Social Impact Investing and Social Finance

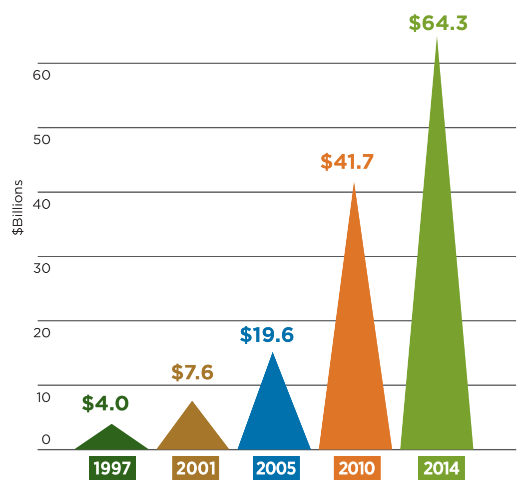
FACT SHEET

Social impact investing is commonly used to describe the direction of investment funds to opportunities or companies that have desirable environmental, governance or social factors (also called ESG investing), and is related to social finance, which involves the use financial assets or instruments to fund projects that have a positive social or environmental impact.

While the idea of social impact investing started in the mid-1960s, it has traditionally represented a relatively small part of the market.[1] However from 2012–2014, U.S. based socially responsible assets under management almost doubled, from $3.74 trillion to $6.57 trillion.[2] Estimates project that social impact investment opportunities could constitute a $10 trillion market by 2050.[3]

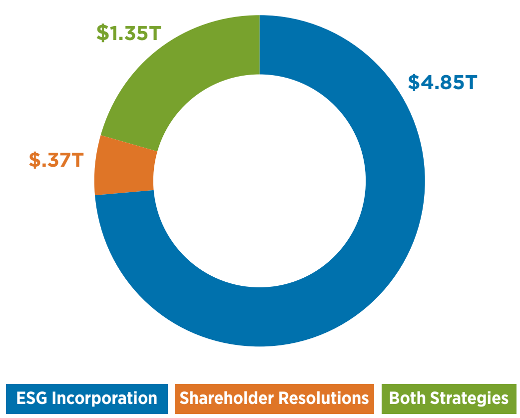
Social finance programs commonly include the issuance of social impact bonds, or the design of pay-for-success programs, which involve public-private partnerships between private investors and public sector entities to achieve socially beneficial outcomes, such as improved educational achievements.

Community Investing Growth 1997–2014



Source: The Forum for Sustainable and Responsible Investment

SRI in the Unites States = $6.57T



Source: The Forum for Sustainable and Responsible Investment

---

[1] *Forbes: Is Social Impact Investing The Next Venture Capital?*

[2] *The Forum for Sustainable and Responsible Investment: 2014 Trends Report Executive Summary: 2014 Report on Sustainable and Responsible Investing Trends.*

[3] *Morgan Stanley Institute for Sustainable Investing: Only Human*

sifma

www.sifma.org

www.projectinvested.com