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IMPACT INVESTORS GROWING INCREASINGLY SOPHISTICATED AT IMPACT MEASUREMENT AND MANAGEMENT (IMM), EVEN AMID CHALLENGES

SECOND EDITION OF GIIN SURVEY SHOWS UNIVERSAL AGREEMENT ON IMM AS AN INDUSTRY IMPERATIVE AND SHIFTING FOCUS TOWARDS DRIVING IMPACT RESULTS

NEW YORK, January 21, 2020 – Impact measurement and management is no longer optional – it is now a requirement for all credible impact investors. Perhaps even two years ago, such a statement might not have been so universal. However, insights reported through the second edition of the [Global Impact Investing Network](#) (GIIN)'s survey, [The State of Impact Measurement and Management Practice](#), released today, reflect the increased sophistication and maturation of IMM practices since the release of the survey's first edition in 2017. The new report, which surveyed the GIIN's largest respondent pool, captures data from 278 impact investors and 109 two-year repeat respondents. It provides the most comprehensive view of how impact investors assess their social and environmental impact, and the trends that have shaped IMM practices in the past two years.

Key findings include:

- 100% of respondents said that IMM is important for understanding whether they are progressing towards their impact goals. While impact investors pursue diverse impact objectives, they universally agree on the importance of measuring and managing impact results.
- Trend data from the past two years demonstrate a maturing market: fewer respondents are struggling with building buy-in for IMM practices; respondents are now more concerned with integrating these practices and impact performance information into investment decision-making.
- Investors describe increasing sophistication in IMM with 90% or more of respondents noting some progress in the past three years in: availability of guidance for IMM (93%), sophistication of IMM tools and frameworks (92%), and availability of professionals with IMM-relevant skillsets (90%).
- Impact investors are beginning to coalesce around certain IMM tools and frameworks; for example, nearly double the share of repeat respondents aligned to the SDGs in 2019 as in 2017 (43% to 80%). However, while investors indicate strong progress in the development and sophistication of IMM tools and frameworks, there remains a need for greater cohesion of approaches to IMM.

- As the market grows and matures, insight into impact performance becomes increasingly critical to further scaling the impact investing industry. Investors still struggle to accurately compare impact results across the market. Most commonly, investors cited a lack of transparency on impact performance as a challenge facing the market.

“Impact measurement and management practices are absolutely critical to the success of impact investing—not only preserving the integrity of impact investing, but also by raising the bar on impact investors to become more effective at translating their intentions into real impact results, said **Amit Bouri, Co-Founder and CEO of the GIIN**. “My hope is that one day impact investors will compete on impact performance much as the market competes now on financial performance.”

GIIN’s Director of Impact Measurement and Management, Kelly McCarthy, added, “We’ve seen significant changes in attitudes towards IMM practices since the first edition of the GIIN’s IMM Survey. The market is maturing rapidly and demand for more and better impact performance management is only increasing. We’re moving in a positive direction, and I hope insights from this new survey will continue to help inform what is needed to move the industry forward and integrate impact investing into the mainstream.”

To address challenges around impact performance, the GIIN issued the first two installments of the [Impact Performance Studies](#) series in October 2019, which provided the industry’s first collaborative effort to advance impact performance comparisons and unveiled a new approach for enabling comparison of impact results among investments in a given sector.

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About the Global Impact Investing Network

The Global Impact Investing Network (GIIN) is the global champion of impact investing, dedicated to increasing the scale and effectiveness of impact investing around the world. Impact investments are investments made into companies, organizations, and funds with the intention to generate positive, measurable, social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market to market rate, depending upon investors’ objectives. The GIIN builds critical infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry. For more information, please visit www.thegiin.org.

What is IMM? Impact measurement is the process of setting impact goals and targets, selecting appropriate metrics, collecting and analyzing data, evaluating impact, and reporting to stakeholders (internal and external). Impact management is the process of assessing the impacts of an investment on people and the planet and using that information to inform investment strategy and to improve performance. For more information, please visit www.iris.thegiin.org

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