



THE U.S.  
IMPACT INVESTING  
ALLIANCE

THE YEAR IN REVIEW

**2023**

HIGHLIGHTS

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# PRESIDENT'S LETTER

*Dear Colleagues,*

Impact investing is at a crossroads. Our collective work now and in the years to come will determine the future of the field and its ability to generate innovative solutions at scale to the world's greatest challenges.

The good news is that the market continues to evolve, growing in both size and sophistication. Last year, impact investing surged past the \$1 trillion asset threshold, cementing its status as a mainstream impact investing practice.<sup>1</sup> There is also a growing number of impact funds and a greater variety of impact strategies across investor types, asset classes and thematic focus areas.

The more sobering news is that the global challenges we seek to address by leveraging private capital for public good are also growing in magnitude and complexity. In fact, the annual funding gap for achieving the United Nations' Sustainable Development Goals (SDGs) by 2030 is in the trillions of dollars.<sup>2</sup>

The role of the U.S. Impact Investing Alliance as a field builder is ensuring the practice of impact investing scales with integrity. This work is guided by the belief that the principles of investing for positive and measurable social, economic and environmental outcomes, alongside financial returns, can be leveraged to manifest a more equitable economy for all.

Therefore, it is critical that we – alongside peers in the field – chart our future course with intentionality. The Alliance commits to advancing our mission guided by three intentions.

First, we must lean into transparency and accountability. We know that every investment has an impact, but that impact is largely opaque to

stakeholders. Our work seeks to instill broader impact transparency as a waystation to impact accountability and, ultimately, impact equity.

Second, we must promote cross-sector collaboration. In the years ahead, hundreds of billions of dollars in federal funds will flow into communities across the United States to build sustainable infrastructure, clean energy solutions and thriving local economies. The successful and equitable rollout of these investments and programs will require the commitment and collaboration of the private sector.

Third, we must advance system-level thinking. Systemic problems, including intractable crises like climate change and widening inequality, require us all to consider our contributions to the solution. Impact investors should leverage all the tools at their disposal – beyond just the capital for which they are responsible – to protect the long-term viability of our social, economic and environmental systems.

As we bring the lessons of 2023 into the new year, the Alliance looks forward to advancing our mission rooted in these three intentions and in partnership with our peers across the field. Thank you to our funders and partners for their guidance and support. We look forward to another year working toward our shared vision for a more equitable and sustainable future.

*Sincerely,*

**Fran Seegull**  
President  
U.S. Impact Investing Alliance



<sup>1</sup> Global Impact Investing Network (GIIN), "[Sizing the Impact Investing Market 2022](#)," October 2022.

<sup>2</sup> United Nations Conference on Trade and Development (UNCTAD), "[The costs of achieving the SDGs](#)," 2023.

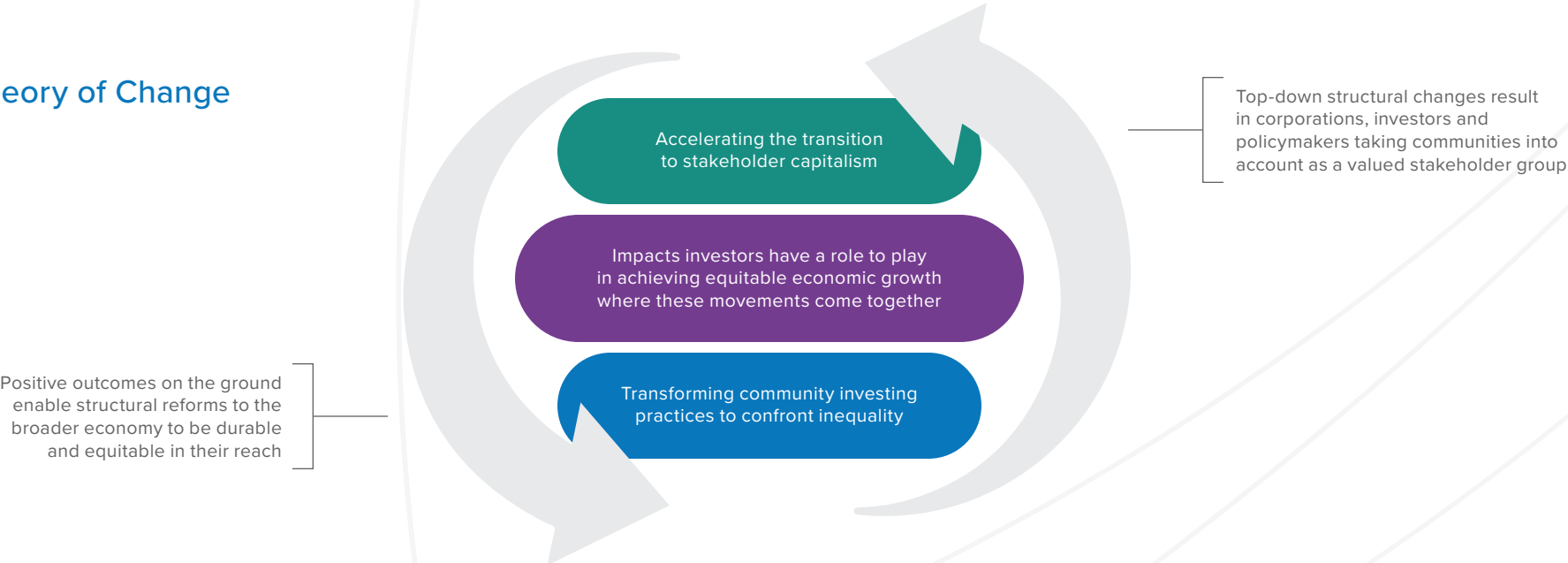
# MISSION AND THEORY OF CHANGE

**Our Mission** | The Alliance seeks to catalyze a movement that will transform finance by putting measurable social, economic and environmental impact, alongside risk and financial return, at the core of every investment decision.

## Three Strategic Pillars



## Theory of Change



# HIGHLIGHTS FROM 2023

In 2023, both the U.S. Impact Investing Alliance (“Alliance”) and the broader impact investing field celebrated numerous groundbreaking milestones amid notable challenges. What follows is a recap of 2023 highlights related to the Alliance’s activities to advance the practice of impact investing to help manifest a more equitable economic system. Thank you to our partners and supporters for making this work possible.

## A New Chapter: Leadership Transitions

In the six years since Darren Walker, President of the Ford Foundation, co-founded the Alliance, the organization has grown and flourished under his dynamic leadership. In 2023, the Alliance welcomed two distinguished impact investing leaders into key roles previously held by Walker: John Palfrey, President of the MacArthur Foundation, joined as Alliance Advisory Board Chair, and Tonya Allen, President of the McKnight Foundation, was named Co-Chair of the Presidents’ Council on Impact Investing.

Walker’s leadership has been instrumental in nurturing the Alliance since its early days, and we are grateful for his guidance and vision that have shaped our growth. These leadership transitions herald a new chapter for the Alliance as we expand, continue to forge strong partnerships and seize new opportunities across the impact investing landscape.

## Robust Public Policy Engagement

In a pivotal year for impact investing public policy, the Alliance continued to advocate for an enabling policy environment that encourages the flow of impact capital. We undertook a comprehensive effort to advance the recommendations outlined in the Alliance’s “Private Capital, Public Good” policy docket and also implement new tools for more robust engagement.<sup>3</sup> This included a first for the Alliance: the public endorsement of a bipartisan proposal to incentivize private sector investments to finance employee ownership transactions. In addition to our existing “Private Capital, Public Good” recommendations, we supported the Employee Equity Investment Act (EEIA) for its potential to catalyze employee ownership throughout the United States as a vehicle for generating inclusive wealth generation opportunities.<sup>4</sup> The Alliance looks forward to exploring these themes in more depth in the year ahead as we prepare to refresh our public policy docket once more.

<sup>3</sup> U.S. Impact Investing Alliance, “[Private Capital, Public Good: Leveraging Impact Investing to Support a Just and Equitable Recovery](#),” December 2020.

<sup>4</sup> Senator Chris Van Hollen, “[Van Hollen, Rubio, Phillips, Moore Introduce New Bipartisan, Bicameral Bill to Boost Employee Ownership of Business](#),” May 2023.

### Supporting and Defending Inclusive Economy Policies with Field Partners

The Alliance and B Lab U.S. & Canada have continued to co-lead the Coalition on Inclusive Economic Growth (“Coalition”), a group of more than 60 impact-oriented investor and business organizations committed to advancing public and private sector solutions to help manifest a more equitable economy that works for all. In 2023, the Coalition continued to champion and build upon the substantial progress made to date on inclusive economy priorities.

For example, we have maintained close engagement with the Securities and Exchange Commission (SEC), encouraging the advancement of their transparency and disclosure agenda. This includes advocating for a strong final corporate climate disclosure rule and encouraging the agency to move forward on the long-awaited corporate human capital management (HCM) disclosure requirements. In addition, we urged and applauded President Biden’s first veto of his presidency, which struck down a Congressional Review Act resolution that would have nullified a hard-fought rule enabling retirement plan fiduciaries to consider financially relevant environmental, social and governance (ESG) factors under the Employee Retirement Security Act (ERISA).<sup>5</sup> The Coalition also organized a letter in support of Julie Su’s nomination for Secretary of the Department of Labor.<sup>6</sup> This collective effort came at a critical time when Su, a notable advocate for inclusive economic growth policies, faced partisan attacks.



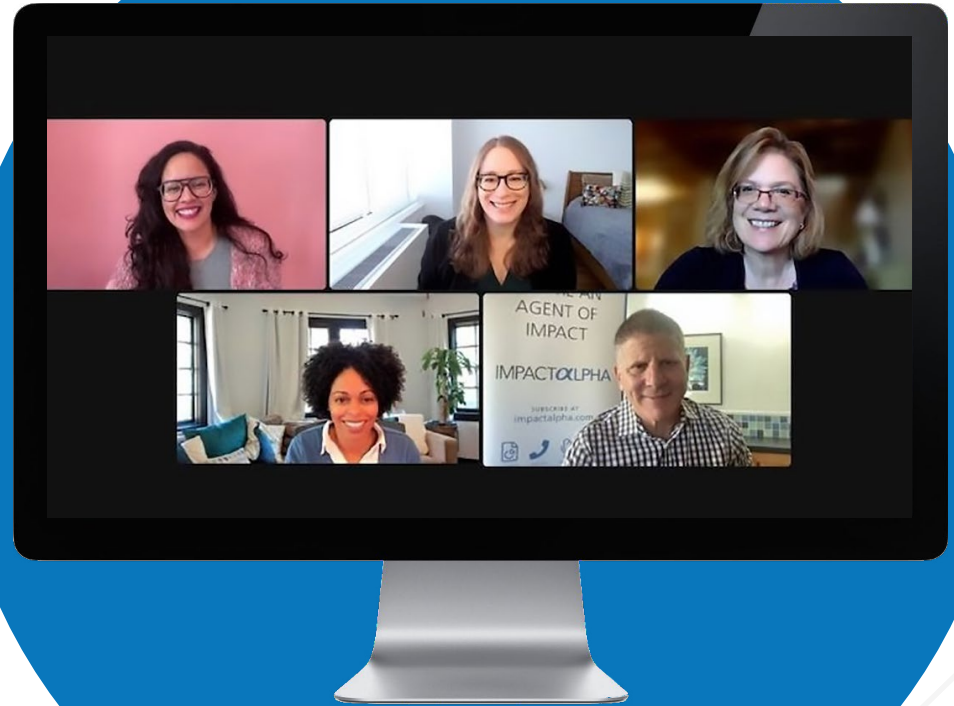
<sup>5</sup> U.S. Impact Investing Alliance, “U.S. Impact Investing Alliance Applauds President Biden’s Actions to Protect American Workers’ Financial Security,” March 2023.

<sup>6</sup> The Coalition on Inclusive Economic Growth, [Letter](#) in support of Deputy Secretary Julie Su for Secretary of the Department of Labor, April 2023.

## Navigating the Impact Investing Landscape in the “Policy Corner”

In 2021, the Alliance launched the Policy Corner in partnership with *ImpactAlpha*, the leading digital publication in the impact investing space, to promote the central role that public policy can play in advancing and catalyzing the field. Through the Policy Corner in 2023, the Alliance helped to author articles and showcase insights from partners, covering diverse topics such as the effect of the Silicon Valley Bank collapse on communities and the public sector’s role in fostering an equitable and sustainable economy.

The Alliance hosted two webinars in collaboration with *ImpactAlpha*, focusing on public policy solutions for the ‘S’ in ESG (or social issues)<sup>7</sup> and providing an overview of the current state of the impact investing field.<sup>8</sup> Fran Seegull, President of the Alliance, also joined *ImpactAlpha*’s podcast to discuss opportunities for impact investors highlighted in President Biden’s State of the Union address.<sup>9</sup>



Seegull discusses the state of the impact investing field

<sup>7</sup> *ImpactAlpha*, “Policymaking for workers and communities in the Year of the ‘S,’” February 2023.

<sup>8</sup> *ImpactAlpha*, “State of the Impact Field: Unprecedented opportunity tempered by sober realism,” October 2023.

<sup>9</sup> *ImpactAlpha* Policy Corner, “Finding the opportunities for impact investors in Biden’s SOTU,” February 2023.



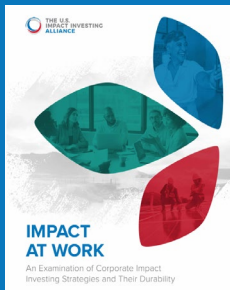
## HIGHLIGHTS FROM 2023

### Launch of “Impact at Work” Report on the Durability of Corporate Commitments to Impact

The multiple crises of 2020 catalyzed a widespread reconsideration of the role of major institutions in supporting their stakeholders and the broader public good. In response, the Alliance has released a series of reports exploring how institutional investors can leverage their capital for impact, which continued in 2023 with the publication of *Impact at Work: An Examination of Corporate Impact Investing Strategies and Their Durability*.<sup>10</sup>

*Impact at Work* provides an overview of the current state of corporate impact investing, with a focus on the best practices and opportunities for companies to develop durable strategies that advance positive outcomes for stakeholders in line with business priorities.<sup>11</sup> Recommendations included gaining leadership support, securing alignment with existing organizational structures and establishing accountability measures when creating and sustaining these strategies.

### Alliance Research Trilogy on Leveraging Institutional Capital for Impact



**Impact at Work**  
RWJF-supported research providing recommendations and best practices for corporates seeking to build durable impact investing strategies.



**Impact in Place**  
A report commissioned by the Federal Reserve Bank of New York that examines emerging sources of community investment capital.



**Impact in the Balance**  
RWJF-supported report examining how private foundations are leveraging their balance sheets for impact in innovative ways.

<sup>10</sup> Support for this project was provided by a grant from the Robert Wood Johnson Foundation (RWJF). The views expressed here do not necessarily reflect the views of RWJF.

<sup>11</sup> U.S. Impact Investing Alliance, “Impact at Work: An Examination of Corporate Impact Investing Strategies and Their Durability,” May 2023.



### Key Speaking Engagements and Industry Events

In 2023, the Alliance celebrated a dynamic year of collaborative events with diverse audiences, with highlights outlined below:

- **In recognition of New York City’s Climate Week, the Alliance co-hosted an event with the Ford Foundation and ImpactAssets** centered around a series of discussions on accelerating the shift to climate investing, the power of public and private sector collaboration, and the importance of investing at the intersection of climate and communities. These discussions featured investors, philanthropies, community leaders, advocacy organizations and policymakers dedicated to bold climate action that centers the needs of communities.<sup>12</sup>
- **The Alliance continued to lift up the critical role of catalytic capital in advancing the impact investing field at public and industry events.** For example, the Alliance co-hosted a webinar with *Impact Entrepreneur* on the role of catalytic capital in supporting early-stage impact ventures amid ongoing economic and political challenges.<sup>13</sup> Additionally, at the SOCAP23 Conference, Seegull hosted a plenary discussion on innovative impact-first models with three Advisory Board member organizations – Fidelity Charitable, Social Finance and Sorenson Impact Foundation.<sup>14</sup> The Alliance was honored that SOCAP selected this session for their content series, “Lessons in Impact: 15 Dialogues From SOCAP23.”<sup>15</sup>
- **The Alliance participated in many speaking engagements throughout 2023** on opportunities to manifest a more equitable and sustainable economic system, including a mainstage session at SOCAP23, a panel at the PEI Impact Investor Summit: North America and an *ImpactAlpha* “Agents of Impact” Call.



*Seegull leads fireside chat with Ali Zaidi, White House National Climate Advisor*



*Seegull speaks during SOCAP's mainstage opening plenary*

<sup>12</sup> Fran Seegull, “Climate. Capital. Communities. Cross-Sector Leaders Call for Transformative and Equitable Climate Action,” October 2023.

<sup>13</sup> Impact Entrepreneur, “The Ideal Role of Catalytic Capital in an Impact Economy,” April 2023.

<sup>14</sup> SOCAP23, “Unlocking Capital on the Sidelines: Activating Untapped Assets for Impact,” October 2023.

<sup>15</sup> SOCAP Global, “Lessons in Impact: Explore 15 Dialogues From SOCAP23,” 2023.

# ABOUT THE U.S. IMPACT INVESTING ALLIANCE

The Alliance is an organization committed to catalyzing the growth of impact investing in the United States. We define impact investing broadly to include those investments that create financial returns alongside measurable and positive social, economic or environmental impacts across asset classes. Members of our boards and councils include institutional investors and high-net-worth individuals collectively owning hundreds of billions of dollars of invested assets, in addition to asset and fund managers collectively managing over one trillion dollars in assets.

**To learn more about the Alliance, visit [www.impinvalliance.org](http://www.impinvalliance.org).**