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State and Local Governments and Impact Investing.

A Guidebook for Strategic Engagement

Abstract
Impact investing approaches, which deploy capital seeking both a financial return and a social or environmental impact, have gained increasing attention and popularity. Conspicuously absent from many conversations on it, however, are state and local government actors. Yet there are clear benefits for governments to engage with impact investing as well as for impact investors, investees, and communities. For governments, impact investing can leverage significant private and philanthropic funds in the interest of social and environmental goals, access resources to stimulate growth and boost governance capacity, and help shift risks for innovative solutions. At the same time, governments can add significant value to impact investing efforts through a range of roles. In this report, we argue that governments can and should consider engaging with impact investing efforts and in many cases already are. Adopting a coherent, and locally appropriate strategic policy that accounts for the full opportunities, risks, and options presented by impact investing will enable governments and the communities they serve to leverage and support these new financial resources in ways that benefit the public.

Read the Full Report.

The Urban Institute

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