Investors and consumers around the world are increasingly demanding positive changes in our financial and economic systems. From an effort in which the GIIN engaged roughly 350 stakeholders, the GIIN developed a vision for the future of financial markets.

The GIIN envisions a fast-approaching future when social and environmental factors are integrated into business decisions simply by default, as the ‘normal’ way of doing things.

The value proposition of impact investing (and other forms of investing that integrate impact), will enjoy wide acceptance, with plentiful evidence in their favor. Businesses and investors will hold themselves accountable to multiple sets of stakeholders, including shareholders, employees, customers, suppliers, affected communities, and the environment. The concept of ‘externalities’ will be relegated to history, with finance theory accounting for risk, return, and impact equally well. Ultimately, financial markets will be central in supporting solutions to critical threats facing the world.
To realize this vision of the future, the impact investing industry must continue to grow and build on its successes through three priorities:

- **Prove feasibility at scale**, by demonstrating progress against social and environmental challenges and the ability to generate satisfying financial returns for investors across the risk–return spectrum.
- **Increase accessibility** of impact investments to a much broader set of individuals and institutions, which requires developing a greater variety of investment products.
- **Provide greater clarity and standardization** among impact investors with myriad motivations, return expectations, and approaches to achieving and measuring impact. The resulting confusion must be addressed in the next phase of market evolution.

The six main categories of action depicted here are needed to execute on these priorities, exponentially enhance the scale and effectiveness of impact investing, and advance toward our vision of a future in which all investments contribute to positive social and environmental impact. For each of the six categories, we have identified a set of specific actions that need to be accomplished over the next five to seven years.

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1. **IDENTITY**
   - Successful social movements have clear identities and shared senses of purpose. Impact investing stakeholders must strengthen their identity by establishing principles and standards and articulating the roles of various types of capital with different risk–return profiles and impact objectives.
   - Establish principles for impact investing.
   - Share best practices for impact measurement, management, and reporting.
   - Clarify the roles of various types of capital.

2. **BEHAVIOR AND EXPECTATIONS**
   - We must reshape the paradigm that governs investment behavior and expectations of finance in society. Those who control capital must set incentives that encourage positive impact. The theoretical models that underpin investment behavior must also be updated to integrate impact with risk and return.
   - Align incentives with impact.
   - Launch a campaign to reshape mindsets about the role of capital in society.
   - Update fundamental investment theory.

3. **PRODUCTS**
   - Impact investments must be made more accessible by developing new products suited to the needs and preferences of the full spectrum of investors (from retail to institutional) and to accommodate the capital needs of various types of investees.
   - Develop retail products.
   - Expand institutional-quality investment products.
   - Commit capital to emerging fund managers.
   - Advance blended-finance vehicles.

4. **TOOLS AND SERVICES**
   - A well-functioning market requires many supporting elements to ensure that the day-to-day activities of deal-making and capital allocation happen smoothly. To date, the field has seen modest and uneven development in terms of the specific needed tools or elements that comprise supporting infrastructure.
   - Develop ratings for impact.
   - Build analysis and allocation tools that incorporate risk, return, and impact.
   - Expand impact investment banks.

5. **EDUCATION AND TRAINING**
   - Education is needed of both finance professionals (through graduate education and professional training and certification) and business managers (through capacity building).
   - Train finance professionals.
   - Support the development of businesses focused on impact.

6. **POLICY AND REGULATION**
   - Policy and regulation can both remove barriers and incentivize impact investments. Most stakeholders consulted agreed that government can catalyze industry growth to a greater extent than they have thus far.
   - Clarify fiduciary duty.
   - Establish tax incentives for impact investments.
   - Create an environment conducive to impact investing.

“**This is our opportunity to build a just and sustainable world where everyone understands the full power of their investment capital as a sustainable force for good.**”

-- *Amit Bouri, CEO of the Global Impact Investing Network*
Get Involved Now!

Intentional action and sweeping change is needed today in the financial markets. Reaching this future will require tireless leadership, bold policymaking, and innovative financial solutions — as well as increasingly demanding investors.

As a group, the leadership of impact investors will be particularly important. Impact investing is at the forefront of movements that are reshaping expectations about the responsibilities of business and finance in society. This movement must continue to set and stretch the benchmark for the types of positive impact that investing can have on the world.

The time for action is now.

The GIIN is committed to realizing this vision, propelling the impact investing industry towards its future as a permanent, substantial part of broader financial markets. But we know we cannot do so alone; success requires collective action. You, too, have an important role to play in bringing this vision to life. We urge you to join us.

If you are new to impact investing:

• **Educate yourself and your colleagues** about impact investing options by exploring the resources and information available on the GIIN website and elsewhere.

• **Lead by example**: begin aligning your assets and financial decisions with your values.

• **Connect** with your local impact investing network and peers to discover how to get involved through knowledge sharing and field building.

If you are already involved in impact investing, we urge you to **commit to furthering those actions in the Roadmap that are most relevant to your work**. It is essential that you do your part to achieve this future, both in advancing your own practice and in collaborating with others.

To download the report and find more information about opportunities to get involved, visit roadmap.thegiin.org.

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