

Global Handbook of Impact Investing

Foreword

By Justin Rockefeller

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Most science fiction takes place decades or centuries in the future because the human brain is not adroit at exponential thinking. So, imagine an ambitious vignette. The year is 22,015 (yes, Twenty-Two Thousand and Fifteen), and trillions of people have already lived and died on Earth, and many others have inhabited other planets. Your many-greats granddaughter, Anousheh, opens the tap in her home and fills a cup with perfectly pure drinking water. Her nuclear family -- your descendants -- don't live near running water, but they have a device on their home that captures and converts solar energy, gathers humidity from ambient air, cleans and mineralizes it, then pumps perfect drinking water to the family faucet. She wonders, "Where did this water come from?" and instantly understands, courtesy of her brain-machine's connection to general artificial intelligence (AI). A very successful company called Source Global pioneered the yielding-water-from-air technology twenty-thousand years ago -- more than 600 generations -- in the year 2015.

Anousheh learned that Source Global's founder, Cody Friesen, a scientist and an entrepreneur, figured out how to convert electrical and thermal power in a modified psychrometric cycle to make optimal drinking water potentially available to all the world's people, somewhat akin to a dehumidifier for the sky. Since the early ages of humankind, men fought wars over access to water. Women and children walked kilometers along often perilous paths, risking their lives to fetch often non-potable water from distant sources. People transported water in non-compostable plastic containers all over the world, which alone accounted for 2% of all man-made carbon emissions. Source Global's breakthrough solution was to tap the abundant water in the air; people just needed an efficient way to capture it locally.

From 1900 to 2019, global average human lifespan more than doubled, from 32 to 72.6 years, and quality of life increased dramatically for most people.¹ Given that it is reasonable to expect that people will live increasingly higher quality lives, I ascribe at least as much (if not more) moral weight to future generations because there will be many more of them (trillions), and because they should enjoy longer, higher quality lives.² Earth should continue to be habitable for at least several hundred million years. If *Homo sapiens* (Latin for "wise human") can live up to the name and be wise enough to figure out a way to stick around at least that long, we should be able to flourish. Oxford

¹ [Ourworldindata.org/life-expectancy](https://ourworldindata.org/life-expectancy); [Hdr.undp.org/en/content/human-development-index-hdi](https://hdr.undp.org/en/content/human-development-index-hdi)

² More info at 80000hours.org/articles/future-generations/.

University philosopher and effective altruist William MacAskill notes that it is plain to see that humans have made great moral progress over time, expanding our focus of moral concern in concentric circles out from ourselves, to our tribes, to nations, and to all people alive today. I agree with MacAskill and other philosophers such as Peter Singer,³ Derek Parfit, Nick Bostrom, Toby Ord, and Nick Beckstead that now is the time to expand the circle again to include the more than 99% of people who will ever live: the trillions or quadrillions who will do so in the future.⁴ As MacAskill and Singer note, just as we ought not ignore the plight of those who live in distant geographies, we should not ignore disenfranchised future generations, especially if acting in ways that help them in the future also helps us today.

Ascribing due moral worth to distant generations clarifies for those alive now that our actions will ripple across time in more dramatic ways than most of us actively contemplate. Indeed, for our descendants to thrive, markets must work better, and more sustainably. Given the scale and efficiency of capital markets, helping governments, companies, and people to align their values with their resources is critical to ensuring humanity can flourish. It is thus imperative that a new generation of investors seeking impact alongside financial returns -- impact investors -- is able to thrive.

I decided to invest in Source Global in 2017 for several reasons. First, 2.2 billion people -- nearly one in three alive today -- do not have access to clean drinking water.⁵ Second, the water market is massive and the need for reliable, clean water is constant, and a top priority for biological, agricultural, industrial, and commercial purposes. Third, the founder is highly talented, driven, and mission-oriented. Fourth, like other great impact-oriented businesses, the core business model yields positive financial return and positive measurable impact in concert. Put another way, the financial return and the environmental impact are linearly correlated; each one enhances the other in a sustainable feedback loop. The venture could scale exponentially, making a significant contribution to sustainable economic growth, especially for those at the bottom of the pyramid. To the extent my dollars and support help Source Global improve the lives of people today and those who will live many years in the future, the small role I played will be one part of my personal legacy.

³ Peter Singer planted the seed that grew into my interest in alignment of values and resources when I audited his Practical Ethics course while at university.

⁴ Approximately 108 billion people have ever lived on Earth. See prb.org/howmanypeoplehaveeverlivedonearth/. If we humans do not go extinct (most likely by annihilating ourselves), quadrillions of us should live in the hundreds of millions of years that Earth will remain habitable. Many more could colonize other planets.

⁵ World Health Organization report:

WHO.int/news-room/detail/18-06-2019-1-in-3-people-globally-do-not-have-access-to-safe-drinking-water-unicef-who

By helping to build the impact investing movement, I seek to honor my family's traditions of capitalism and philanthropy, which both inform and are foundational to impact investing.⁶ The traditional model of making money in one sector and then later donating some of it across other sectors is not the recipe for a sustainable form of market economics that will endure for many millennia. The impact investing approach should ultimately prove more sustainable and just.

As a fifth-generation member of the Rockefeller family, I am predisposed to think about the meaning of legacy. I am humbled by my ancestors' outsized accomplishments, in only three generations, in capitalism (e.g. Standard Oil; Chase Bank; Rockefeller Center; early investments in Apple Computer, Inc. and Eastern Air Lines) and philanthropy (e.g. Rockefeller University; Population Council; Rockefeller Foundation; the University of Chicago; Grand Teton National Park; and donated land for the United Nations in New York City). Mine was a very privileged upbringing, but perhaps the privilege I appreciate the most was the consistent emphasis on long-term thinking, more easily afforded to those who need not worry about tomorrow's meal. My ancestors focused on education, cultural dialogue and understanding, medical research, preservation of land, institution building, and legacy -- not of name, but of positive impact on people and planet.

Families with wealth, including family offices, play a unique role in the burgeoning impact investing market. As investors, business owners, donors, and stewards of wealth across generations, enterprising families are uniquely positioned to shift the cultures and practices of finance, business, and philanthropy. Families think and act on behalf of future generations, less distracted by the short-term, quarterly-results-oriented capitalism that makes long-term flourishing less likely. Families are committed to building for the long term, but they are also nimble and experimental. Families are indispensable investors in emerging concepts, companies, managers, and markets. Families lead some of the largest and most important enterprises in every sector and every market around the world and they support the research, advocacy, and network building that creates vibrant market ecosystems. Families are also influential, which can be harmonized and leveraged in order to change the behavior of market-shaping institutions such as large banks.

Five family generations may feel lengthy to an American, but they are a mere blink of an eye compared with the Japanese royal family, who have been shaping Japanese legacy since 660 BCE. When Emperor Naruhito assumed the throne in October 2019, his family reached 126 generations and 2,679 years as monarchs. Shaping a nation as sublime and harmonious as Japan is an extremely impressive legacy, but even that accomplishment pales in comparison with the opportunity and

⁶ Impact investments intend to generate financial return and measurable social or environmental benefits. The term started out more narrowly defined (e.g. focused on private equity, real assets, and private debt for their higher focus on "intentionality"), yet has spread to all asset classes as impact can be achieved and measured in every type of investment. "Impact investing" has become an umbrella term (similar to the way "Kleenex" can now reference all tissues, or "Google" for "Internet search," and historically "Xerox" for "copy"), generally synonymous with values-aligned investing across asset classes, strategies, sectors, geographies, and risk-return profiles.

responsibility currently facing the collective human family has to safeguard future generations -- to flourish amidst our interdependent ecology and economy. Growing sustainably and minimizing existential threats are two critical components of what leaders of the effective altruism movement espouse as the moral priority in the world today: to ensure a flourishing long-run future.⁷ The sooner we figure out how to live sustainably and harmoniously, the more likely we will be able to build a just and verdant future.

A TOOL BELT FOR CHANGEMAKERS

Tools for effecting change include one's capital, time, knowledge, passion, influence, network, voice, and vote. If the ways each of us makes, spends, donates, and invests money have moral consequences, so too do the choices of whether to use or not to use those tools.⁸ Ashoka founder Bill Drayton argues passionately that everyone can and should be a changemaker -- someone who sees patterns, identifies problems and their potential solutions, organizes dynamic teams, leads collective action, and then continually adapts as situations change.⁹ As individuals use more tools on their tool belts and effect change, however small at first, they feel a growth of agency.

Imagine a 20-something citizen who, purely for financial reasons, decides after a devastating nearby wildfire to invest her retirement savings with an environmental, social, and governance (ESG) lens (criteria to better determine the future financial performance of companies by measuring their sustainability and societal impact) to mitigate risk. Her decision alone makes it more likely she will learn more about ESG factors. As she learns about and reflects on the positive and negative effects of her investments, she becomes more likely to think more deeply about the three percent of her annual income she donates. But could she afford five percent, or even ten percent? What are the causes she cares about most, and how can she learn about the most effective non-governmental organizations (NGOs) addressing those challenges? She is then more likely to consider her career, and how she can best align how she earns money with her values. Years later, she thinks again of the wildfire that encouraged her to alter the way she invests her retirement portfolio, suspecting that climate change would exacerbate wildfires and other natural disasters. She decides that, when she needs to purchase a car, she will purchase an electric vehicle instead of one with a combustion engine, and will decrease her consumption of meat, skewing more vegetarian than she had been growing up. When that goes well, she convinces her two roommates to try going vegan. She posts about their collective vegan efforts on a social media platform, influencing others' behavior,

⁷ Effective altruism is the project of using evidence and reason to figure out how to benefit others as much as possible, and taking action on that basis. More info at [EffectiveAltruism.org](https://www.effectivealtruism.org).

⁸ As philosopher Peter Singer has emphasized since 1972, being a bystander to preventable poverty, though an omission and not an act of commission, also has moral consequences. See [Utilitarian.net/singer/by/1972----.htm](https://utilitarian.net/singer/by/1972----.htm).

⁹ More info at [Ashoka.org/en-us/focus/organizing-changemaking](https://www.ashoka.org/en-us/focus/organizing-changemaking); [NYTimes.com/2018/02/08/opinion/changemaker-social-entrepreneur.html](https://www.nytimes.com/2018/02/08/opinion/changemaker-social-entrepreneur.html); [Ashoka.org/sites/default/files/atoms/files/innovations8.5x11final_0.pdf](https://www.ashoka.org/sites/default/files/atoms/files/innovations8.5x11final_0.pdf)

galvanizing their actions, and affecting culture. When someone replies to a post saying that she inspired him to learn more about factory farming and to become a vegan, she no longer suspected she had agency to effect change -- she knew it.

Perhaps without knowing there was a label for it, she became a changemaker. She has not yet changed a system, but she recognized several problems, modified her personal behavior, and used several tools on her tool belt to effect change: her capital; her time; her career; and her influence. She formed a group and leveraged a technology platform to influence others. Incrementally, she incorporated her values with the way she invests, donates, earns, and spends money. Her behavior changes gave her the confidence to realize she had agency, and she continued down an impactful path. We all have experiences that shape our worldview, bit by bit. I, too, have made incremental progress in discovering where I may be able to pull levers to try to effect positive change.

MY TOOL BELT FOR EFFECTING CHANGE

I am an insignificant changemaker relative to others who, for example, have changed national policy. And relative to my ancestors, I do not have the financial resources to think of an idea, endow an institution, and hire a first-rate team. But through impact investing, I hope to contribute to positive impact through a regenerative process of building and reinvesting capital back into additional impactful investments. I seek to identify challenges that are important, solvable, and neglected, and address them with investment and philanthropic capital. Still relatively early in my career and journey, I am confident that I can apply my agency to effect change by thinking strategically about how to use various tools on my tool belt to change my own behavior (self), to influence people I know (small groups), and, I hope, to change culture and, perhaps, eventually, a system.

“Self” is what I control directly, and includes how I allocate my time and resources. I control how I earn, spend, donate, and invest capital. I vote. I try to influence others’ thinking and behavior. I can decide and act quickly, but my impact may be limited unless I try to influence others within groups or via platforms.

I have additional influence within various communities of which I am a member, and their potential for effecting change is much greater than my own. Those groups include, among others: my nuclear family; the Rockefeller and Percy families; boards of directors, including the private foundation Rockefeller Brothers Fund; lesbian, gay, bisexual, transgender, and queer (LGBTQ) allies; New Yorkers; voters; and United States citizens. To mobilize group action among fellow impact investors, I co-founded in 2013 and currently chair The ImPact, a group of families who seek to

align their values with their investments and learn from each other, cross-pollinate ideas and best practices, and co-invest in impactful opportunities.

Platforms benefit many people, most of whom I will never encounter. I work at Addepar, a company that is building a platform connecting people, data, and technology to fix broken parts of the financial industry, including robust reporting on impact in portfolios. Rockefeller Brothers Fund tracks its mission-aligned portfolio on The Impact's data platform, which is powered by Addepar *pro bono*. The levers I can pull differ from those of every reader, but I explain them below in more detail in the hope that reading about one person's approach might prove helpful as you, the reader, consider the tools on your tool belt.

This synergy among my advocacy work, The Impact, Rockefeller Brothers Fund (RBF), and Addepar enables me to use finite hours to fuller effect. Pursuing impact and aligning my values unifies my mission, time, and career choices. I have written down and regularly revisit my values (e.g. justice, integrity, effectiveness) and the causes I care about (e.g. democracy, sustainability, promoting science), and think actively about how to align each of those with my tool belt.

For example, from 2009 to 2018, I served on RBF's board of directors and investment committee. Founded in 1940 by my grandfather and his four brothers, RBF is a private foundation whose mission is to advance social change that contributes to a more just, sustainable, and peaceful world. About half of RBF's charitable giving fights climate change, so it seemed hypocritical that about 7% of our endowment (a then-typical percentage for endowments) was invested in fossil fuels -- somewhat akin to a cancer-fighting foundation investing in tobacco companies. We decided to align our endowment and mission -- a process that required leaving one outsourced chief investment office (OCIO) that commingled its clients' funds for another OCIO that treats our endowment as a controllable, customizable, separate account -- and announced publicly that we would divest of fossil fuels.¹⁰

Believing oil companies to be overpriced, we decided to divest for financial reasons as well as for moral and philanthropic ones. Fortunately, we started divesting in the spring of 2014, when oil was USD 106 per barrel; oil's price subsequently fell precipitously for years. We embraced and capitalized on the irony that the source of RBF's endowment was oil money from our family's founding of Standard Oil. Indeed, the surname attached to the foundation and its historical ties to the fossil fuel industry helped increase the visibility and impact of our decision. The public announcement made waves and helped "fuel" the divest-invest movement.¹¹ We then invested the divested money in managers whose work aligns with our mission. Six years in, we are handily

¹⁰ More info at [RBF.org/mission-aligned-investing](https://www.rbf.org/mission-aligned-investing) and the case study section of [TheImpact.org/library](https://www.theimpact.org/library).

¹¹ See [DivestInvest.org/](https://www.divestinvest.org/).

beating our initial benchmark.¹² Given that the foundation’s goal is not merely to maximize the effectiveness of our grantmaking, but also to maximize the impact of the foundation as a whole, the endowment and the Rockefeller surname became helpful tools to pursue our mission.

As RBF began the journey of aligning mission and endowment, venture capitalist Josh Cohen and I decided there should be a safe space for impact investors to trade notes with one another. Thus, fifteen families co-founded The ImPact Pact (a play on words from The Giving Pledge, which in part inspired the model),¹³ later shortened to The ImPact. I chair the board of this NGO’s global membership community of families committed to aligning our assets with our values.

Everything The ImPact does is built on a foundation of peer-to-peer exchange: members make a pact to explore the impact of all of their investments, and to invest to create social benefit. Members share insights and opportunities with each other to convert interest in impact investing into action. We created the organization for the types of families who called RBF after our announcement about aligning mission and endowment with questions such as, “Do you need to compromise returns? What works and what does not? Can we learn from your mistakes along the way?” Those families were intrigued by the idea of impact investing and even willing to get into the metaphorical raft, but could benefit from river guides who are also peers.

The ImPact was founded by families, for families. The ImPact enables families to realize their full potential as impact investors, market leaders, and ecosystem builders, working collaboratively to make “net positive impact” the standard, not the afterthought or exception. The ImPact’s membership experience is designed to provide families with the relationships, knowledge, and opportunities they need to make more impact investments more effectively, which is our mission. Our collective purpose is to improve the probability and pace of solving social and environmental problems by increasing the flow of capital to investments that generate measurable impact. Our members work collectively to influence the behavior of institutions to raise standards for sustainable investment activity throughout the market.¹⁴

Given that the average person works for 80,000 hours, one’s career is likely the most consequential tool for effecting change for most people.¹⁵ Addepar is a financial technology company where I

¹² See highlights at [WashingtonPost.com/climate-environment/2020/05/09/rockefeller-heirs-big-oil-find-dumping-fossil-fuels-improved-bottom-line/](https://www.washingtonpost.com/climate-environment/2020/05/09/rockefeller-heirs-big-oil-find-dumping-fossil-fuels-improved-bottom-line/) or details at [RBF.org/investing-in-our-mission](https://www.rbf.org/investing-in-our-mission).

¹³ The Giving Pledge ([GivingPledge.org/](https://www.givingpledge.org/)) is a movement of billionaire philanthropists who commit to giving the majority of their wealth to philanthropy or charitable causes, either during their lifetimes or in their wills. One “takes a pledge” or “makes a pact.”

¹⁴ More detail about The ImPact’s theory of change at [TheImPact.org/theory-of-change](https://www.theimpact.org/theory-of-change)

¹⁵ The choice matters. Learn more about the opportunity to use one’s career as the biggest tool on one’s tool belt at [80000hours.org](https://www.80000hours.org).

have been the Global Director of Family Offices for eight years. The first time I visited its Mountain View, California-based office in 2011, as a venture capitalist doing diligence on the company, I asked whether the software could hypothetically track impact metrics alongside financial returns for more comprehensive reporting. The response was, “Yeah I suppose so.” I joined Addepar as a full-time employee a few months later, before it had revenue, and the company has experienced dramatic growth. As of this writing in 2020, the platform tracks \$2 trillion in assets among some of the world’s largest wealth-management firms, the majority of them family offices.

Addepar brings together data, technology, and people, providing wealth managers with real-time portfolio reporting and insights required to make and implement better investment decisions. The company’s aim is to get more assets flowing into more impactful investments and ideas, benefiting society as a whole. To align one’s values and investments, one must first understand what one owns, then what that money is doing in the world.

Addepar-enabled transparency helps its clients, including members of The ImPact, to allocate capital more prudently. ImPact members can log into Addepar to see, all the way to the transaction level for individual securities, their impact portfolios, across asset classes, geographies, impact sectors, impact strategies, and return profiles. Product integrations, third-party data feeds, and member-uploaded impact metrics supplement members’ understanding of what their money is doing in the world, in their native currency. Members can click on other members’ anonymized portfolios to learn from one another on an individual basis, or from various collective views of all values-aligned investments made across The ImPact network.¹⁶ From these network effects, cross-pollination of ideas, and tech-enabled transparency, members de-risk and inform investment decisions.

By leveraging technology to help people align their values and their investments, I seek symbiosis among the hats I wear, and try to build on family legacies in capitalism and philanthropy, which intersect at impact investing.

WHY CARE ABOUT IMPACT INVESTING?

¹⁶ Sharing is based on reciprocity, and members can choose the level of anonymity for their sharing view.

The field of impact investing is relatively new, but has already garnered tremendous interest and momentum.¹⁷ Despite the field's nascency, I find five reasons to care about impact investing to be most compelling:

1) **Scale and urgency:** For humanity to flourish for millions of years, we need innovation and cooperation among sectors -- private, public, and civil society -- to address seemingly intractable problems such as climate change; poverty; and access to basics, such as water, food, healthcare, education, and opportunity. Like mounting public debt, these challenges have compounding effects, so require urgent attention. The private sector's scale and efficiency can prove invaluable in addressing these challenges, for which we need to use more of the tools on our collective, societal tool belt. Fortunately, big challenges mean big opportunities to make money and positive impact, and frameworks like the United Nations Sustainable Development Goals help investors prioritize.

2) **Net risk-adjusted performance:** Financial performance and risk are inextricably linked. In the long term, social and environmental factors are major drivers of investment risk mitigation and success. Companies that proactively respond to factors such as climate change, economic inequality, and resource scarcity will outperform companies that do not, or lag behind their peers. Multiple peer-reviewed academic studies have already shown this to be the case.¹⁸ Outperformance may come in the form of more calculated risk, reduced volatility, or business growth.

3) **Sustainable markets and representative governments:** Indirect, semi-hidden risks to the financial system such as excess leverage, misinformation, fraud, waste, abuse, and other inefficiencies contributed to the Great Recession of 2008. That, in turn, led to distrust of elites and a great recession of democracy and cooperation, coupled with a rise of populism, xenophobic nationalism, and authoritarianism.¹⁹ By contrast, impact investing makes market economies more sustainable and equitable, which increases the likelihood that participating governments will be of the people, by the people, and for the people. International cooperation among governments with fair rules and open markets eases the movement of

¹⁷ My former colleague Jed Emerson and others have been writing about impact investing's tenets for decades (BlendedValue.org/writings/), but the field became more organized after The Rockefeller Foundation formally coined the term "impact investing" in 2007, and the subsequent financial crisis that inspired many to rethink how business and markets should work: RockefellerFoundation.org/blog/bringing-scale-impact-investing-industry/.

¹⁸ See Tandfonline.com/doi/full/10.1080/20430795.2015.1118917 and Harvard Professor George Serafeim's work: HBS.edu/faculty/Pages/profile.aspx?facId=15705.

¹⁹ For a deeper dive into this fascinating topic, read Yuval Noah Harari's books *Sapiens* (2011) and *21 Lessons for the 21st Century* (2018), or his op-ed in *The Economist*: economist.com/open-future/2018/09/26/we-need-a-post-liberal-order-now.

ideas, money, goods, and people.²⁰ When markets work better, representative government works better, and vice-versa.

4) **Major risk mitigation:** A robust rules-based international economic order better equips humanity to deal with potentially devastating risks, such as climate change and totalitarianism, and potential existential risks, such as nuclear annihilation, an engineered pandemic caused by pathogens that combine the worst traits of various viruses, and general AI “gone awry.” These challenges are all worthy of our attention because they are important, solvable, and neglected.

5) **Ethics:** Technology, awareness, and a growing supply of financial products have made aligning values and investments increasingly easy to do, as well as beneficial to current and future generations. We ought to do so.

Given the deep dive into impact investing that is included in this *Global Handbook of Impact Investing*, I share here six high-level observations about the field:

- **Don’t get bogged down in evolving terminology;** think of impact investing as a framework: impact investments intend to generate financial return and measurable social or environmental benefits.
- **Profit and purpose are not mutually exclusive;** business and commerce can be the expression of one’s values, and positive impact can bolster recruiting, improve team culture, and drive profit.
- **All investments (and thus all companies) have both positive and negative impacts,** which can ultimately be viewed as “net positive” or “net negative” across a spectrum. Investing becomes more meaningful and interesting when you apply customizable technology and insightful data to track what those impacts are, determine net effects on people and planet, and decide how they relate to your values and portfolio.
- **Impact investors are intentional about the value they invest to create,** and seek to account for the impacts -- both positive and negative -- of their investments. By rigorously incorporating social and environmental factors into investment decision making, impact investors aim to minimize the harm, and maximize the good, that their investments actively create in the world.
- **Impact investing can be an engine for global solutions, including addressing market failures,** to bring risk capital to opportunities that yield measurable social and environmental impact but that otherwise would not be funded by traditional markets and financial instruments.

²⁰ en.wikipedia.org/wiki/Liberal_international_economic_order

- **Depending on the nature of the challenge one is trying to address, capital allocators can invest, donate, or both.**²¹

A GUIDE TO USING IMPACT INVESTING AS A TOOL

The editors and contributing authors of *The Global Handbook for Impact Investing* are world-class “river guides” to aligning values and investments. They discuss impact investing across geographies, asset classes, sectors, impact strategies and methodologies, stages, return profiles, and many other aspects of this exciting, growing field. As you read, please remember to:

- **Engage experts and advisors.** You need not figure this out on your own. Read this book. Join or form a group. Learn from impact-oriented investment professionals about how you can best align your values and your investments. If your current wealth advisor is not willing to learn, work instead with one who is more committed and more experienced.
- **Try to understand what your money is doing in the world.** How can you learn more about the impacts -- both positive and negative -- of the assets you already own? Knowing what you own is a prerequisite to aligning values and investments.
- **Personalize your impact.** Rank by importance to you the values and the causes you care about. Assigning percentages to each, as uncomfortable as that may be, will help you prioritize and allocate in line with what matters to you.²² What metrics are important to you?
- **Consider cost effectiveness.** Impact investing is not a silver bullet. A sum of money can be invested in one of several for-profit, impact-oriented ventures, or it can be donated to NGOs whose cost effectiveness has been validated by independent evaluators. Robust analysis and evaluation of impact in impact investing, including contribution, attribution, and cost effectiveness, should help this young field grow.
- **Express your values through your tool belt.** Consider how you can best use each tool on your tool belt to effect change. How can you leverage self, groups, and platforms to make markets more sustainable for those alive today, and, more importantly, for future generations?

²¹ For example, if one’s aim is to reduce the number of drinking-and-driving-related fatalities, one may lobby government officials for policy changes, or support NGOs such as Mothers Against Drunk Driving, or invest in ride-sharing and self-driving-car companies. I strongly suspect for-profit solutions will ultimately prove most effective in reducing drinking-and-driving-related fatalities.

²² To ensure our charitable giving matches our priorities, my wife and I assign percentages to the causes we care about, and rank highly effective organizations within each category. Individuals who skip this more disciplined approach that foundations have been using for decades will likely find a surprisingly high percentage of their annual giving goes to friends who happened to ask instead of to their favorite causes. A similar approach can be applied to one’s impact investing.

There are moral consequences of the ways we earn, spend, donate, and invest money. The more actively we consider the negative and positive impacts within each of those categories, the more likely we will be to behave in a way that allows the more than 99.9% of people who will ever live -- our descendants -- to flourish. Recognition of the hundreds of millions of years humans may be able to live on Earth should inform our perspective on the importance of sustainability, and how we address existential threats. We possess the creativity and the technology to act in a way that maximizes the positive -- and minimizes the negative -- ripple effects of our actions across time. If acting morally and living sustainably increases our own wellbeing and that of our descendants, we ought to do so, and with urgency.

Impact investing is an invaluable tool to shape a more just and verdant future for all of us.²³ Everyone, regardless of their wealth, can align their values and their resources, influence groups, and potentially change cultures and systems. Everyone can be a changemaker. The sooner and more successfully we do so, the more we will improve our lives and those of our descendants. The only thing bigger than our opportunity to leave a legacy that allows our children to flourish is the future itself.

²³ To read a beautifully written “letter from a utopian future,” go to: nickbostrom.com/utopia.html