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Guidance on Advancing Social Equity Through Impact Management

CONSULTATION DRAFT

In 2024, Impact Frontiers is synthesizing emerging impact management practices for investors aiming to advance social equity. We invite feedback on this guidance from investors, civil society organizations, and other practitioners. You can provide your input through written submissions to info@impactfrontiers.org or by joining our webinars and online discussion board. The consultation period will end on **December 2nd, 2024**.

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Introduction to the Four Steps of Impact Management

This document provides guidance on emerging impact management practices for investors pursuing social equity.¹ It seeks to fill a critical gap: while more investors are adopting strategies to promote social equity, knowledge about how to measure, manage and report on the impact of these efforts has not kept pace.

Social equity is the condition that would be achieved if social identifiers (e.g., race, gender, sexuality) no longer influence how one fares in society.²

In impact management, social equity is both an emergent **process** and an **outcome**. Process-oriented changes that promote greater equity in investment decision-making serve as leading indicators of more equitable outcomes in communities that have been historically and / or are currently marginalized based on social identifiers.

Taking a multidisciplinary approach, Impact Frontiers conducted an in-depth literature review and collaborated with expert partners to integrate best practices from investing and related fields, such as civic engagement, philanthropy, international development, and social sciences (for more on this process, see Appendix A).

How to Use This Document

This document is sequenced in four sections following four steps of impact management: 1) Set Strategy; 2) Integrate; 3) Optimize; and 4) Reinforce.³ In each section, you will find:



Guidance on **core actions** for measuring and improving performance on social equity (shown in **Figure 1** below). These core actions focus on areas of impact management where advancing social equity may require additional considerations or distinct processes.



Emerging practices showcasing real examples of innovative investor approaches to managing performance on social equity that go beyond core actions.



Impact risks to be aware of when managing equitable impacts. Impact risk refers to the likelihood that impact will be different than expected.⁴ Because risks commonly arise from operating within systems that are designed to accept and even produce inequity, guidance on mitigating measures focuses on equitable process changes.

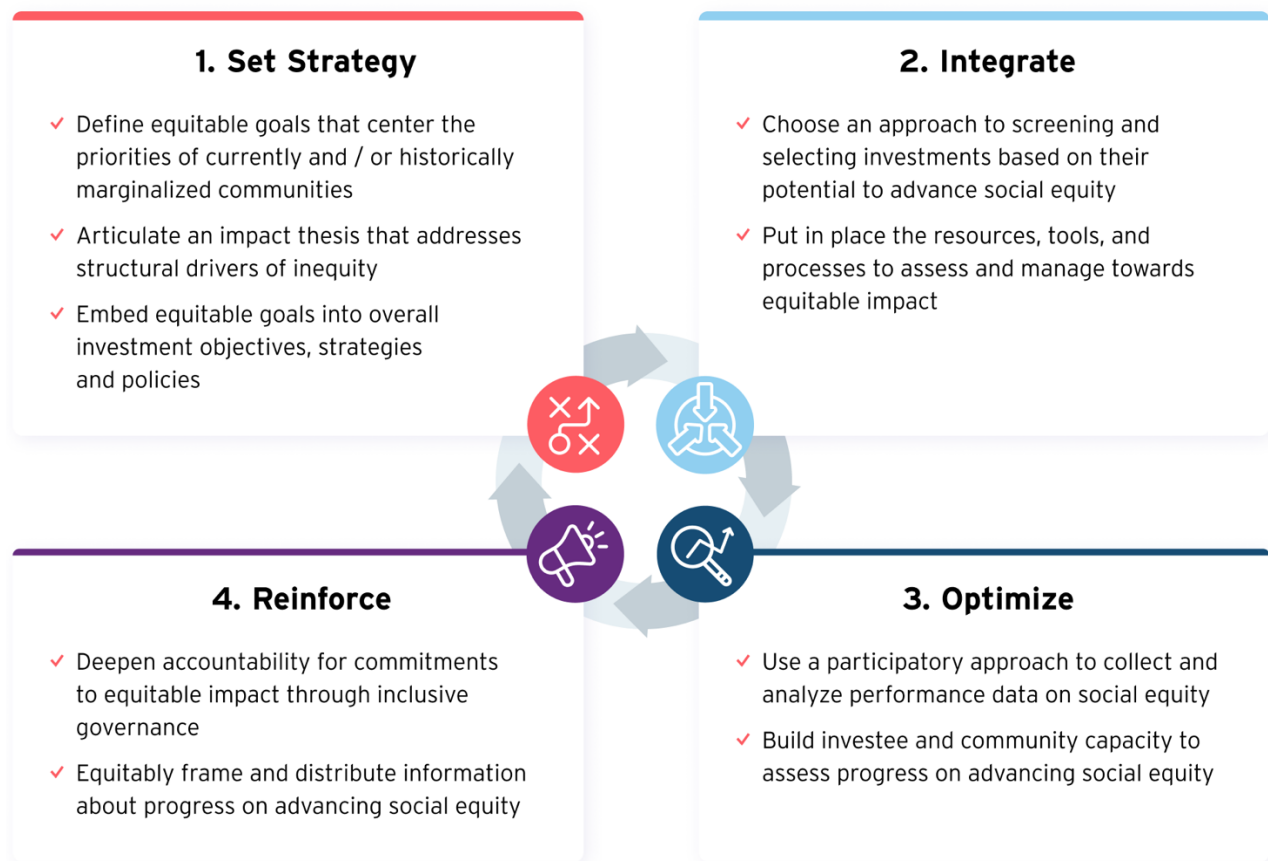
¹This initiative is part of a year-long effort by Impact Frontiers to advance social equity through impact management. For guidance on equitable impact management practices that apply to all investors, see [Proposed Social Equity Changes to The Norms](#).

² Adapted from the [Investor Blueprint for Racial and Economic Equity](#).

³ The four steps of impact management were originally introduced in the online course "Impact Measurement and Management for the SDGs," taught by Cathy Clark and offered on [Coursera](#).

⁴ For more on the nine types of impact risk, see: <https://impactfrontiers.org/norms/five-dimensions-of-impact/impact-risk/>

Figure 1. Steps and core actions of impact management for social equity



Appendix B lists additional resources for each step.

Note on Context

This document draws on research and expert insights focused on racial, gender, and data equity. While the resulting guidance is designed to be applicable across various geographies and domains of equity, investors are encouraged to critically consider what inequity looks like in their specific context and to develop approaches that are relevant to the communities they impact.

Though the specific social identifiers (e.g., race, gender, sexuality) of marginalized groups vary based on geography and history, some groups (e.g., women and genderqueer communities) tend to experience discrimination across markets and sectors.⁵ Therefore, characteristics such as gender may be a salient to explore in most equity contexts.

⁵ United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). 2024. "Progress on the Sustainable Development Goals: The Gender Snapshot 2024." <https://www.unwomen.org/sites/default/files/2024-09/progress-on-the-sustainable-development-goals-the-gender-snapshot-2024-en.pdf>.

Step 1: Set Strategy



In this step, investors develop or revise their strategy to advance social equity, including what equity challenges exist and for whom. Core actions include:

- 1.1 Defining equitable goals that center the priorities of currently and / or historically marginalized communities;
 - 1.2 Articulating an impact thesis that addresses structural drivers of inequity; and
 - 1.3 Embedding equitable goals into overall investment objectives, strategies and policies.
-

1.1 Define equitable goals

Investors aiming to advance social equity typically focus their strategies on one or more **key outcome areas**, such as:⁶

- 1) **Equitable access to capital** such as financial services, credit, or homeownership.
- 2) **Greater workplace equity in investee enterprises** including diversity in staffing, management, board representation, and equitable supply chain practices.
- 3) **Equitable access to products and services**, specifically those that enhance the well-being of marginalized groups, such as healthcare, education, or housing.

These outcome areas could be a primary focus or integrated into other impact priorities. Investors can use two entry points to address these outcome areas:

- **Focus on specific social identities:** This approach starts by identifying communities that experience marginalization or privilege on the basis of social identity characteristics (e.g., race, gender, sexuality). Investors then determine which sectors or themes are most critical to advancing equitable outcomes in relation to that group. For example, in a community facing educational disadvantages, the focus might be on increasing access to quality education or vocational training. In a community experiencing economic privileges, the focus could be on expanding wealth-building opportunities to additional groups.
- **Focus on specific sectors or themes:** Alternatively, investors may lead with an existing impact thesis or focus on particular sectors (e.g., healthcare) or thematic issues (e.g., climate change mitigation) and then identify which groups within that sector or theme are marginalized, which are privileged, and why. For instance, an investor looking to integrate equitable goals into their climate resilience strategy may examine which communities are disproportionately affected by environmental risks and which are insulated from them and design strategies to address inequities.

Investors can begin identifying patterns of privilege and marginalization by analyzing relevant social identifiers within a specific geography. This involves **understanding the social**,

⁶ The Global Impact Investing Network. "Gender Lens Investing Initiative." <https://thegiin.org/gender-lens-investing-initiative/>. The Croatan Institute. "Capital at a Crossroads: Accelerating Racial Equity Investment Across Asset Classes". https://croataninstitute.org/wp-content/uploads/2021/10/10_18_21_REEFS_TPA_Public-Final.pdf.

economic, and legal factors that contribute to inequity in a given region. For instance, the Measurement Framework for Equality and Human Rights from the UK Equality and Human Rights Commission highlights protected characteristics as defined by the UK Equality Act of 2021 (e.g. age, disability, gender reassignment).⁷

Investors can also examine how different dimensions or domains of social equity overlap:

- **When leading with a focus on specific social identities:** Individuals embody multiple and overlapping identities, such as race, gender, age, and ability. Many people experience multiple forms of discrimination or unique barriers based on these overlapping identities, a concept known as **intersectionality**. Therefore, impact goals focused on one domain of equity (e.g., gender) will need to acknowledge how this domain may interact with or be compounded by other forms of inequity (e.g., age). For example, applying an intersectional lens to the goal of reducing gender-based violence in the Philippines would not only reveal that women experience higher rates of abuse and sexual violence than men, but also that women aged 60 and older experience disproportionate rates of physical and sexual violence compared to women overall including unique forms of abuse at the hands of caregivers.⁸ In this context, specifying the needs of older women is critical to make progress on gender equity.
- **When leading with a focus on specific sectors or themes:** Changes in one area often have ripple effects across other sectors—both positive and negative. For example, educational outcomes may influence health outcomes, and vice versa.⁹ Impact goals set too narrowly risk missing these interconnected opportunities.

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Use intersectional analysis to both inform and refine impact goals. For example, the Adaptation Fund, which finances adaptation projects in emerging markets vulnerable to the adverse effects of climate change, conducted a strategic review to apply an intersectional lens to their goal of “gender equality and the empowerment of women and girls.”¹⁰ This review revealed how gender interacts with various factors across multiple scales. For instance, gender intersects with ethnicity and caste to influence access to resources. Women from the “minority” ethnic group in Wajir, Kenya had less access to water, education, and training than women from ethnic “majority” groups and men from both ethnic groups.

⁷ Equality and Human Rights Commission. "Measurement Framework for Equality and Human Rights." https://www.equalityhumanrights.com/sites/default/files/measurement-framework-interactive_pdf.pdf.

⁸ "UN: Violence vs. Women with Disabilities, Seniors Often Overlooked | Philippine News Agency." 2024. Pna.gov.ph. <https://www.pna.gov.ph/articles/1221707>.

⁹ Zajacova, Anna, and Elizabeth M. Lawrence. "The Relationship between Education and Health: Reducing Disparities through a Contextual Approach." *Annual Review of Public Health* 39 (April 1, 2018): 273-89. <https://doi.org/10.1146/annurev-publhealth-031816-044628>.

¹⁰ Adaptation Fund. "A Study on Intersectional Approaches to Gender Mainstreaming in Adaptation-Relevant Interventions." https://www.adaptation-fund.org/wp-content/uploads/2022/02/AF-Final-Version_clean16Feb2022.pdf.

Table 1 presents guiding questions to assist in setting equity-focused goals. For either entry point, the process should end with a goal that incorporates two key dimensions of impact: “What” outcomes the investor aims to influence and “Who” will experience them.¹¹

Table 1. Guiding questions to set equity-focused impact goals

Entry Point	Outcome Area		
	Access to Capital	Workplace Equity	Products / Services
Investors know the sector or theme they will focus on and have begun to define “what” types of inequities they want to address.	How does access to capital influence outcomes? Who has access? Who doesn't? E.g., investors make more investments in man-led enterprises vs. woman-led enterprises.	How do workplace policies and conditions affect outcomes in the sector? Who benefits? Who is harmed? E.g., safety: low-wage Black workers have higher exposure to injury or health risks.	What products and services influence well-being? Who benefits? Who is harmed? E.g., health: transgender people receive lower quality health care services. ¹³
	Is access to capital equitable in the chosen sector? Which groups face barriers? E.g., BIPOC developers of affordable housing: face barriers to accessing financing.	What inequities do the organizational structures, cultures and policies of enterprises in the chosen sector produce? E.g., education: discrimination impedes women from advancing to leadership roles in schools. ¹²	How do the chosen sector's products and services affect well-being, and for whom? Is access equitable? E.g., food systems: Indigenous communities lack access to healthy food.
Investors have a clear idea of “who” they will address inequities for - or expand systems of privilege from - based on social identifiers .	What barriers do members of the chosen group face to accessing capital? How might barriers vary for subgroups within this group? E.g., race: Black founders, and Black women founders in particular, face barriers to debt and equity financing such	Are members of the chosen group represented in enterprise Boards, senior management, and staff? Do workplace policies benefit or harm them? E.g., ability: in-person work requirements privilege able-bodied applicants.	What products and services do members of the chosen group need or have privileged access to? How is the current market meeting or not meeting their needs? E.g., citizenship status: all U.S. citizens are guaranteed health insurance coverage.
		What workplace inequities affect the chosen group? E.g., employees: persistent	What products and services could

¹¹ “Impact Management for the SDGs” Coursera course based on [five dimensions of impact](#).

¹² Sawchuk, Stephen. “On Women’s Equality Day, There’s Still No Gender Parity in K-12 Schools.” *Education Week*, August 25, 2023. <https://www.edweek.org/teaching-learning/on-womens-equality-day-theres-still-no-gender-parity-in-k-12-schools/2023/08>.

¹³ Kcomt, Luisa, Kevin M. Gorey, Betty Jo Barrett, and Sean Esteban McCabe. “Healthcare Avoidance Due to Anticipated Discrimination among Transgender People: A Call to Create Trans-Affirmative Environments.” *SSM - Population Health* 11 (August 1, 2020): 100608. <https://doi.org/10.1016/j.ssmph.2020.100608>.

	as structural and implicit bias. What inequities in access exist in the defined geographic area? E.g., country: women borrowers in China's online credit market need to demonstrate higher profitability than men to achieve similar funding probability.¹⁴	discrimination from India's historical caste system forces Dalits and Adivasis to accept low-paid, high-risk jobs. What workplace inequities exist in the defined geography? E.g., region: women in the Middle East face barriers to workforce participation such as expectations that they assume all childcare.¹⁵	improve or exacerbate inequity in the defined geographic area? Is the current market meeting the needs of all local residents? E.g., city: Black and Latine residents of Memphis face the highest rates of food insecurity due to a lack of affordable healthy food options.¹⁶
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Centering the **priorities and perspectives of marginalized people and communities** in impact goals is fundamental to advance equity. Table 2 presents three methods of understanding the lived experience of marginalized people and communities when setting goals:

Table 2. Methods to center lived experience when setting goals to advance equity

Method	Considerations	Examples
1. Consult third-party literature such as evaluation reports, strategic planning documents, and advocacy agendas relevant to the geographic area, sector, theme, or community of focus.	- Resources developed by members of marginalized communities or using participatory methods (e.g., surveying affected community members) are particularly useful to inform equity-focused strategies. - Literature should be relevant to the context of the investment strategy. For instance, if an investor wants to focus on gender equity in Singapore, a survey of women in India would not be relevant.	- Advocacy agendas developed by grassroots organizations on behalf of marginalized communities. For example, Movement for Black Lives outlines an "invest / divest" platform that highlights priority investment areas to improve the well-being of Black Americans and harmful industries to avoid.¹⁷ - Public, community-level reports such as Community Health Needs Assessments directly survey community members.¹⁸ - Standardized thematic taxonomies such as the IRIS+ racial equity and gender themes.

¹⁴ Chen, Xiao, Bihong Huang, and Dezhu Ye. "Gender Gap in Peer-to-Peer Lending: Evidence from China." *Journal of Banking & Finance* 112 (April 2020): 105633. doi:10.1016/j.jbankfin.2019.105633.

¹⁵ "Women's Labor Force Participation in the Middle East." Think Global Health.

<https://www.thinkglobalhealth.org/article/womens-labor-force-participation-middle-east>.

¹⁶ Jones, Ryan. "ML14 Roots of Food Deserts: Race, Class, and Geography." *University of Memphis School of Law*. https://www.memphis.edu/law/about/ml14_rootsoffooddeserts.php.

¹⁷ Movement for Black Lives. "INVEST-DIVEST - M4BL," n.d. <https://m4bl.org/policy-platforms/invest-divest/>.

¹⁸ "Community Health Needs Assessment for Charitable Hospital Organizations Section 501(r)(3)." Internal Revenue Service. <https://www.irs.gov/charities-non-profits/community-health-needs-assessment-for-charitable-hospital-organizations-section-501r3>.

2. Directly engage with intermediaries who have an established relationship with marginalized communities.	• Intermediaries who are embedded in or represent marginalized communities can provide deep and broad expertise based on established trust with community members. • The appropriate partner will depend on the focus of the impact strategy. An investor focused on housing equity may engage with leaders from tenant unions, while investors with a broader thematic or geographic might engage with an international network of grassroots leaders (e.g., Thousand Currents).¹⁹	• Engaging with non-profits that serve marginalized communities. For example, The Women in Safe Homes Fund consulted local women's shelters to define portfolio-level target outcomes that were aligned with the priorities of unhoused women such as feelings of safety and strength of family relationships.²⁰ • Partnering with social justice advocates. For example, Adasina Social Capital works with "Campaign Partners" from organizations advocating for racial, gender, economic, and climate justice to define impact goals in these areas.²¹
3. Directly engage with marginalized communities to develop equity-focused goals.	• Investors typically rely on their investees to engage directly with interested / affected communities. • In some cases, investors may choose to engage with marginalized communities directly to define portfolio-level equity goals (e.g., for a new fund ex-ante); however, equitable and representative engagement at the portfolio level can require significant resources, time, and expertise.²²	• Engaging with community members in partnership with investees. For example, Vox Capital partners with one portfolio company per year to facilitate customers surveys and focus groups and uses insights to adjust their impact hypotheses.²³ • Co-designing portfolio-level goals with representative community members. For example, the Michigan Good Food Fund appointed a "stakeholder board" of food system practitioners and community partners across Michigan to define the vision and priorities for its statewide food financing strategy.²⁴

¹⁹ Brooks, Ariel, Libbie Cohn, and Aaron Tanaka. "Social Movement Investing: A Guide to Capital Strategies for Community Power," March 2024. <https://economicdemocracy.us/wp-content/uploads/2024/03/Social-Movement-Investing.pdf>.

²⁰ "Women in Safe Homes Fund." <https://resonance.ltd.uk/aet-investment/social-enterprise-property/women-in-safe-homes-fund>.

²¹ Adasina. "People." <https://adasina.com/people/>.

²² Refer to the guide "[What Does it Look Like to Equitably Engage People with Lived Experience](#)" from the U.S. Office of Human Services Policy.

²³ Kassam, Nadia. "How Three Impact Investors Engage Their Most Important Stakeholders to Validate Impact." 60 Decibels, August 2, 2023. <https://60decibels.com/insights/impact-investor-stakeholder-engagement/>.

²⁴ Michigan Good Food Fund. "New Stakeholder Board." <https://migooodfoodfund.org/impact-story/stakeholder-board/>.

While the appropriate method(s) will depend on an investor's specific context, resources, and focus areas, reviewing third-party literature is generally a useful starting point to become familiar with any needs and priorities that marginalized communities have already expressed publicly.

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Work with community members to understand community strengths alongside assessing needs. For example, The Reinvestment Fund partnered with local Baltimore residents, City officials and a non-profit developer to redevelop vacant properties in historically disinvested neighborhoods. The Reinvestment Fund worked with neighborhood organizations to develop an understanding of the neighborhood, earn buy-in, and build on existing community dialogue about the outcomes desired from redevelopment. They then performed a market analysis with the community to target properties for redevelopment that were near existing community assets.²⁵ This “building from strength” approach successfully attracted additional private investment, resulting in a 92% reduction in residential vacancy and a 165% increase in median income since 2006.²⁶

1.2 Articulate an impact thesis

People and communities can experience inequity due to both past and present discrimination at the **institutional level** (through discriminatory policies, practices, and programs within individual organizations) and the **structural level** (through policies, practices, and norms across institutions and history).²⁷ This discrimination disadvantages certain groups based on social identity characteristics such as race, gender, and sexual orientation.

Investors aiming to advance equity can account for both institutional and structural factors in the **impact thesis** they use to describe the expected pathway from investment inputs through to desired outcomes. An impact thesis (or theory of change) is “an outcomes-based hypothesis of how an enterprise, fund, issuer, investment, or investee is expected to contribute positively to sustainable development and the SDGs. The impact thesis may be separate to, but ideally is integrated into, strategy, business models or investment thesis, as applicable. Relating to funds, typically the fund will develop its overall impact thesis with respect to the fund, and then develop an impact thesis for each of its investments or investees. However, some investees may have already developed their own impact thesis (or theory of change) that the fund reviews as part of its pre-screening and due diligence process.”²⁸

²⁵ Rohn, Kacy. “Rebuilding Baltimore, from Urban Renewal to Project C.O.R.E.: Neighborhood Revitalization, Historic Preservation, and the Lessons of the Past,” 2017. <https://api.drum.lib.umd.edu/server/api/core/bitstreams/8e03b01b-8018-466b-983d-09b8c077320e/content>.

²⁶ Rebuild Metro. “Our Legacy: Oliver/Broadway East.” <https://rebuildmetro.com/case-studies/our-legacy-oliver-broadway-east/>.

²⁷ For clarification on usage of the terms “institutional” and “structural” in this document, see: “Inner Work: The Heart of Organizational Equity Work.” FSG (blog), April 4, 2022. <https://www.fsg.org/blog/inner-work-the-heart-of-organizational-equity-work/>.

²⁸ “Private Finance for the SDGs | SDG Impact Standards Glossary.” <http://sdgprivatefinance.undp.org/>.

An impact thesis will need to address the underlying drivers of inequities to create lasting improvements in the well-being of marginalized people and communities.²⁹ Approaches such as **root-cause analysis** can help identify the factors driving inequities to determine which activities and outputs to prioritize for change. This approach is beneficial because it:

- Uncovers and articulates critical assumptions about why a given outcome will be achieved, ensuring that the theory of change is realistic and responds to the historic context of current inequities.
- Identifies investment opportunities that directly address structural drivers of inequities (See Case Study 1: Social Tech Trust).

Sample Root-Cause Analysis Dialogue³⁰

The questions and answers below demonstrate the process of root-cause analysis through a sample dialogue that explores the drivers of a health outcome inequity between Black and white residents of a community:

Question	Answer
1. "Why is the rate of diabetes so much higher for X residents?"	"Because X eat poor quality, sugary foods."
2. "Why do X eat those foods?"	"Because those foods are cheap,"
3. "Why would X people in this community buy cheap food?"	"Economic inequality, wage and employment difference, and food deserts / lack of access to healthy foods by neighborhood."
4. "Why do these conditions exist?"	"Disinvestment in community resources such as grocery stores and other infrastructure; predatory lending; legacy of discriminatory real estate practices."

In this example, after reviewing data showing a gap in diabetes rates between white and Black residents, an investor may ask, "Why is the rate of diabetes so much higher for X residents?"

A common response might be, "because X eat poor quality, sugary foods." An investor who stops at answering the first "why" might assume the gap stems primarily from individual choices, leading to an emphasis on behavior change outputs such as nutrition education. However, by continuing to ask additional "whys," the investor would likely identify structural barriers such as economic inequity and food deserts, and instead focus on interventions like improving access to jobs or affordable groceries in marginalized communities.

²⁹ Lawrence, Keith, Andrea A. Anderson, Gretchen Susi, Stacey Sutton, and Anne C. Kubisch. "Constructing a racial equity theory of change." (2009). <https://www.publicequitygroup.org/s/Roundtable-on-Community-Change-RETOC.pdf>

³⁰ Adapted from: Bernabei, Erika, Julie Nelson, Simran Noor, Dwayne Marsh, Ryan Curren, Karen Shaban, Fairfax County, and Virginia Kratowicz. "Racial Equity: Getting to Results." Government Alliance for Race & Equity. <https://www.racialequityalliance.org/viewdocument/racial-equity-getting-to-results-2>.

Investors can use the three questions in Table 3 to **assess their impact pathway for equity** and determine whether they are addressing structural barriers.³¹

Table 3. Assessing impact pathways for equity

Question	Consider	Example
1. Where is the onus to change?	Whether the responsibility for change is placed on marginalized communities, rather than on the people, institutions, or environmental conditions that are creating and perpetuating inequities.	An impact thesis focused on increasing primary care utilization among BIPOC men places the responsibility for change on BIPOC men by defining the outcome as a change in individual behavior: how frequently BIPOC men visit a primary care doctor. This approach overlooks structural barriers to care access such as insurance status, provider availability, or lack of paid sick leave. By focusing on individual behavior rather than systemic issues, this approach risks missing the opportunity to address the root causes of inequity.
2. What is the definition of success?	Definitions of success can vary based on individual and community priorities, leading to different interpretations of outcomes. It is important to clarify how success is measured and whose outcomes are being prioritized.	An impact thesis focused on increasing incomes in a community might be considered a success if "increasing incomes" is understood as raising the average income across a group, such as low-income residents of a specific zip code. However, if success is defined as equitably increasing incomes for different demographic subgroups, such as low-income women versus low-income men, the same initiative could be viewed as a failure if it does not achieve equity between those subgroups.
3. Whose perspective is embedded in each of these?	Centering the lived experiences of marginalized communities in theories of change means prioritizing their perspectives on both where the responsibility for change should lie and how success should be defined.	Women seeking improved financial health might define success as increasing their savings and believe that current bank policies are their biggest barrier, leading to a focus on changing interest rates or fees. On the other hand, a bank might define women's financial health by their credit scores and believe low credit scores to be a result of individual knowledge or choices, leading to a focus on financial literacy trainings or advisory services.

³¹ We All Count. "Foundations of Data Equity: Impact Investing Sector Workbook," 2022.

Case Study 1: Social Tech Trust³²

Since 2008, the Social Tech Trust has backed over 300 ventures in the UK through direct investments, funds, and accelerators to foster equity for marginalized people and communities. Their goal is to focus on technologies that address the root causes of inequities and foster system-wide shifts.

Recognizing that early-stage enterprises will create impact in different ways, Social Tech Trust's Theory of Change outlines three entry points (called "principles") for ventures to foster systems change, along with a description of what each looks like in practice:

1. **Intent:** Actively Addressing Inequality
 - The venture demonstrates a strong understanding of the inequalities it addresses.
 - It can express how the drivers of inequality are interconnected, articulating how its role fits into addressing those inequalities.
 - The venture also recognizes the challenges and flaws within the current system that perpetuate inequality.
2. **Influence:** Advancing Equality Over the Long Term
 - Founders seek product / market fit within the current system while also pushing toward a more preferable system.
 - They work to influence people's attitudes, introduce new approaches, and gradually create systemic change.
3. **Intervention:** Tackling Negative Cycles of Inequality
 - The venture's intervention fits into one or more of the following categories:
 1. Changing social norms or attitudes—for example, influencing how people are seen or treated.
 2. Directly reducing the impact of inequality through targeted solutions.
 3. Empowering individuals to manage inequality by enhancing confidence, self-awareness, or the ability to make informed lifestyle choices.

The theory of change has practical implications for investment screening and selection. The Social Tech Trust developed an Equality Transformative Tool to reflect the principles in their investment screening and selection. Accompanied by a "how-to" guide, this tool is a resource for all investors to help translate their equity-focused strategies into actionable investment processes and ensure they back ventures with the potential for long-term systems change. For more on how to use this tool, see: <https://docsend.com/view/c6mwf3gj8e2t75jp>.

³² Adapted from Thornton, Tomas. "Investing for Equality: A Fresh Diagnostic Toolkit to Transform Impact Investing." *The Connect Fund* (blog), August 21, 2023. <https://www.connectfund.org.uk/investing-for-equality-a-fresh-diagnostic-toolkit-to-transform-impact-investing/>.

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Place expectations for change on institutions when developing an impact pathway to advance equity. For example, the CDFI Racial Equity Collaborative on Education defined improved school performance based on institutional factors such as school curriculum, culture, and disciplinary practices. These factors were identified to contribute to a sense of belonging and positive identity development for students of color, important drivers for long-term health and success. This conceptualization of outcomes placed the onus to change on the school rather than on students of color, and embedded student definitions of success.³³

1.3 Reflect goals in investment strategy

Embedding equitable outcomes into legal and governance documents helps ensure alignment with investment goals and promotes accountability. By formalizing their commitments, investors can better integrate social equity into their overall strategy and investment processes.

One foundational practice for embedding equitable goals into strategy is **ensuring that impact objectives and investment strategies are consistent**. The Impact Principles require managers to deploy capital in a way that aligns with impact goals, ensuring these goals reflect the organization's mission and values.³⁴

For example, the East Bay Community Foundation, a Black-led foundation in Oakland, CA, moved toward 100% mission alignment. Initially facing misconceptions that social impact sacrifices profit, the foundation reworked its investment strategy to focus on racial equity, specifically prioritizing Black, Indigenous, and People of Color (BIPOC) managers. Their strategy resulted in a "quadruple bottom line" that included community-based investments, racial equity, financial returns, and mission alignment.³⁵

Other investors demonstrate their commitment to social equity by **incorporating it as an investment belief**. For instance, the California Public Employees' Retirement System (CalPERS) includes diversity as one of its ten core investment beliefs.³⁶

Investment Policy Statements (IPS) are essential tools for asset owners to ensure that their investment objectives and impact goals are consistently aligned with the strategies employed by asset managers. For example, The California Endowment's IPS includes five key goals to

³³ Dun Rappaport, Catherine, Olivia Rebenal, Alexis Dishman, Eliisa Frazier, Tsegaye Yilma Dessalegn, Sybil I. St. Hilaire, Sooyoung Hwang, Molly Melloh, and Khaliff Davis. "Learning to Change: Reflections of the CDFI Racial Equity Collaborative on Education." Low Income Investment Fund (blog), October 12, 2020. <https://www.liifund.org/2020/10/12/reflections-of-the-cdfi-racial-equity-collaborative-on-education/>.

³⁴ "Principle 1 | Operating Principles for Impact Management." <https://www.impactprinciples.org/9-principles>.

³⁵ Suttles, George. "Aligning Endowments & Investments with Foundation Values." <https://www.commonfund.org/research-center/articles/aligning-endowments-investments-with-foundation-values>.

³⁶ CalPERS. "CalPERS Mission & Vision." <https://www.calpers.ca.gov/page/about/organization/calpers-story/our-mission-vision>.

advance equity, such as the inclusion of women and minority-owned firms in its investment portfolio.³⁷

Similarly, the Community Foundation for Greater Atlanta offers an example in their IPS of how to align investment strategies with the needs of underserved communities. Their IPS emphasizes five impact sectors, which guide their focus on social equity while also balancing return objectives, investment horizon, and risk profile.³⁸

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The Investment Policy Statement can be a powerful tool to **signal the transformational values that shape an organization's investment philosophy**, such as a commitment to building power in marginalized communities. For example, Justice Funders incorporates a Just Transition Investment Framework into their IPS. This framework defines their investment strategies, priorities, and fund terms to align with equity. A key aspect of this is a formal commitment to prioritize trust-based lending practices during diligence processes, reflecting a shift away from traditional power dynamics. Additionally, Justice Funders seeks to transfer risk to wealth holders as part of a broader focus on reparations and redistribution, signaling commitment to addressing historical injustices and fostering systemic change.³⁹



Guidance on identifying and mitigating impact risks

Special attention to the following processes can help investors identify and mitigate impact risks when developing equity-focused impact strategies:⁴⁰

Understanding lived experience:

Risk: Without seeking out or involving all relevant voices—including hard-to-reach or dissenting viewpoints—investors may fail to consider the needs of all community members in their strategy.

Mitigating measures:

- Adopt accessible engagement methods (e.g., a survey distributed through community organizations serving people with visual or hearing impairments or speakers of other languages).
- Consider intersectional identities when collecting and analyzing data.
- Collect qualitative data to capture the diverse and nuanced experiences of different groups and ensure more comprehensive insights (refer to Step 2 for guidance on qualitative data).

³⁷ Benjamin, Cassandra, Agnes Cho, and Devon Winey. "Building Trust & Equity: What the California Endowment Has Learned from over a Decade of Impact Investing 2 |," n.d. https://www.calendow.org/app/uploads/2023/11/TCE_Racial-Equity-Report_FINAL-110223.pdf.

³⁸ Community Foundation for Greater Atlanta. "Impact Investment Fund Investment Policy Statement." <https://gasocialimpact.com/wp-content/uploads/2020/05/GoATL-Fund-Impact-Investment-Policy-Statement-OCT2017.pdf>.

³⁹ Just Transition Integrated Capital Fund. "The Just Transition Integrated Capital Fund Investment Policy Statement." https://drive.google.com/file/d/1ONHuScr2WDFOR_uJwYMBwEa3AK8nlh8E/view

⁴⁰ See [Impact Risk](#), "Stakeholder participation risk," "Drop-off risk" and "Execution risk".

Example: To identify climate resilience solutions that would effectively address the highest-priority challenges faced by marginalized communities, qb. consulting developed and deployed a 12-month, multi-city community engagement strategy for an investor client. Process choices such as translating materials into multiple languages, providing live translation during focus groups, compensating participants, and scheduling sessions outside of traditional workday hours promoted inclusivity and accessibility for the most marginalized community members.⁴¹

Anticipating retrenchment:

Risk: Progress toward social equity can face retrenchment, where early successes are undone due to increasing resistance. For instance, officials who initially support data transparency in school districts may withdraw that support if the data reveals inequities, such as gaps in resources between different neighborhoods.

Mitigating measures:

- Research and anticipate potential sources of resistance based on past opposition.
- Track public feedback through community meetings or news.
- Collaborate with community allies who understand local dynamics.
- Join or develop coalitions with other investors to share learnings and best practices for anticipating and overcoming resistance.

Example: The Race and Equity in Philanthropy Group serves as a hub of peer learning, support, and best practices for integrating racial justice principles into institutions. Based on a convening of foundation executives from the American South, the group released a [statement](#) outlining strategies for maintaining commitments to racial equity in the face of increasing political opposition in Southern states.

Aligning with investment thesis:

Risk: The financial risk and return conditions of investment capital defined in the investment thesis may undermine goals to advance equity. For example, if a lender has an impact goal of increasing access to capital for Black borrowers but does not increase flexibility on risk tolerance or assessment, they may continue to disproportionately screen out Black applicants with lower net worth.⁴²

Mitigating measures:

- Assess whether risk and return priorities disproportionately exclude marginalized communities and consider revising them to align with equity-focused impact goals.
- Examine risk and return assessment frameworks for bias and consider alternative metrics.

Example: The Investor Statement of Solidarity to Address Systemic Racism and Call to Action, created by a community of investors and financial service providers, outlines five commitments for investors in the U.S. to advance racial equity through investment practices, including integrating a racial justice lens in investment policies, due diligence, and risk management or controversy flags.⁴³

⁴¹ "Stakeholder Engagement That Doesn't Suck." <https://qb-consulting.ck.page/403440cd8e>.

⁴² "Five Reasons Minority Borrowers Can't Access Capital - Third Way." Accessed October 18, 2024. <https://www.thirdway.org/report/five-reasons-minority-borrowers-cant-access-capital>.

⁴³ "Investor Statement of Solidarity to Address Systemic Racism and Call to Action," Racial Justice Investing (RJI). <https://www.racialjusticeinvesting.org/2020-investor-solidarity-statement>

Step 2: Integrate



In this step, investors embed their impact goals throughout the investment process. Core actions include:

- 2.1 Choosing an approach to screening and selecting investments based on their potential to advance social equity; and
- 2.2 Putting in place the resources, tools, and processes to assess and manage towards equitable impact.

2.1 Choose an approach to assessing impact potential

Investors assess investment opportunities based on their potential to advance social equity. Key decisions include:

- Where can we find deals which align with our equity-focused goals?
- Which of these deals offer more (or less) expected impact?
- What information do we need to understand the enterprise (and our own) contribution to outcomes?
- Whose perspective informs these assessments?

Having a **process to assess impact on a consistent basis** allows investors to compare the relative merits of different opportunities. A systematically applied process can also help to manage impact performance for the whole portfolio, while recognizing that impact may vary across individual investments.

Table 4 presents three non-exhaustive approaches that investors commonly use:

Table 4. Approaches to assessing equitable impacts

Approach	Description	Social equity considerations	Example
Impact ratings and scorecards	A set of indicators that cover different dimensions of impact.	Ratings can incorporate the <u>five dimensions of impact</u> to ensure a complete description of intended outcomes. The “Who” category explicitly focuses on the extent to which people and communities experience below-threshold outcomes.	Raza Development Fund aims to increase opportunities for Latino and low-income families across the USA. Their impact scorecard comprises 45 indicators across five categories. ⁴⁴
Monetization	Calculates the monetary value of the	Some valuation methodologies weight the dollar value of impact more highly for previously	IIX, who created the first gender lens impact investing instrument to be listed on a stock exchange,

⁴⁴ Raza Development Fund. “Impact Scorecard.” <https://impactfrontiers.org/wp-content/uploads/2024/01/impact-score-poster-36x48-FINAL-RJ-00271.pdf>

	impact of an investment	excluded populations. ⁴⁵ For example, the approach to Calculating Employment Impact-Weighted Accounts published by the International Foundation for Valuing Impacts determines the negative cost to the local community using a 'Diversity Adjustment', which is based on whether the organization's workforce is representative of the demographics of the local population. ⁴⁶	quantify the amount of social return generated per dollar of investment using an SROI approach. ⁴⁷
Standardized indicator(s)	One or more indicators that are used to assess, compare and aggregate various aspects of impact performance.	Metric sets such as IRIS+ include an explicit equity lens - for example a gender theme and racial equity lens with associated indicators, evidence and resources.	During the screening stage, WaterEquity evaluates a potential investee and develops initial impact projections for the "number of people reached," including the portion of end-clients likely to be women. ⁴⁸

Investors may use a **combination of approaches at different stages of the investment process**. WaterEquity, for example, also calculates an overall impact score during due diligence to evaluate the potential investee as a fit for the fund's impact profile.⁴⁹ This considers multiple dimensions of impact, including "who" the investment reaches - assessing gender, income levels, relative poverty levels, and relative need for water and sanitation in each geographical context.

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When developing the approach to assess the expected impact of a potential investment, **craft the assessment criteria to focus on community assets and aspirations** (i.e., a positive scale) rather than challenges and deficits (a negative scale). A metric related to "reduction in maternal mortality rate for low-income women" can be reframed as "number of women accessing

⁴⁵ And discount the dollar value if those populations are not included.

⁴⁶ IFVI. "Resources." <https://ifvi.org/impact-accounting-in-practice/resources/>

⁴⁷ iBAN. "Empowering Women-Focused Businesses by Tying Investment to Impact Assessment." Accessed September 18, 2024. <https://www.inclusivebusiness.net/ib-voices/empowering-women-focused-businesses-tying-investment-impact-assessment>.

⁴⁸ "Operating Principles for Impact Management Disclosures | WaterEquity." Accessed September 18, 2024. <https://waterequity.com/opim-disclosures/#>.

⁴⁹ WaterEquity OPIM Disclosure Statement

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safe childbirth.” Collab Capital, for example, “decided to not focus on what Black entrepreneurs don’t have and how certain capital models don’t work for them. Instead, we focus on...what our community of entrepreneurs, executives, and influencers do have.” As a result, Collab Capital screens and selects companies that have at least one founder who identifies as Black (this founder must also have a controlling equity stake in the company).⁵⁰

Investors do not need to start designing their assessment approach from scratch. Instead, start with an anchor – such as the IRIS+ racial equity theme from the Global Impact Investing Network – and customize to context. Alterfin, for example, “used the 2X Challenge criteria as a starting point... but realized that it could also go beyond the 2X Challenge criteria based on the team’s knowledge about its existing portfolio, and where further gender diversity and inclusion were possible.”⁵¹

Impact investors are often more comfortable collecting, analyzing, and acting on quantitative information versus qualitative. However, efforts to advance social equity typically elevate the **importance of qualitative data**. This is not only because issues such as power imbalances are harder to assign a numerical value, but also that qualitative and mixed-methods approaches are inherently useful for understanding social equity outcomes.⁵²

Non-numerical information offers a more complete understanding of outcomes from the perspective of affected people and communities, highlighting how their experiences differ based on the intersection of various social identities.

By integrating qualitative data into the screening and selection process, investors can ground their impact assessment in the lived experience of marginalized communities. For example, introducing a due diligence requirement to validate the importance of outcomes from the perspective of people experiencing them ensure that investees either gather direct lived experience insights or demonstrate that their actions are informed by such insights.⁵³

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Consider **qualitative ratings that can be converted into a numerical scale**, and / or combined with quantitative data. For example, The REAL’s Racial Equity Assessment Framework evaluates organizational and investment process across a four-stage continuum from color-blind to equity-focused.⁵⁴ The Framework is based on qualitative categories but can be converted into a quantified impact score.

⁵⁰ “Investment Process - View Collab Capital’s Investment Process.” <https://collab.capital/our-process>.

⁵¹ Root Capital, CSAF, and Value for Women. 2023. “Closing the Gender Gap in Agricultural Investments How Three CSAF Investors Are Turning Gender Intention into Action.” https://rootcapital.org/wp-content/uploads/2023/06/Case-Study_-Closing-the-gender-gap-in-agricultural-investments_Dec-2023.pdf.

⁵² Brookings. “The Value of Qualitative Data for Advancing Equity in Policy.” Accessed September 18, 2024. <https://www.brookings.edu/articles/value-of-qualitative-data-for-advancing-equity-in-policy/>.

⁵³ For guidance on assessing the importance of outcomes from the perspective of people experiencing them, see: [What - Five Dimensions of Impact | Impact Frontiers](#)

⁵⁴ “Framework - Racial Equity Asset Lab.” <https://racialequityassetlab.org/framework/>.

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Recognize that **information and understanding gaps will always exist** – so ask “how much data is needed to make a decision.” This involves making explicit the limitations and assumptions underpinning the assessment, as well as adopting a pragmatic approach to collecting data inputs from companies. For example, the CDFI BlueHub Capital acknowledges that there are aspects of loans and business practices associated with racial equity that they cannot capture pre-investment. Their REAPP (Racial Equity Assessment that is Proactive and Practical) survey seeks to strike a balance between the desire for information and the burden placed on borrowers to provide information, given limited time and resources.

Scorecards, Benchmarks and Datasets for Social Equity

Investors can use third party ratings and impact scores that provide a more standardized assessment of a company’s impact on a particular domain of social equity. For example, Equileap provides gender ratings and data for listed companies. These tools can be tailored and integrated into positive and negative screens to filter investment opportunities. Natixis Investment Management, for instance, used research from JUST Capital to develop a strategy for racial equity.⁵⁵

One advantage of third-party research is its ability to draw on larger datasets, allowing investors to compare potential investments against broader market benchmarks. While such benchmarks are mostly available for public companies, some have been developed for private markets as well, like the country-specific gender benchmarks in 60 Decibel’s Microfinance Index.

Since inequities are rooted in historical and cultural factors specific to certain regions, investors may need to adapt their tools to fit local contexts. For example, the Pathway Fund collaborated with the Social Investment Consultancy and EIRIS Foundation to create a UK-specific Racial Equity Scorecard, informed by similar tools developed in the U.S.

These resources can not only help identify investment opportunities that actively contribute to advancing social equity, but also enable investors to quickly screen out investments that do not align with their mission and commitment to equity.

⁵⁵ Croatan Institute. “Capital at a Crossroads: Accelerating Racial Equity Investment across Asset Classes Capital at a Crossroads: Accelerating Racial Equity Investment across Asset Classes Integrating Racial Equity into Total Portfolio Activation,” 2021.
https://missioninvestors.org/sites/default/files/resources/10_18_21_REEFS_TPA_Public-Final.pdf.

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Apply an equity-focused negative screen to investments to avoid harmful impacts on currently and / or historically marginalized communities. For example, [Adasina Social Capital's Racial Justice Investor Dataset](#) is an open-source list of companies excluded from Adasina portfolios for failing to meet their racial justice investment criteria. These companies are believed to contribute to systemic racism through practices identified by social justice movements, such as prison involvement, money bail, and surveillance.

2.2 Put in place impact management resources, tools, and processes

Once an initial approach to assessing deals for their potential to advance equity is established, investors focus on implementation. **Optimizing the process of screening and selecting** investments based on both their equitable impact and financial profile is a continuous, iterative journey, customized to the specific goals and needs of each investor.

However, lessons have emerged from investors who have already embedded social equity into their processes, offering insights for others. Table 5 highlights some key lessons to help investors navigate and refine their processes effectively.

Table 5. Learnings from screening and selecting investments for equitable impacts

Learning	Why this is important	Example
Establish a shared understanding of the language and goals of investing for social equity	Ensure all team members understand the key definitions, terms and concepts underpinning the impact assessment, and by extension the issue(s) being addressed. This enables investors to make decisions that optimize the portfolio's performance against the goals expressed in the impact thesis.	Conversations between the Women in Safe Homes fund and their Senior Board of Advisors revealed that language on gender-lens investment is not always clear and can be a source of confusion - especially among the mainstream investment community when financing women-specific products and services. They therefore shared learnings from and with peers to spread awareness, promote common language and start to build a community of practice.⁵⁶
Translate the impact assessment methodology into practical tools that the	Investment team members are responsible for deal sourcing and are the "gate keepers" of investment offers and opportunities. The effectiveness of an investor's	Cordaid Investment Management created and piloted a "question bank" to help their investment team conduct sensitive, nuanced conversations about the role of women in potential investee companies. Importantly, this

⁵⁶The Curiosity Society. "Social Impact Report: 2021/2022 Women in Safe Homes Fund," 2022. https://resonance.ltd.uk/images/uploads/media/Women_in_Safe_Homes_Social_Impact_Report_2021-22.pdf.

investment team can actively use	impact scoring and screening tools depends on how well the team uses these tools. Therefore, it may be necessary to simplify and adapt impact methodologies and tools, making them more accessible for investment professionals, including those still gaining expertise in social equity, to ensure they are used effectively.	question bank was designed to be adaptable to each country's context. This helped CIM be more intentional in its origination approach and uncover investment opportunities likely to generate decent and sustainable work opportunities for women. CIM also provided targeted training to investment teams on how to use these new tools - particularly how to have gender-focused conversations with potential investees.⁵⁷
Build a strong bridge between the diligence and value addition phases	Using the impact assessment and selection process to consider opportunities to increase the impact of the investment. Investors can engage with companies on a “diagnose to improve” basis during due diligence to help identify gaps that can be addressed and develop a shared ambition for how investees can strengthen their impact practices.	Each portfolio company of Women's World Banking Capital Partners II fund undergoes a comprehensive Gender Performance Study. This assessment delves into the gender dynamics within the company, its operations and its client base, enabling the development of a customized Gender Action Plan. The approach is designed to drive meaningful change and maximize the impact of WWB investments on equity.⁵⁸
Focus on “who” gets a voice in decision-making	The pre-investment process primarily involves evaluating and prioritizing investment opportunities (e.g., choosing investment X over investment Y.) While the tools used in this process are crucial, it is equally important to consider who has a say in designing and utilizing them.	Native Women Lead developed underwriting criteria that reflect core values of Indigenous communities to move beyond traditional lending criteria, which do not account for systemic oppression and economic exclusion. They established a review committee, including Native women entrepreneurs and their representatives, to provide feedback on these criteria.

⁵⁷ Root Capital, Council on Smallholder Agricultural Finance, and Value for Women. “Closing the Gender Gap in Agricultural Investments: How Three CSAF Investors Are Turning Gender Intention into Action,” December 2023. https://www.v4w.org/uploads/documents/Case-Study_-Closing-the-gender-gap-in-agricultural-investments_Dec-2023.pdf.

⁵⁸ The Gender Performance Study consists of a “Market assessment” (with questions such as “How can the company better leverage its intermediary clients to achieve greater outreach to women?”) and a “Workplace assessment” (“How can the company create a workplace environment that attracts, retains, promotes and pays women employees and leaders at the same rate as men?”).



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Give potential investees **greater agency in the impact assessment process**. This enables them to articulate goals that matter to them and to the people and communities they serve, while allowing investors to incorporate diverse information into their selection criteria. C4D Partners, for example, developed a Self-Assessment Gender-lens Toolkit for portfolio and pipeline companies to evaluate their existing business processes through a gender lens. The toolkit efficiently enables qualitative analysis of gender-based metrics, and aids in educating and supporting their portfolio in building gender inclusive companies.⁵⁹



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Shift decision-making authority to people with firsthand experience of the social equity issues being addressed. Village Capital, for example seeks to reverse the traditional model of investment that typically privileges the insights of capital allocators. Instead, Village Capital adopts a peer due diligence process, where founders from different startups assess, provide feedback, and collectively decide which companies receive investment⁶⁰.

This approach has demonstrated significant results in promoting gender equity. While women-led startups typically make up only about 15% of portfolios across the broader investment industry, nearly 50% of the over 100 startups selected for investment through Village Capital's model have been women-led.



Guidance on identifying and mitigating impact risks

When embedding impact goals throughout the investment process, investors should be aware of the risk of negative or unintended outcomes that may result from traditional investment processes which can unintentionally reinforce existing biases.⁶¹ Emphasizing the importance of the process itself, "It's not just what investors fund, but how they fund it."⁶²

Sourcing and screening:

Risk: Deal sourcing often relies on networks that reflect existing power and influence (e.g., individuals with similar privileged backgrounds), which may make them less likely to identify opportunities that originate from and/or are relevant to marginalized communities.

Mitigating measures:

- Partner with a wide range of ecosystem players and experts, including those that are connected with and reflect the priorities of marginalized communities.

⁵⁹ C4D Partners. "Gender Lens Impact Investing." <https://c4dpartners.com/gender-lens-investing/>.

⁶⁰ See: Power to the people (who matter most) | Impact Europe

⁶¹ For additional guidance on equitable investment management, see the Due Diligence 2.0 Commitment, the Investor Blueprint for Racial and Economic Equity, and Inclusive Capitalism: Seven Strategies for Specific Action in Asset Management.

⁶² One of the Strategic Goals agreed on by over 180 experts participating in the IRIS+ Racial Equity theme was "Shifting the Perception of Risk through Equitable Deal Sourcing, Due Diligence, and Terms."

- Promote diversity and lived experience within the investment team (see Section 4).
- Removing identifying information from credit applications from MSMEs and/or consumers, for example, can help lenders overcome unconscious biases.

Example: Kampani, a social impact investment fund working to unlock the potential of entrepreneurial farming in the Global South, works with NGO shareholders and mission-aligned partners help generate deal flow.⁶³

Diligence:

Risk: Investors may lack familiarity with leaders from historically and / or currently marginalized communities, resulting in a diligence process that can be disempowering for these leaders.⁶⁴

Mitigating measures:

- Incorporate lived experience into the diligence process, for example by requiring on-site diligence to speak directly with individuals or communities impacted by the investee.
- Standardize processes to decrease opportunity for bias. For example, pre-determine the number of questions to ask each investee about risk and growth and how much to weight each evaluation criterion.⁶⁵
- Value demonstrated progress and learning over past history or credentials (e.g., acquiring new customers or identifying and addressing risks in the business model).⁶⁶
- Review diligence processes in light of the historical and cultural context of marginalization.

Example: Calvert Impact Capital developed a framework to help lenders incorporate gender considerations into their underwriting process. This provides a list of questions for due diligence processes, to be refined and adapted depending on the deal being reviewed, that can serve as a starting point for a deeper conversation with a potential investee about gender.⁶⁷

Deal structuring:

Risk: Investment deal terms, legal processes and documents can contribute to deepening power imbalances between investors and investees.⁶⁸

Mitigating measures:

⁶³ "Frequently Asked Questions - Kampani." <https://www.kampani.org/frequently-asked-questions/>.

⁶⁴ Dana Kanze, Laura Huang, Mark A. Conley and E. Tory Higgins, "Male and Female Entrepreneurs Get Asked Different Questions by VCs – and It Affects How Much Funding They Get", Harvard Business Review, June 27, 2017, <https://hbr.org/2017/06/male-and-female-entrepreneurs-get-asked-different-questions-by-vcs-and-it-affects-how-much-funding-they-get>.

⁶⁵ Village Capital, IFC, and Women Entrepreneurs Finance Initiative. 2023. "Smarter Systems: How Tweaking Your Diligence Process Can Unlock Overlooked Opportunities." IFC. 2023. <https://www.ifc.org/en/insights-reports/2023/smarter-systems-toolkit>.

⁶⁶ Ibid.

⁶⁷ Calvert Impact Capital. "Just Good Investing: Why Gender Matters to Your Portfolio and What You Can Do about It," December 2018. <https://assets.ctfassets.net/4oaw9man1yeu/2X1gLDnUrUPFhRAJbAXp1q/205876bdd2d7e076fce05d5771183dfe/calvert-impact-capital-gender-report.pdf>.

⁶⁸ The mitigating measures are adapted from the Equality Impact Investing Project. "Tackling Power Imbalance between Funders and the Change-Makers They Support, One Deal Term at a Time." <https://equalityimpactinvesting.com/latest-1/edt-principles-launch>.

- Introduce measures for more equitable risk-sharing, such as ensuring that the security or collateral provided by a borrower is appropriate and proportional to the amount of the loan.
- Using clear and fair legal documents that minimize complexity, length and jargon.

Example: In the UK, voluntary, community and social enterprises often do not access social investment due to a limited understanding of legal and financial technicalities. The Key Fund sought to break down the barriers caused by legal jargon, technical language and formality, by creating a suite of open access, plain English social investment documents, including loan agreements, valuation instructions, guarantees and offer letters. Their thesis is that legally compliant and technically correct documents cannot always be short, but they could be much easier to understand and digest for all investees, not just those privileged to have extensive legal support.⁶⁹

⁶⁹ The Connect Fund. "Key Fund Investments Limited," June 8, 2020.
<https://www.connectfund.org.uk/funded-project/key-fund-investments-limited/>.

Step 3: Optimize



In this step, investors monitor the progress of each investment and take actions to maximize impact achievement.⁷⁰ Core actions include:

- 3.1 Using a participatory approach to collect and analyze performance data on social equity; and
- 3.2 Building investee and community capacity to assess progress on advancing social equity

3.1 Use a participatory approach to collect and analyze data

Participatory approaches allow communities to determine whether an investment has achieved its intended social or environmental impact.⁷¹ From the perspective of social equity, **meaningful participation** extends beyond mere consultation to ensure that currently and / or historically excluded groups gain substantial control over the processes and outcomes that affect them.⁷²

In practice, this means that affected communities should always have a say in:⁷³

- **What data is collected:** Affected communities should be involved in deciding which data is relevant to their experiences and needs.
- **How data is used:** Affected communities should have input on how the data will be analyzed and applied to ensure it reflects their perspectives.
- **How their identities and experiences are captured:** The process should be designed to accurately represent their experiences and identities, avoiding misrepresentation or oversight.

Decisions on how to elevate community voices and understand impact performance can be made both:

- **Pre-investment:** By involving affected communities in the design of investment strategies and metrics to ensure alignment with their needs and values; and
- **Post-investment:** By involving affected communities in evaluating the outcomes of the investment, ensuring their feedback informs future actions and decisions.

⁷⁰ "Impact Principle 6 | Operating Principles for Impact Management." <https://www.impactprinciples.org/9-principles#>.

⁷¹ Participatory evaluators jointly share control of the evaluation. Participatory evaluations range from program staff members and participants participating in the evaluator's agenda to participation in an evaluation that is jointly designed and implemented by the evaluator and program staff members. They encourage participants to become involved in defining the evaluation, developing instruments, collecting and analyzing data, and reporting and disseminating results (Guijt, 2014; Shulha, 2010; Zukoski & Luluquisen, 2002). Typically, control begins with the evaluator but is divested to program community members over time and with experience.

⁷² Chakma, Trimita, Georgia Booth, and Ruby Johnson. "Expanding Our Understanding of Evidence for Meaningful Participation," 2024. https://static1.squarespace.com/static/60ff9a0595f5d30abe8dd1f8/t/66853a2786b62961dd7adcb1/1720007218600/Porticus_Evidence_for_Meaningful_Participation_July_2024.pdf.

⁷³ Hewlett Foundation. "Data Equity: Six Steps beyond Data Disaggregation." Hewlett Foundation blog, April 1, 2021. <https://hewlett.org/data-equity-six-steps-beyond-data-disaggregation/>.

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Build on community involvement in shaping success measures by continuing to engage community members in “optimizing” impact performance. For example, The Buen Vivir Fund monitors impact using self-determined key performance indicators that grassroots partners identify during the application process. Metrics cover various aspects of community well-being, including sense of being rooted in community; awareness of cultural history; environmental conservation practices; sharing and strengthening of artisanal skills; and time spent with family. Investees measure these key performance indicators one or two times per year.⁷⁴

In Step 3, investors can explore options for marginalized communities to be involved in the collection, analysis and interpretation of data. Since **investors are often several steps removed from affected communities**, Table 6 outlines key questions investors can use when discussing impact performance with investees.

Table 6. Questions for investee engagement

Indicative questions	Guidance and resources
Do you have a shared understanding with affected communities of “good” impact performance?	The SDG Impact Standards for Enterprises provides a framework to assess alignment. Techniques such as “data walks” can be used to overcome data literacy barriers and engage diverse parties with use easy-to-understand visuals.⁷⁵
Are affected communities involved in impact data collection?	Any data collection should adhere to ethical research practices and the principle of informed consent. This is particularly critical in historically and/or currently marginalized communities that have been exploited by researchers in the past, such as Indigenous communities.⁷⁶ Community members should participate ‘on their own terms’. Employees or suppliers whose livelihoods may depend on the investee may feel obligated to participate.
Are all affected community members able to participate?	Challenges of participatory approaches can be “elite capture” or the tendency of those who hold power within the community to take control of projects or the “myth of community” which is an

⁷⁴ Higdon, Grace Lyn. “Linking Participation and Economic Advancement: Buen Vivir Fund Case Study.” Report. the Institute of Development Studies and partner organisations, June 14, 2019. https://opendocs.ids.ac.uk/articles/report/Linking_Participation_and_Economic_Advancement_Buen_Vivir_Fund_Case_Study/26436625/1.

⁷⁵ “Centering Equity in Collective Impact (SSIR).” https://ssir.org/articles/entry/centering_equity_in_collective_impact.

⁷⁶ “Evaluation Strategies and Considerations for Health Equity Programs and Initiatives - RHIhub Toolkit.” <https://www.ruralhealthinfo.org/toolkits/health-equity/5/evaluation-strategies-and-considerations>.

incorrect assumption of homogeneity that can result in the exclusion of currently and / or historically marginalized groups.⁷⁷

Using mobile phones for data collection can enhance participation for some groups, such as those in remote areas, but it can also create barriers for others, like those with low literacy levels. The WEST Principles are a set of guidelines developed to maximize the impact of technology-driven efforts to engage workers.

When assessing the quality of impact performance data, **conventional standards of evidence can be extended to incorporate inclusion.** Traditional evidence often embeds the perspective of the people gathering data and making decisions, which can marginalize community knowledge. To address this, the Evidence Quality Rubric introduced by Porticus offers a more comprehensive framework for equity-focused organizations.⁷⁸ Key aspects include:

1. **Representation:** Ensure that the data represents diverse voices and perspectives, especially those from marginalized communities. This involves evaluating whether the data collection methods and analysis account for the full range of experiences within the affected populations.
2. **Power Analysis:** Assess how power dynamics affect the collection and interpretation of data. This includes understanding who controls the data, whose voices are prioritized, and how power imbalances might influence the findings.
3. **Interrogating Biases:** Identify and address biases in data collection and analysis processes. This involves critically examining how biases—whether they are inherent in the data itself or introduced through methodological choices—might affect the results and their applicability to marginalized communities.

This approach can help answer whether data is “good enough” from both a technical and an equity-focused perspective, fostering a more inclusive and accurate understanding of impact.

Measuring Progress Toward Social Equity

To assess whether they are making toward social equity, investors need to evaluate their individual investments and their overall portfolio strategies. This involves transitioning from operational questions, such as “are we doing things right?” for individual investments, to evaluative questions like “are we doing the right thing?” at the portfolio level.

Existing impact management approaches can be used to measure improvements in access for marginalized communities to a specific product or service (e.g., affordable housing) compared to what would have likely happened without the investment.⁷⁹

⁷⁷ Webb, Alice. “Is Participatory Impact Investing the Antidote to ‘Impact Washing’?” Institute of Development Studies, September 19, 2019. <https://www.ids.ac.uk/opinions/is-participatory-impact-investing-the-antidote-to-impact-washing/>.

⁷⁸ Porticus. “Expanding Our Understanding of Evidence for Meaningful Participation.” p. 30. <https://www.closerthan youth think.co/porticus-report>.

⁷⁹ “Impact Management Norms | Impact Frontiers,” February 24, 2022. <https://impactfrontiers.org/norms/>.

For strategies targeting structural / systemic issues (e.g., altering power dynamics), systems thinking techniques can help to understand how change occurs.⁸⁰ Although there are currently few examples of investors using a systems lens to measure progress on social equity, approaches from related sectors offer promising insights:

1. Outcome Harvesting:

- **Description:** A qualitative evaluation method that collects evidence of change and works backward to determine how an intervention contributed to the outcomes⁸¹.
- **Example:** A donor-funded project supporting dairy processors in Georgia used outcome harvesting to understand changes in women's economic agency resulting from increased revenue from milk collection.⁸²

2. Collaborative Performance Indicators:

- **Description:** Different organizations working on the same issue can collaborate to develop shared performance indicators. This approach supports collective learning and provides a sense of directional change related to social equity.
- **Example:** Shared outcomes and success measures have been used to integrate health and social care organizations, promoting equitable access to care.⁸³

3. Frameworks for Measuring Systems Change:

- **Description:** Aid-funded projects aimed at fostering inclusive markets in developing economies have pioneered techniques to measure systems change, including for outcomes related to gender and social inclusion. The Investment Integration Project has released [guidance](#) to assess the influence of systems-level investing strategies.
- **Example:** A USAID paper synthesizing methods to measure systemic change offers a framework with example indicators to assess the depth of systemic changes in:⁸⁴
 - Disruption of Existing Patterns: Assess changes like increased investment in entrepreneurs from marginalized groups.
 - Networks of Connections: Evaluate equitable access to information about new opportunities.
 - Norms Influencing Behavior: Analyze changes in entrenched attitudes towards minority communities.

Techniques to measure systemic change often intersect with participatory methods. For example, The California Endowment emphasizes that “learning and evaluation work cannot and should not be separated from our work to advance health and racial equity through power building...[and] tackling upstream drivers of systemic problems.”⁸⁵

⁸⁰ “TransCap’s Design Space.” <https://transformation.capital/whitepaper/transcap-design-space>.

⁸¹ “Outcome Harvesting | Better Evaluation,” June 27, 2024. <https://www.betterevaluation.org/methods-approaches/approaches/outcome-harvesting>.

⁸² United States Agency for International Development. “Testing Tools for Assessing Systemic Change: Outcome Harvesting,” 2016. https://marketshareassociates.com/wp-content/uploads/2020/06/Report_No._43_-_SC_Tool_Trial_Outcome_Harvesting_-_508_compliant2-Georgia-ALCP.pdf.

⁸³ GOV.UK. “Shared Outcomes Toolkit for Integrated Care Systems.” <https://www.gov.uk/government/publications/shared-outcomes-toolkit-for-integrated-care-systems/shared-outcomes-toolkit-for-integrated-care-systems>

⁸⁴ United States Agency for International Development. “Disrupting System Dynamics: A Framework for Understanding Systemic Changes,” 2016. https://marketshareassociates.com/wp-content/uploads/2017/01/Report_No._47_-_Systemic_Change_Framework_FINAL_-_508_compliant.pdf.

⁸⁵ Yu, Hanh Cao. “Transforming Foundation Learning and Evaluation into a Power Building Strategy (SSIR),” August 21, 2023. https://ssir.org/articles/entry/transforming_foundation_learning_and_evaluation_into_a_power_building_strategy.

3.2 Build investee and community capacity for assessment

Investors can also use the *process of measuring impact performance as a tool for advancing equity*.⁸⁶ With greater capacity to assess impact performance themselves, marginalized communities gain data agency to pursue their own priorities. This occurs by using collected data for social change (e.g. advocating for community interests) and gaining skills during the data collection process (e.g. learning how to gather community input for future consultations). Therefore, how people are engaged in the process can itself be a significant outcome.⁸⁷ Typically, investors will need to partner with or support investees on capacity-building efforts for measuring impact within the communities they serve.

Civil society and related fields such as international development have innovated qualitative measurement approaches that seek to build agency among marginalized communities including:⁸⁸

- **Empowerment evaluation:** designed to provide affected communities with the tools and knowledge they need to monitor their own performance and accomplish their goals
- **Democratic evaluation:** designed to allow people experiencing impacts to be informed of what other interested and affected parties think to boost levels of accountability and transparency.
- **Most Significant Change:** designed to capture differences in what groups and individuals value and explain how and why change is taking place through a series of narratives.
- **Collaborative Outcomes Reporting:** designed to capture emergent changes by “reconstructing” a theory of change based on how people experience change.

A number of the above techniques have started to be deployed in a private sector context. For example, a food catering business in Australia used a combination of locally appropriate methods inspired by Most Significant Change to both collect outcome data and build skills relevant to affected Indigenous communities.⁸⁹

For investors, these approaches provide an opportunity to go beyond just understanding “how” investees are involving marginalized communities in measurement to asking “what” they can do to promote data equity in investee processes and practices. Investors can integrate elements from these approaches into choices about how to engage with investees

⁸⁶ Center for Evaluation Innovation. “Equitable Evaluation Framework Applies to All Evaluation.” <https://evaluationinnovation.org/insight/equitable-evaluation-applies-to-all-evaluation/>.

⁸⁷ The Participatory Monitoring and Evaluation (PM&E) approaches are excellent body of work to inspire impact investors that have been used in international development for the past 40 years: <https://www.ids.ac.uk/publications/who-counts-reality-participatory-monitoring-and-evaluation-a-literature-review/>

⁸⁸ Most Significant Change and empowerment evaluation are guided by [10 specific principles](#).

⁸⁹ “Evaluating with Kungkak Can Cook: Passion, Dedication and Clear Social Purpose | Better Evaluation,” January 10, 2019. <https://www.betterevaluation.org/tools-resources/evaluating-kungkak-can-cook-passion-dedication-clear-social-purpose>.

on issues of impact performance, value addition strategies, and technical assistance provided to enhance commercial viability and impact (see note below).

Technical Assistance for Social Equity

Technical assistance (TA) provides advisory services that enable enterprises to “function more effectively and efficiently, creating the potential for long-term commercial sustainability, systemic impact, and ultimately improving investment viability.”⁹⁰ TA is frequently deployed alongside development finance in emerging markets.

TA can be operationalized with social equity lens. For example, gender-smart TA improves gender equity while enhancing a company’s financial performance. The Shell Foundation provides gender-specific business support for its portfolio of social enterprises. Investees implement activities to improve the gender equitable practices across their business operations, with the support of advisory firm Value for Women. Across its portfolio, the Shell Foundation has recorded improvements in both business performance and the depth of impact, with investees doubling production, increasing sales by over 50% and boosting incomes for women micro-entrepreneurs.⁹¹

Investors commonly start with **helping investees better utilize data on social equity**. Investors can begin these discussions by clarifying how investees plan to use the data in their decision-making. Use cases can vary from collecting evidence to test product-market fit to tracking progress on impact goals. Table 7 below offers illustrative activities that investors can recommend to their investees to collect and use data to redress gender inequities.

Table 7. Examples of using gender data to improve social outcomes⁹²

Business function	Example activities	Potential outcomes
Human resources	Collective of diverse perspectives to inform gender-inclusive changes to HR policy	Improved HR policies and practices that formalize and advance social equity, and improve workplace experience for all staff
	Gender-disaggregated analysis of staff survey to understand trends and insights	
Marketing and advertising	A / B testing of different messages (and/or distribution channels) with diverse users to build a culturally and contextually appropriate brand	Gained understanding of preferences and needs of women buyers, which allows for tailored marketing to increase uptake of high-

⁹⁰ Commercial Agriculture for Smallholders and Agribusiness. “A Review of Inclusive Technical Assistance in Agriculture Deployed by Development Finance Institutions,” 2020. <https://www.casaprogramme.com/wp-content/uploads/20200630-CASA-TAF-Review-of-DFI-Inclusive-TA.pdf>.

⁹¹ The Gender-Smart Enterprise Assistance Research Coalition, led by the William Davidson Institute at the University of Michigan. “G-SEARCH Tested Tools & Approaches for Gender Lens Investing,” January 2021. https://wdi.umich.edu/wp-content/uploads/G-SEARCH-ALL-investor-approaches_Final_Feb-2021.pdf.

⁹² Adapted from G-Search and Transformative Evaluation

	Research to identify good practices for selling high-impact products and services to women	impact products and services
Product development and delivery	New data analytics to identify who is not being served by the product	Identification of needs and interests of women customers, and
	Gathering of data from a broader diversity of customers to understand value and satisfaction	improvement in products for women

Actionable Data Disaggregation

Investors often ask investees to provide disaggregated data, especially broken down by gender. An intersectional approach is important to understand how people with multiple identities (e.g., children vs. adults or rural vs. urban clients by gender) experience outcomes. Investors can support investees on equitable data disaggregation by:

- Engaging to understand life experiences of affected community members and which social identifiers are most relevant for analysis
- Developing a shared definition of the relevant social identifiers
- Mapping out how data will be used to inform investee decisions
- Developing protocols to share data equitably

For more on ethical and equitable data collection and disaggregation, see [Proposed Social Equity Changes to the Norms](#), p. 17.

EMERGING PRACTICE

Consider always disaggregating outcome data by gender to uncover inequities, which often persist on the basis of gender regardless of market or sector. For example, ALIVE Ventures seeks to positively impact low-income communities across Latin America with a focus on four investment themes: education and pathways to quality jobs; sustainable income generation opportunities; access to critical goods and services, telecommunications and healthcare; and solutions for climate resilience and mitigation. ALIVE collects and reports disaggregated outcome data by gender for each theme to promote accountability for reaching women with outcomes. ALIVE contextualizes gender-disaggregated data with 60 Decibels regional benchmarks on the proportion of women experiencing positive outcomes.⁹³

⁹³ ALIVE Ventures. "ALIVE 2023 Impact Report." <https://www.alive-ventures.com/2023-impact-report>. For guidance on collecting sex-disaggregated data and sample deal-level indicators see: [Gender-smart-Investing-Guide-for-Fund-Managers.pdf](#) (bii.co.uk)



Guidance on identifying and mitigating impact risks

Established equity-focused evaluation frameworks can help investors identify impact risks in their data collection and analysis processes:

- We All Count's [Data Equity Framework](#) identifies decision points that embed or prioritize a specific worldview or lived experience throughout seven stages common to data projects, starting from who funds data collection through to how data and derivative insights are communicated.
- The [Equitable Evaluation Framework](#) sets out a set of Principles and Orthodoxies, which are deeply held beliefs that get in the way of advancing social equity.

Risks: People with lived experience of inequity are often best placed to interpret insights that data reveals about impact performance. Enterprises at the frontline of measurement who are not a part of the affected community may bring biases to decision-making.

Additionally, if choices on tools and methods are not guided by cultural sensitivity, the process of data collection can harm marginalized communities.⁹⁴ For instance, scorecards that assess poverty levels by asking about lack of basic amenities like toilet ownership might be viewed as deficit-framing by those with lived experience.

Mitigating measures:

- “Unlearning” some measurement orthodoxies. For example, if working with investees to review the validity of their data, investors can eschew [rigid evidence hierarchies](#) to instead explore a more flexible approach that might be a “best fit” in the given context - using a tool such as the [Methodology Matrix](#).⁹⁵
- Ensuring the appropriate mix of skills and perspectives. Both the United Nations and the AEA have developed competency frameworks for evaluation teams, which can be adapted to run an internal self-assessment.
- Basing impact performance assessments on diverse sources. Given the complexity of social equity and likely limitations on the availability and quality of data, sources are often “triangulated” to overcome the weaknesses in any single data source. Triangulation should include different perspectives (e.g., from diverse communities) and sources of knowledge (e.g., from people experiencing inequity).
- Feeding back preliminary insights to affected communities (e.g., through a focus group discussion) or using methods that “remove” the interpretation layer.

Example: Social investor Alterfin used a methodology inspired by Sensemaker to center their measurement on the experiences of investees’ clients. Sensemaker allows investees and clients to articulate stories and then assign their own meaning to these narratives through visuals.⁹⁶

⁹⁴ Transformative Evaluation: Cultural competence is a skill set that comes from immersion in a given community and / or from structured learning experiences that ensure understanding and responsiveness regarding community values, practices, attitudes, and behaviors (Public Policy Associates, Inc., webinar slide, 2015).

⁹⁵ “Methodology Matrix - We All Count,” February 5, 2021. <https://weallcount.com/methodology-matrix/>.

⁹⁶ Webb, Alice. “Is Participatory Impact Investing the Antidote to “Impact Washing”?” Institute of Development Studies, September 19, 2019. <https://www.ids.ac.uk/opinions/is-participatory-impact-investing-the-antidote-to-impact-washing/>.

Step 4: Reinforce



In this step, investors reinforce their commitment to social equity by sharing progress towards outcomes and deepening accountability to marginalized communities. Core actions include:

- 4.1 Deepening accountability for commitments to equitable impact through inclusive governance; and
- 4.2 Equitable framing and distribution of information about progress on advancing social equity.

4.1 Deepen accountability in governance

To deepen their commitment to social equity, investors **can prioritize diversity within their own governance structures**, including the Board, management, and Investment Committee. This helps align decision-making with equity-focused goals. For example, a study on Black-led venture capital firms showed Black investors are more likely to identify and fund Black founders, as shared networks and backgrounds help assess founders' potential for success.⁹⁷

EMERGING PRACTICE

Recruit Board, management, and Investee Committee members who **share demographic characteristics with the communities where investors aim to advance equity**. For example, since the early 1990's, the Chicago Teacher's Pension Fund has increased its percentage of total fund assets in Minority, Women, and Disability-Owned Business Enterprise firms (MWDBE) from 6% to 48%. Chief Investment Officer Angela Miller-May credited this increase in part to diversifying the Board and senior leadership: today, both these governing bodies are majority women and people of color.⁹⁸

Investors can also critically evaluate the power dynamics in decision-making processes through an equity lens, exploring ways to gradually shift decision-making authority to marginalized communities.

Inclusive governance models are one way to challenge traditional power dynamics in investment. These models center affected communities by giving them a role in making investment decisions, reviewing progress, and providing feedback on strategies. Such approaches deepen commitments to equity in governance, build power within marginalized groups, and increase the likelihood that decisions will align with community needs.

⁹⁷ "Funding Black-Founded Startups: How VC Funds Are Missing Black Talent | Columbia Business School," July 10, 2024. <https://business.columbia.edu/research-brief/funding-black-founded-startups>.

⁹⁸ November 2020, 30. "Q&A: Angela Miller-May, Chief Investment Officer, Chicago Teachers' Pension Fund." PRI. Accessed September 18, 2024. <https://www.unpri.org/social-issues/qanda-angela-miller-may-chief-investment-officer-chicago-teachers-pension-fund/6828.article>.

Investors can either directly involve marginalized community members in governing bodies or collaborate with intermediary organizations (e.g., community-based nonprofits or foundations) with expertise for meaningful and equitable community involvement.

Table 8. Direct and indirect forms of participatory governance

Type of participation	Examples and resources
Direct - lived experience	Investment Committees of the Future is a program designed to increase the number of individuals bringing greater diversity and lived experience of working in social enterprises to investment decision making. The e-learning program helps develop knowledge of Investment Committees and how they work, and individuals have access to a peer network of existing and future IC members. ⁹⁹
Direct - community representation	The Olamina Fund, an impact fund focused on racial, gender, and economic justice, set up a Community Advisory Board to address the lack of community representation in traditional investment decision-making. Comprised of individuals representative of the communities Olamina aims to serve, the Board advises on strategy, reviews opportunities from a community wealth building perspective, and participates in credit decisions.
Indirect - democratic governance	The Boston Impact Initiative bylaws ensure that community non-profits appoint the majority of Board seats, and the Investment Committee must include grassroots leaders. As a result, Boston Impact Initiative has made investments in innovative solutions for racial and economic justice that grassroots leaders have championed, such as worker co-ops and community land trusts. ¹⁰⁰
Indirect - ownership by representatives	Kampani, a social impact investment fund working to unlock the potential of entrepreneurial farming in the Global South, integrates knowledge of the social issues they seek to address into governance and ownership structures. By raising capital from private investors as well as farmer associations and NGOs, Kampani offers social purpose organizations a direct stake in the fund. NGO shareholders and mission-aligned partners help <u>generate deal flow and often remain involved in the investment</u> by providing technical assistance, helping to align incentives in the investment opportunity and, consequently, in the funded producer organizations themselves.

The journey to embed the voices of currently and / or historically marginalized populations in governance will likely take time, resources and several learning cycles. Three key lessons can

⁹⁹ The course is developed with support from Big Society Capital and a range of social investors and hosted by Good Finance. The curricula was created in collaboration with the Diversity Forum and Women in Social Finance.

¹⁰⁰ Brooks, Ariel, Libbie Cohn, and Aaron Tanaka. "Social Movement Investing: A Guide to Capital Strategies for Community Power," March 2024. <https://economicdemocracy.us/wp-content/uploads/2024/03/Social-Movement-Investing.pdf>.

help equity-focused investors accelerate the effective participation of affected communities in governance structures:¹⁰¹

1. **Continuous Engagement:** Different channels to harness community voice can be integrated across the investment process and framed as a continuous exercise - rather than siloed in a particular form (e.g., Advisory Panel) or function (e.g., diligence). For example, the Black Farmer Fund was created to increase access to capital for Black-owned food systems in the Northeast U.S. In addition to embedding lived experience in its management team, The Black Farmer Fund's "Pilot Cohort" established a community-led Investment Committee of Black farmers and community food advocates to drive decision-making. For their "2.0" Fund Investment Committee the Black Farmer Fund has added previous investees that were financed through the Pilot cohort and developed additional engagement channels for current investees.¹⁰²
2. **Equal Partnership:** The approach should emphasize joint value creation, recognizing that every actor plays an important role. Community advisory bodies can provide valuable expertise based on lived experience and hold investors accountable to community needs. The Olamina Fund Community Advisory Board does not simply invite community members to provide input, but also provides them with veto power on investment decisions as well as decisions to accept financial contributions.
3. **Equitable Design:** To avoid reinforcing marginalization, inclusive governance models can be designed with equitable and accessible formats (e.g., holding community advisory board meetings near public transit or virtually to accommodate members without cars and individuals with varied ability and access needs).

Finally, investors can pursue similar actions within portfolio companies to promote diverse and inclusive governance, such as:

- Engaging with investees on an ongoing basis to advance diversity, equity and inclusion in the workforce and within management and supply chain; and
- Exploring models to shift towards more equitable governance, for instance by recognizing unions, improving Board diversity or appointing worker representatives. Alternative ownership models such as cooperatives and employee stock ownership can be considered when making decisions related to preserving social equity at exit.

4.2 Equitably frame and distribute information on performance

Investors can strengthen their commitment to equity by **sharing impact performance data with affected communities** as well as with their capital allocators. This increases accountability to marginalized groups and enhances transparency, helping to build trust.

¹⁰¹ Casasnovas, Guillermo, and Jessica Jones. "Who Has a Seat at the Table in Impact Investing? Addressing Inequality by Giving Voice." *Journal of Business Ethics* 179, no. 4 (September 1, 2022): 951-69. <https://doi.org/10.1007/s10551-022-05154-6>.

¹⁰² Black Farmer Fund. "Fund 2.0: Investment Committee." <https://blackfarmerfund.org/investment-committee>.

Given that impact reporting often relies on communities to provide impact data, distributing reports back to those communities provides them with information they can use for their own purposes.¹⁰³

The We All Count Data Equity Framework outlines three **Equitable Distribution Pillars** for communicating and distributing data. Table 9 shows how these pillars can guide decisions on tailoring communication for specific audiences to increase clarity and utility.¹⁰⁴

Table 9. Equitable Distribution Pillars

Equitable Distribution Pillar	Questions	Guidance
Content: what you include in your communication and how you say it	What kind of information do affected communities need? What will they use it for? How can information be communicated to increase the relevance and utility for affected communities?	For example, will community members use information to advocate, influence, and participate in decisions that directly affect their communities? Narratives and case studies can provide communities with valuable insights about investee activities, as well as progress investors are making on advancing social equity. Affected community members may benefit from assessments of impact that include evidence of feedback loops, learnings, and strategies for improvement. For example, Candide Group surveyed their diverse community of investees for their 2023 Impact Report to not only collect impact data, but also understand what support their investees wanted from them. Candide Group published the results of this survey in their report along with an explanation of how they plan to address the top four possibilities identified.¹⁰⁵
Medium: what form your communication takes	How should you format the information?	For example, would a written report, an infographic, or a face-to-face presentation be most engaging?

¹⁰³ Engineers Without Borders. "A Transformative Evaluation Toolkit for the Impact Investing Sector How Entrepreneurs and Impact Investors Can Deepen Their Data Collection," September 2019. https://www.ewb.ca/wp-content/uploads/2019/10/Tool-Kit-document-Interactive_FINAL_Oct31.pdf.

¹⁰⁴ Krause, Heather, and Lashawn Richburg-Hayes. 2023. "The Data Equity Framework: A Concrete and Systematic Equity-oriented Approach to Quantitative Data Projects." SocArXiv. March 31. doi:10.31235/osf.io/sqt4u. <http://www.supersonicplayground.com>.

"The Cycle of Good Impact Practice: Share Your Findings - NPC." Think NPC. <https://www.thinknpc.org/resource-hub/the-cycle-of-good-impact-practice-share-your-findings/>.

¹⁰⁵ Candide Group 2023 Impact Report. <https://static1.squarespace.com/static/62bb3102a34b063baff51254/t/667b32456dfd364cdb6ce2a/1719349845350/Candide+Group+2023+Impact+Report.pdf>

	How can information be presented to increase the relevance and utility for affected communities?	Shorter briefs, online data dashboards, narrated presentations, and interactive reports may be better suited to community needs than the report format investors use to report to their capital providers.
Access: how easily and completely your audience can engage with and understand your information	How can the information be made accessible to marginalized groups? Can they provide feedback?	For example, digital reports may increase accessibility across geographies, but limit access for those who do not have internet. Publishing reports publicly and providing contact information for community members to respond to reported information can give community members the opportunity to provide feedback and suggestions for improving reports.

EMERGING PRACTICE

Use non-traditional reporting mediums to engage and interest affected communities in impact performance disclosures. The London Pensions Fund Authority (LPFA), for example, serves almost 100,000 members and manages over \$10 billion in assets. The LPFA is committed to reporting to its members on how the fund is being invested in local communities across the UK, with a focus on contributing to fair and inclusive growth to address place-based inequities.¹⁰⁶

In 2024, the LPFA released its first summary report, "[Investing in the UK](#)," which was shared with members and made publicly available. The report highlights the impact of the fund's investments in infrastructure and real estate on communities and places across the UK.

Additionally, LPFA launched an [interactive map](#) on its website that shows the locations of their investments in clean energy, housing, infrastructure, and commercial real estate across the UK. This allows the public to see where over 70% of the Fund's holdings are invested.

When preparing impact reports and disclosures, three issues are core to social equity:¹⁰⁷

1. **Structural Lens:** Narrative framing can contextualize impact performance with root causes of inequity. Investors can avoid reinforcing stigma by focusing on historical and

¹⁰⁶ Forster, Sarah. "Release of 'Investing in the UK' Report from the London Pensions Fund Authority." *The Good Economy* (blog), April 15, 2024. <https://the goo deconomy.co.uk/pbii-report-lpfa/>.

¹⁰⁷ Adapted from "Framework - Racial Equity Asset Lab." <https://racialequityassetlab.org/framework/>.

structural factors, which explain inequities as the result of systemic forces rather than individual failings.¹⁰⁸

2. **Asset-Framing:** Develop narratives that center the people and aspirations of marginalized communities. Focus discussion of impact performance and case studies on community strengths and opportunities, rather than deficits. For example, neighborhood redevelopment can be framed as “restoring historic community landmarks” rather than “remediating blighted buildings”. The “Succeeding in the City” report on the New York City Black and Latino Male High School Achievement Study presents positive portraits of Black and Latine students fostering productive relationships, graduating, and attending college to combat negative stereotypes of Black and Latine teens.¹⁰⁹
3. **Lived Experience:** Investors can reinforce their commitments to equity by integrating the perspectives of marginalized people in their reporting, e.g., through qualitative data. This ensures the narrative reflects the lived experiences of the people most affected, helping to align investments with community goals and providing capital allocators with context about the challenges that communities face. Incorporating perspectives from multiple individuals, reporting all material information collected, and explaining how individuals were selected to engage with as well as how information was analyzed and selected to present can guard against bias in the presentation and interpretation of qualitative data.¹¹⁰

Case Study 2: The Growth Impact Fund

The Growth Impact Fund invests in early-stage, diverse-led social purpose organizations in the UK.¹¹¹ Launched by Big Issue Invest and UnLtd in response to systemic barriers identified by the Adebowale Commission, the fund aims to tackle the lack of inclusivity in social investment. It primarily invests in organizations led by individuals from marginalized backgrounds, including racialized minorities, women, people with disabilities, and people who identify as LGBTQIA+.

The GIF believes founders with direct lived experience are best placed to create impact for those facing inequities. This commitment is reflected in the Fund’s ongoing impact reporting, which provides commentary on structural challenges facing diverse-led organizations, and a dedicated section on the “The power of lived experience.”

Each case study integrates a founder perspective on the lived experience of the inequities each company is addressing. Inclusion Labs, for instance, is an educational platform whose mission is to embed diversity, equity and inclusion into every young person’s educational, cultural and personal development.

¹⁰⁸ “Framework - Racial Equity Asset Lab.” <https://racialequityassetlab.org/framework/>.

¹⁰⁹ <https%3A%2F%2Fwww.opensocietyfoundations.org%2Fuploads%2F656e16cf-726a-4228-b05e-31bb296caa4b%2Fsucceeding-city-20130930.pdf&source=webpage>

¹¹⁰ For more on equitable data collection and analysis, see: Schwabish, Jonathan, Alice Feng, and Wesley Jenkins. “Do No Harm Guide: Crafting Equitable Data Narratives.” *Urban Institute*, February 14, 2024. <https://www.urban.org/research/publication/do-no-harm-guide-crafting-equitable-data-narratives>.

¹¹¹ Big Issue Invest. “Growth Impact Fund 2023/ 2024 Impact Report,” https://growthimpactfund.org.uk/files/Growth_Impact_Fund-Impact_Report-2023-2024.pdf.



Inclusion Labs

In October 2023, GIF made a £200,000 Equity investment into Inclusion Labs, an EDI focused technology company established in 2021 by Temi Akindele Barker.⁷

Inclusion Labs uses a digital platform to help schools conduct equity audits, identify priority areas for improvement, and then plan follow-on activities to improve inclusion for all stakeholders.

“Our purpose is to enable those that are most adversely affected to have a voice in what inclusion looks like.”



Inclusion Labs was born out of Temi's own experience. As a mother of two mixed race children, she found their school had no policies in place to deal with the issues her family faced.

Furthermore, the Equity, Diversity and Inclusion (EDI) initiatives that were adopted often didn't feel sufficiently tailored: "I have found that there are lots of initiatives that are supposedly for people like me, but they don't actually align with my experience or my child's experience."

Temi built Inclusion Labs as a remedy to the generic and outdated EDI schemes she saw.

Impact of Inclusion Labs

One of the key steps in Inclusion Labs' service is an equity audit where all stakeholders, including students, administrative staff, teachers, governors and parents have their say. Inclusion Labs then identify which groups are underrepresented in the demographic areas of ethnicity, religion and beliefs, gender, sexual

orientation, disability and socio-economic background. "We can see that one person - whether it's one black parent or those two Trans students - and in the usual way of doing this work, that would get swallowed up by the data. We try to make sure that voice doesn't get lost."

By working in this way, Inclusion Labs ensure they not only give everyone the chance to describe issues they may otherwise be too uncomfortable to raise, but that their experience influences change.

One of the most important outcomes for Temi is when the organisations or schools report that their work with Inclusion Labs has made a difference. Feedback from the schools so far shows the level of insight that Inclusion Labs provides, and the clear and actionable recommendations for areas to prioritise are the most valued outcomes of their service. Over 30% of schools reported that they had created a EDI strategy as a result of Inclusion Labs' support, and 12% said that behaviour at the school had improved.

GIF Impact Report 2023/24



Investment size:
£200,000



Investment type:
Equity



Investment made:
October 2023



Impact matrix (community/ sector): Young people / Education & Learning



UN SDG Alignment:
10 – Reduced inequalities



Geographic reach:
National



Diverse led:
Yes



About Inclusion Labs:
Helps schools improve their inclusion efforts through a digital platform that aids in identifying and prioritising EDI activities.



Age of company:
3 years old

[Go to reference 7](#) 8



Guidance on identifying and mitigating impact risks

Impact risks in governance and communication processes include:

Bias of governing bodies:

Risk: Members of governing bodies and management who make investment decisions often rely on pattern matching or “gut instincts” to assess performance, creating opportunities for unexamined biases against marginalized identities to influence decisions.¹¹²

Mitigating measures:

- Since bias may be implicit and/or unconscious, tools such as self-assessments, trainings, and facilitated discussions can help members of governing bodies become aware of factors that may be influencing their decision-making.¹¹³
- Conducting a review of assessment processes can help investors identify areas where bias may influence decision-making. Investors may conduct an internal assessment or engage a third party to conduct an audit of governance practices and identify areas to improve equity.¹¹⁴

Example: Illumen Capital, a fund-of-funds focused on achieving racial and gender equity, requires fund managers to complete an implicit bias assessment upon investment and provides ongoing coaching and bias reduction tools in partnership with Stanford University

¹¹² Baird, Ross. The Innovation Blind Spot: Why We Back the Wrong Ideas—and What to Do About It. New York: Columbia University Press, 2018.

¹¹³ “About the IAT.” <https://implicit.harvard.edu/implicit/iatdetails.html>.

¹¹⁴ “Five Practices for Developing and Staying Accountable to Racial Equity Goals (SSIR).” https://ssir.org/articles/entry/five_practices_for_developing_and_staying_accountable_to_racial_equity_goals.

to help fund managers address bias in hiring processes, board member selection, and investment decision-making.¹¹⁵

Reporting negative impacts:

Risk: Selectively disclosing impact performance information or omitting negative impacts can erode trust and hinder accountability. For example, if an investor reports on all intended impacts but fails to disclose any unintended impacts, community members who have experienced unintended impacts will discount the report as an incomplete view of investment impacts.

Mitigating measures:

- Follow established Norms for impact reporting.
- Set up accountability offices or grievance mechanisms to provide a forum for affected individuals and communities to raise concerns when they experience harm or negative impacts as a result of investment activities.¹¹⁶

Example: Aqua Capital invests in the agribusiness and food value chains, primarily in Latin America. Their website has a dedicated integrity channel and hotline for safe and anonymous communication about behaviors considered unethical or that violate its published ethics principles.¹¹⁷

¹¹⁵ Invest with Values. "Reducing Racial & Gender Bias Unlocks Financial Returns and Scales Impact, with Daryn Dodson," July 8, 2019. <https://investwithvalues.com/news/reducing-racial-gender-bias-unlocks-financial-returns-and-scales-impact-with-daryn-dodson/>.

¹¹⁶ Accountability Counsel. "Accountability Resource Guide: Tools for Redressing Human Rights & Environmental Abuses in International Finance and Development." <https://www.accountabilitycounsel.org/wp-content/uploads/2017/08/ARG-V8.pdf>.

¹¹⁷ Aqua Capital. "Home." <https://aqua.capital/>.

Public Consultation Questions

We welcome your feedback on any aspect of this effort. If it would be helpful to have a set of prompts to respond to, please refer to the questions below. You may choose to respond to all questions, or just a subset.

Section	Questions
Overall	• Do the four steps of impact management make sense to you? Do you agree with these steps as an organizing framework? • Though this guidance was developed for IMM professionals in investment organizations, are there other potential users (e.g., Chief Investment Officers, Investment Committees)? If so, should guidance be adapted to suit their needs? • This document intentionally avoids using the term “stakeholder” in acknowledgement of its association with historical injustices.¹¹⁸ Terms such as “affected people and communities” and “people experiencing impact” are used instead. Do you agree with this choice?
Step 1	• What additional guidance or considerations should be included to set impact goals and creating an impact thesis for social equity? • What examples have you seen of investors engaging with marginalized communities or analyzing the root causes of inequity when constructing their impact strategy? Are there any that you would recommend mentioning, citing, or including as a case study?
Step 2	• What additional guidance or considerations should be included to screen and select investments based on social equity?
Step 3	• What additional guidance or considerations should be included to analyze performance on equity-focused goals? Are there other strategies to consider for equity-focused investors to understand whether their approach is working? • What examples have you seen of investors using a participatory approach to understand performance on social equity? Are there any that you would recommend for a case study?
Step 4	• What additional guidance or considerations should be included to embed equity-focused goals in governance and report on impact performance with an equity lens? • Have you seen any examples of investors co-creating impact reports with affected communities, or using empowering narrative strategies when communicating progress on social equity? Are there any that you would recommend for a case study?

¹¹⁸ In a colonial context, a “stakeholder” was a person who drove a stake into the land to demarcate land they were occupying or stealing from Indigenous territories.

Appendices

Appendix A: Process

This process began with an extensive literature review of resources on impact management practices for social equity, cases and examples of emerging impact management practices from investors with stated commitments to social equity, and equity-focused guidance, frameworks, and guiding principles from adjacent fields (e.g., evaluation, social research and civic engagement) that can be adapted to the context of impact management. Impact Frontiers synthesized findings from these resources with a focus on areas of impact management where guidance for pursuing social equity may differ from or go beyond what is considered good impact management practice “as usual.”

Impact Frontiers then shared the initial draft guidance with the following expert partners to offer feedback and suggestions based their respective fields of expertise:

- Erika Seth Davies: Chief Executive Officer at [Rhia Ventures](#) and Founder of [The Racial Equity Asset Lab](#) (The REAL).
- Tynesia Boyea-Robinson: Founder, President and CEO, [CapEQ](#).
- Cathy Clark: Faculty Director at [The Center for the Advancement of Social Entrepreneurship](#) (CASE) at Duke University’s Fuqua School of Business and Founding Director of the [CASE i3 Initiative on Impact Investing](#), along with team member Carrie Gonnella.
- Rebecca Fries: CEO and Co-founder of [Value for Women](#), along with team member Asya Troychansky.
- Heather Krause, PStat: Founder of [We All Count](#) Project for Data Equity.

Impact Frontiers revised the document in light of expert feedback. Each expert partner’s close reading and thoughtful comments led to a great number of significant improvements. However, their partnership and presence on the above list should not be interpreted as an endorsement of this draft by them or their respective organizations, and all errors remain our own.

Appendix B: Resource Library

Cross Cutting Resources

Resource	Description
González, Rosa. "The Spectrum of Community Engagement to Ownership." Facilitating Power. https://movementstrategy.org/wp-content/uploads/2021/08/The-Spectrum-of-Community-Engagement-to-Ownership.pdf .	A guide to engaging and progressively sharing decision-making power with marginalized communities.
"Freedom Economy - Defending the Rights of Justice and Sustainability Investors." https://freedomeconomy.org/ .	Resources for U.S.-based investors to track and navigate anti-DEI litigation and legislation.

Step 1: Set Strategy

Resource	Description
Impact Terms Project. "Innovative tools for meaningful stakeholder engagement." https://www.impactterms.org/wp-content/uploads/Website-Content.pdf	A list of resources that investors can use to understand and center the perspectives of marginalized communities, ranging from third-party research to survey tools.
Racial Equity Tools. "PLAN." https://www.racialequitytools.org/resource/s/plan .	Resources on racial equity issue areas (e.g., economic security, environmental justice), accountability practices, and action plans to reach racial equity that account for systemic and structural racism.
"Gender Navigating Impact." https://navigatingimpact.theqiin.org/gender-lens/ .	A tool for investors to select specific outcomes within the "Gender Lens Investing" theme and explore strategies to achieve their goals.
Bill & Melinda Gates Foundation. "Convening for System Level Impact Toolkit: Inclusive Stakeholder Mapping." https://docs.gatesfoundation.org/documents/tool_inclusive_stakeholder_mapping.pdf .	A guide for gender-inclusive mapping of interested and affected parties.
Intentional Endowments Network. "Invest in Diverse Asset Managers." https://www.intentionalendowments.org/diverse_asset_managers .	Example investor policy statements from asset owners embedding a commitment to investing in diverse fund managers.

Step 2: Integrate

Resource	Description
SEAF. "SEAF's Gender Equality Scorecard," February 26, 2020. https://www.seaf.com/womens-economic-empowerment-and-gender-equality/gender-equality-scorecard/ .	Tools to develop gender equity impact ratings.
"Impact Financial Open Source Learning Impact Frontiers," November 9, 2022. https://impactfrontiers.org/cases-examples/cdfi-racialequity/ . Racial Equity Scorecard. "Racial Equity Scorecard." https://racialequityscorecard.uk/ .	Tools to develop racial equity impact ratings.
"Measurement Social Value TOM System Social Value Portal." https://www.socialvalueportal.com/measurement .	Proxies for gender and racial equity indicators that can be used for impact monetization.
"IRIS Catalog of Metrics IRIS+ System Investment lens: Gender." https://iris.theqiin.org/metrics/?search=&investment-lens%5B%5D=gender&sortby= . "Using the 2X Challenge Indicators in Alignment with IRIS+." https://assets.cdcgroup.com/wp-content/uploads/2020/03/16111901/How-to-measure-the-gender-impact-of-investments.pdf .	Standardized indicators for gender equity.
"IRIS+ Racial Equity Theme." https://iris.theqiin.org/share/id/26086x63a0c68ae2919/ . "Investor Blueprint Corporate Racial Equity." https://corporateracialequityalliance.org/investor-blueprint .	Standardized indicators for racial equity.
Equality Impact Investing Project. "Equalising Deal Terms Project." https://equalityimpactinvesting.com/edt-project .	Principles and practical actions for equitable deal terms, legal processes, and documents.
Criterion Institute. "Process Metrics that Analyze Power Dynamics in Investing." https://drive.google.com/file/d/1clw1CfoaXNhXgB083KQxcNyunFYjMVnO/view	Metrics to evaluate power dynamics in investment processes and decision-making, with an intersectional gender lens.
Investing in Women. "Designing a Gender Lens Investing Action Plan." https://docs.google.com/document/d/1q4bZn26lbHtyCBb_BAjuu7HKJWWk8pC1/edit	An actionable plan for investors to integrate a gender lens into their investment strategies, promoting increased capital allocation toward women-led businesses and initiatives.

Step 3: Optimize

Resource	Description
Bledsoe, K., Gonzales, F., & Guillen-Woods, B. (2022). The Eval Matrix™. Strategy Learning Partners for Innovation. https://slp4i.com/the-eval-matrix .	Provides information on seven evaluation philosophies and approaches that center cultural responsiveness and equity.
Government of Canada. "Equity-Based Evaluation Toolkit." October 2019. https://www.ewb.ca/wp-content/uploads/2019/10/Tool-Kit-document-Interactive_FINAL_Oct31.pdf .	A toolkit for entrepreneurs, investors, consultants, and other practitioners to apply a transformative evaluation approach to IMM.
Equitable Evaluation Initiative. "EEF Expansion Principles." https://www.equitableeval.org/post/eeef-expansion-principles .	Offers three principles for equitable evaluation along with guidance and context.

Step 4: Reinforce

Resource	Description
Dobbin, Frank, and Alexandra Kalev. "How the Best Bosses Interrupt Bias on Their Teams." <i>Harvard Business Review</i> , November 20, 2019. https://hbr.org/2019/11/how-the-best-bosses-interrupt-bias-on-their-teams .	Practical strategies for managers to actively combat bias within their teams, promoting a more inclusive and equitable workplace culture that can inform impact investors' internal practices.
"Project Implicit." https://implicit.harvard.edu/implicit/takeatest.html .	A self-assessment tool to evaluate implicit bias.
Institutional Limited Partners Association (ILPA). "Diversity in Action Initiative Framework." https://ilpa.org/diaframework/ .	A comprehensive approach for limited partners to advance diversity, equity, and inclusion in private equity governance.
Association of SNAP Nutrition Education Administrators. "Ethical Storytelling & Asset-Framing: A Toolkit for Centering Equity When Communicating Programmatic Success," 2023. https://cfhlstatewidetraining.org/sites/default/files/2024-09/Ethical%20Storytelling%20%20Asset-Framing%20SNAP-Ed%20Toolkit_FINAL.pdf .	A toolkit of resources and practical examples for asset framing and ethical storytelling that draws from Trabian Shorters' Asset-Framing for Equity framework (https://trabianshorters.com) and Ethical Storytelling (https://ethicalstorytelling.com).



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Impact Frontiers is a learning and market-building collaboration for investors seeking to manage their social and environmental impacts and incorporate impact into investment decision-making. We provide resources, space for community discussions, and a cohort model that supports learning by doing.

We create practical tools and peer-learning communities that support investors in building their capabilities for managing impact and integrating impact with financial data, analyses, and processes. We lead with questions and facilitate interactions that help investors come up with their own answers, based on their own strategy, context, and data.

Learn more at impactfrontiers.org

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