

Impact Investment (IMIV) is widely considered a philanthropic strategy

We asked Jewish Funders Network (JFN) members and other social investors about their practices and attitudes towards impact investing (IMIV)



TEL AVIV UNIVERSITY
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The Institute for Law and Philanthropy

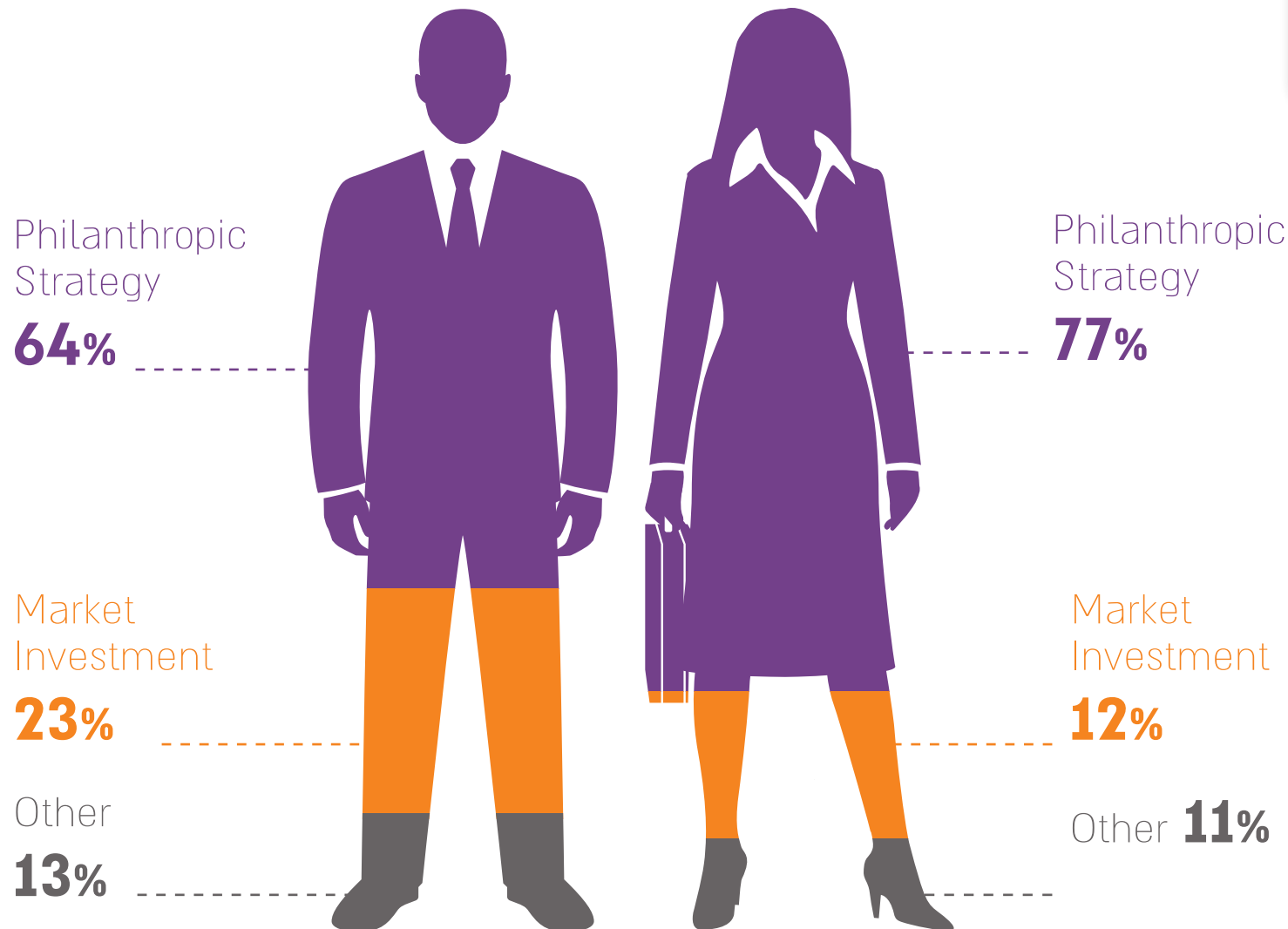
For further information

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The Institute for Law and Philanthropy (ILP) ►

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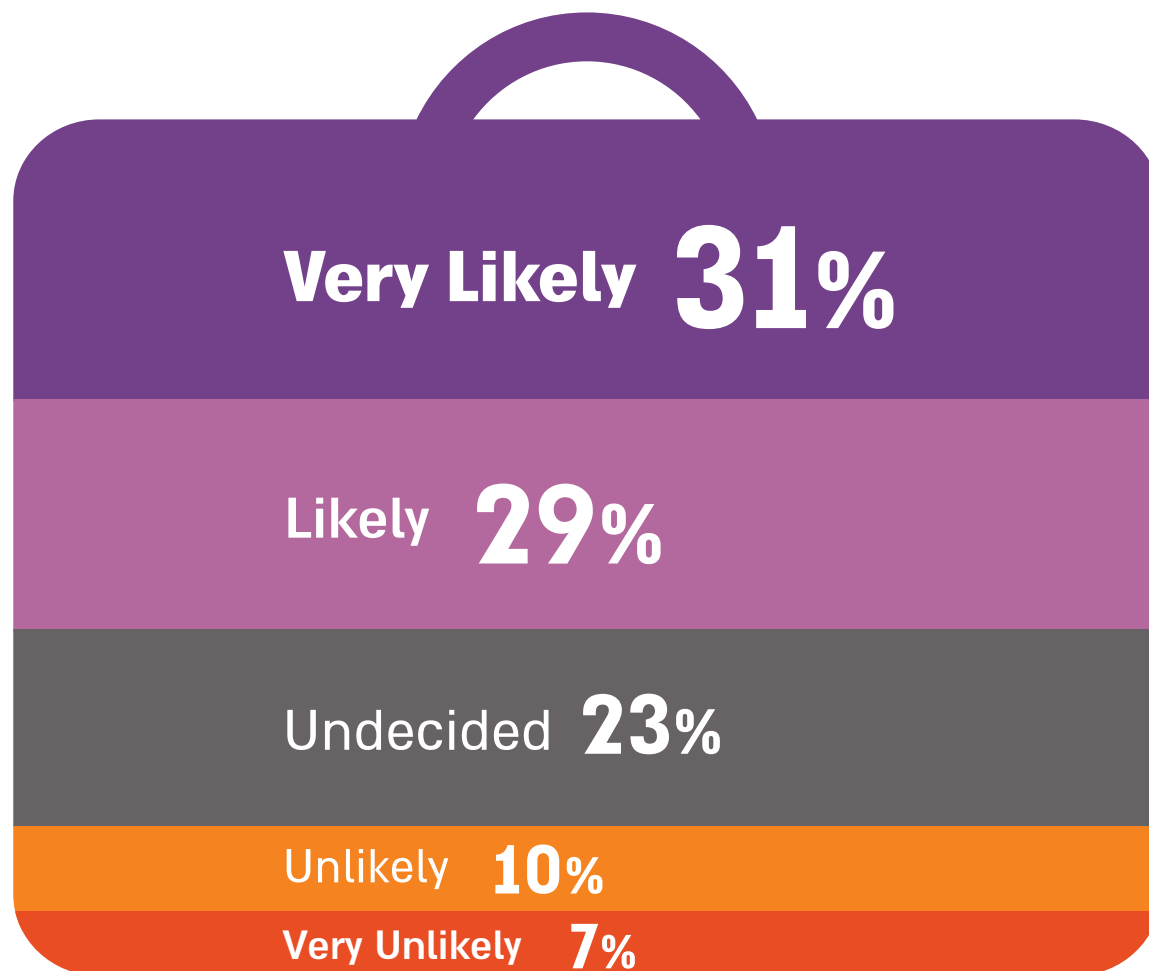
How would you consider an impact investment with a below market financial return?



Most philanthropists and impact investors consider it a philanthropic strategy (69%)

Amongst JFN members - 73% consider it a philanthropic strategy

? 2 How likely is it for you to consider impact investing as part of **your** philanthropic strategy in the **near future**?



60% of respondents indicate they would consider impact investing as part of their philanthropic strategy in the near future

The tendency to consider impact investing as part of their future philanthropic strategy is even stronger among Israelis (**78%**) and among young adults under 40 (**74%**)

?3

Have you made an impact investment in the last 12 months?

76 respondents replied

Yes 39%

It's an infant industry

Investments in Israel

26

Respondents

15

Respondents

16

Respondents

Investments in other countries

15

Respondents

4

Respondents

8

Respondents

\$1-\$100k

\$100k-\$500k

More than \$500k

Most investors invest up to \$100K

?4 What could encourage more engagement in impact investment?

In the market we trust!

Deal flow 42%

Trustworthy intermediaries 37%

Tax incentives 31%

Market standardization 25%

Government financial engagement 23%

Unique corporate forms 20%

Adjusted fiduciary duties 18%

Government standardization 13%

But also

WANTED!

Government direct & indirect engagement

?5 In choosing to invest for impact, how **likely** are you to be **motivated** by....

97%

Sense of purpose

96%

Social responsibility

86%

Social justice

79%

Personal satisfaction

66%

Becoming a role model

61%

Tikun Olam
(Repairing the world)

50%

Earning a profit

33%

Leaving a legacy

29%

Recognition

Among the personal motivations a sense of purpose and personal satisfaction are strong motivations, much more than legacy & recognition

Motivations for IMIV are consistent with those for traditional philanthropy

Earning a profit was found significantly less important among Israelis (36%) than non Israelis (64%)

?6

Would you rather
invest for impact or
donate?

When we framed
impact investing as a
philanthropic strategy:

[Read more](#)



When we framed
impact investing as a
market strategy:

[Read more](#)



The tendency to
choose to invest for
impact, rather than
donate, grows when
IMIV is framed as a
philanthropic strategy

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Would you rather invest for impact or donate?

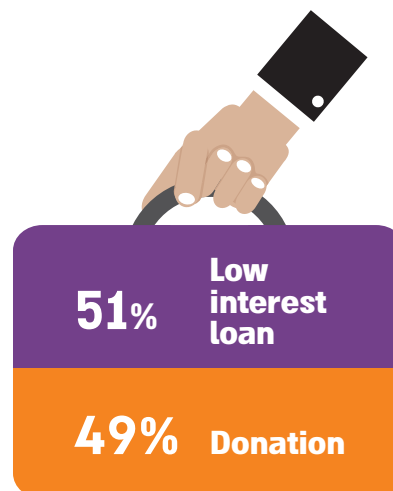
When we framed impact investing as a **philanthropic strategy**:

When we framed impact investing as a **market strategy**:

Among impact investors



Among Israelis



The tendency for traditional donations grows when IMIV is considered a market strategy

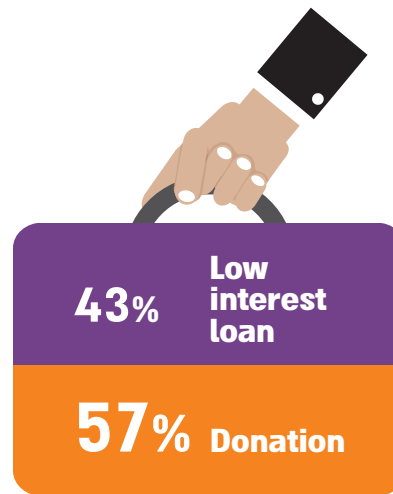
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Would you rather
invest for impact or
donate?

When we framed
impact investing as a
philanthropic strategy:

When we framed
impact investing as a
market strategy:

**Among
JFN
members**



**Among
non JFN
members**



The general tendency
towards traditional
donations is stronger
amongst JFN members

Even so... JFN members
also tend to choose to
invest for impact when
IMIV is framed as a
philanthropic strategy

Philanthropic strategy

New tools for philanthropy and social impact

Impact investment markets enable us to support companies, organizations, and funds that target pressing social or environmental needs alongside a financial return.

Impact investing is a frequently featured topic of conversation at forums or conferences on philanthropy today. Its popularity is linked to the potential for impact investing to cause a paradigm shift in the way we approach philanthropy-targeting investment capital as a complementary resource for achieving the social and environmental changes typically pursued by philanthropic organizations.

There's a real role for the philanthropist to play in this field. In many cases, due to expected lower-than-market-rate returns investors who are waiting for investment-ready enterprises are going to be waiting a long time unless we do a better job at bringing grant - and philanthropy-based investment into actually building those enterprises. Accordingly some philanthropists use impact investing as a complementary tool with their grant-making as a way to diversify their philanthropy or to use the returns as a way to fund more giving.

Resource: [GIIN1](#), [GIIN2](#), [Forbes](#), [GPF](#), [JFN](#)

Market strategy

New tools for financial investment and social impact

Impact investment markets enable us to support companies, organizations, and funds that target pressing social or environmental needs alongside a financial return.

Impact Investment, which is intended to create positive social or environmental impact beyond financial return, may be considered either as a significant asset class or a strategy applied across asset classes. Impact investments are typically made in private markets by providing debt or equity to mission-driven businesses, and often provide a below market financial return.

Impact investing has gained traction among a wide range of investors, including large-scale financial institutions, pension funds, family offices, private wealth managers, foundations, individuals, commercial banks, and development finance institutions.

Thank You

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