflect our values to advance social issues. It comes at the right time because we have capital disparities in far too many communities where quality ideas and business
plans go unfulfilled. Our commitment not only advances philanthropy and impact investing, it advances the work of our partners on the frontlines of these issues.”

“Based on the work we’ve done thus far, we believe that we will be able to achieve our return goals while aligning our investments to our mission and values,”

The Russell Family Foundation

https://trff.org/impact-investments/

“We are excited to report that since 2014, we’ve gone from 7% to 90% impact-aligned investments and our portfolio has outperformed its blended benchmark by nearly 3%.”

“...we began engaging in mission-based investing with the goal of strengthening communities and promoting economic vitality.

We are excited to report that since 2014, we’ve gone from 7% to 90% impact-aligned investments and our portfolio has outperformed its blended benchmark by nearly 3%. Serving as a reproducible model for change, we want to show the world how to sustainably invest in its communities, people and the environment.

Impact investing doesn’t require tradeoffs. Maximizing mission and returns may require compromise, but they can support one another.

...after a key misfire (investment failure), we realized we could do better by combining our talents – bringing investment expertise and diligence into our foundation structure. ... we created our Mission Related Investment Committee (MRIC) The committee includes TRFF’s program and finance staff, our investment advisors, and meets quarterly to vet new impact investments
Integrating Values: Investing Along the Spectrum of Capital

**Approach**
- **Traditional Investments**
  - Financial Only
  - Target Competitive Risk-Adjusted Financial Returns
- **Responsible Investments**
  - Negative Screening & Do Not Significantly Harm
  - ESG Integration
- **Impact Investments**
  - Impact Driven
  - Impact Only
- **Philanthropy**
  - Accept Partial / Full Capital Loss

**Focus**
- **Traditional Investments**
  - Financial Only
  - Target Competitive Risk-Adjusted Financial Returns
- **Responsible Investments**
  - Negative Screening & Do Not Significantly Harm
  - ESG Integration
- **Impact Investments**
  - Impact Driven
  - Impact Only
- **Philanthropy**
  - Accept Partial / Full Capital Loss

**Financial Goals**
- **Traditional Investments**
  - Financial Only
  - Target Competitive Risk-Adjusted Financial Returns
- **Responsible Investments**
  - Negative Screening & Do Not Significantly Harm
  - ESG Integration
- **Impact Investments**
  - Impact Driven
  - Impact Only
- **Philanthropy**
  - Accept Partial / Full Capital Loss

**Features**
- **Traditional Investments**
  - Financial Only
  - Target Competitive Risk-Adjusted Financial Returns
- **Responsible Investments**
  - Negative Screening & Do Not Significantly Harm
  - ESG Integration
- **Impact Investments**
  - Impact Driven
  - Impact Only
- **Philanthropy**
  - Accept Partial / Full Capital Loss

**SDG Investing**
- **Traditional Investments**
  - Financial Only
  - Target Competitive Risk-Adjusted Financial Returns
- **Responsible Investments**
  - Negative Screening & Do Not Significantly Harm
  - ESG Integration
- **Impact Investments**
  - Impact Driven
  - Impact Only
- **Philanthropy**
  - Accept Partial / Full Capital Loss

This chart was created by our friends at FIIND Impact, [https://www.fiindimpact.com](https://www.fiindimpact.com)