UpMetrics

From Luxury to Necessity: Impact Measurement's Role Within Impact Investing

Written by Maureen Coleman, with support from the UpMetrics team

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Part I. Introduction

Impact investing has become much more widely known in recent years. Most people inside and outside the investment community know the term and have a basic understanding of what it is - an investment strategy where investors seek to achieve positive and measurable financial *and social* returns. From healthcare and education to energy and agriculture, many investors are choosing to allocate their capital into investments that address and work to resolve some of society's most pressing challenges.

In today's complex world, it is easy to make the case for impact investing. Most of us have become increasingly aware of the global challenges we face, including but not limited to climate change, poverty, and racial and gender inequities. In 2020, the global pandemic and the racial justice movement brought even more awareness to virtually every social and environmental challenge that we face as a society. In addition, most would acknowledge there is a deeper sense of urgency required to solve these challenges effectively.

For example, many climate experts argue that we have until the year 2030 to stop the continuous global warming of the planet at which point there will be irreversible effects due to climate change[1]. With every passing day, these issues become more critical, and we should be exploring multiple paths to solve these problems, including ones that can unlock vast private capital sources by generating financial returns.

The size of the impact investing market reflects the growing urgency of this investment strategy. Rockefeller Philanthropy Advisors, one of the largest philanthropic advisory firms in the US, says that impact investing now represents one in every three investment dollars in the United States[2]. Meanwhile, the Global Impact Investing Network (GIIN) estimates the size of the worldwide impact investing market to be USD $1.164 trillion[3]. Most experts agree that this growth is a result of the increased role of women and the next generation of wealth holders who are playing a larger role in investment decisions. It is expected that impact investing will continue to follow this growth trajectory for the foreseeable future as more new wealth recipients opt to invest their assets for impact.

One crucial, but often overlooked aspect of impact investing is impact measurement and management, or IMM. According to the GIIN, IMM includes "identifying and considering the positive and negative effects one's business actions have on people and the planet and then figuring out ways to mitigate the negative and maximize the positive in alignment with one's goals."[4] Over the last couple of years, as impact investors have had time to test and iterate, several firms have created meaningful and efficient processes to define goals, collect data, and measure and communicate the impact of their investments. The progress made by the champions of IMM to develop and share best practices with other investors has been important for the sector's growth.

However, in observing the impact investing ecosystem over the last several years, it is clear that strong IMM practices have only been embraced by the minority. Many impact investors have limited, or in some cases, avoided entirely, incorporating IMM into their investment approach. In some ways, this is understandable as impact investing is still a relatively new investment strategy, and creating a system to measure anything takes time. But as the impact investing market becomes more competitive, impact measurement will no longer be a "nice to have."

Impact Measurement & Management (IMM)

"Identifying and considering the positive and negative effects one's business actions have on people and the planet and then figuring out ways to mitigate the negative and maximize the positive in alignment with one's goals."

- Global Impact Investing Network (GIIN)

More importantly, if we agree that there is an urgency to solve many of these complex problems, impact measurement will be critical in order to uncover solutions to these problems, allow investors to share these solutions with the ecosystem more broadly, and ultimately, introduce these solutions to market to create sustainable, positive change that benefits all of us.

Now is the moment that impact investors will need to invest in IMM to compete in today's market and create value. Below we will share best practices for implementing effective and efficient IMM programs at any investment firm, why investing in technology and knowledgeable resources is the foundation of any winning IMM program, and some case studies from leading impact investors who have implemented these best practices and thus positioned themselves as early leaders in the impact investing market.

Part II. This is the Moment.

Most investors have shared the view that impact measurement is complicated and complex. Developing principles for measurement for any new concept, and ensuring the adoption of those principles, takes time. For reference, the Generally Accepted Accounting Principles, or GAAP, took over 30 years to create with multiple governing bodies participating. Add to that the many challenges associated with creating standardized impact metrics, collecting data, and many other nuanced topics which we will address later in this paper, it is not surprising that we have seen significant variation in terms of impact measurement practices and levels of adoption.

However, a lackluster or half-baked approach to impact measurement will not be adequate going forward. As a result of a number of culminating macroeconomic and cultural trends, impact measurement will no longer be a "nice to have;" it will be required to compete in an increasingly crowded and evolving impact investing market. Moreover, the winners will emerge as investors who have determined a thoughtful and thorough approach to impact measurement that provides transparency to Limited Partners (LPs), creates value for portfolio companies, and benefits the sector more broadly with learnings and insights. Here we have identified a few of these trends and the associated consequences for the impact investing market as it relates to impact measurement.

1 Increasingly competitive economic environment

In 2020, in response to Covid-19 and the resulting global recession, the Federal Reserve cut interest rates to close to 0%, from 1.5% - 1.75% prior to the pandemic[5]. With interest rates historically low and money cheaper than ever, investors had greater access to capital to make investments, and this was one of the many contributing factors that led to the recent growth in impact investing.

Three years later in 2023, we see a very different economic picture. In an effort to manage rising inflation and the resulting decrease in consumer spending power, the Federal Reserve has been steadily increasing interest rates for over a year, raising the Federal funds rate by more than five percentage points[6]. Investor appetites have adjusted in accordance with this environment. With less access to cheap capital, investors are less risk tolerant and more selective about investments, leading to an increasingly competitive environment for impact funds that are fundraising.

2 More crowded impact investing field

The COVID-19 pandemic wreaked havoc on all people's daily lives and how we interact as a society. However, the data shows that the global pandemic and ensuing crisis also exacerbated deep-seated social inequalities and that people from historically marginalized groups, such as women, people from low-income households, minority groups, children and young people, as well as low-skilled, part-time, temporary and self-employed workers, were disproportionately affected during this time[7]. As this information became available, people became increasingly aware of these social inequalities, and this awareness led to heightened pressures to invest for impact in an effort to address these challenges.

With an increased demand for investing toward impact, we saw a corresponding increase in the number of impact-focused funds. To meet this new demand, many established investment firms created and sold impact products to their existing client base as a way to attract new business. Additionally, there was an increase in impact-focused emerging funds, with the objective to meet the growing demand from investors to invest across a variety of impact issue areas.

3 Increased sophistication around impact measurement, data, and reporting

While many firms in the field are relatively new to impact investing, there are several established firms that have been investing for impact for several decades now. These firms have had a lot of time to test and iterate on their approach to IMM. For example, SJF Ventures, a client of UpMetrics, has developed an impact measurement strategy that is informed by over two decades of experience and spans the entire lifecycle of an investment, from pre-investment impact diligence to post-investment impact measurement, management, and acceleration. Leading firms have begun to embed impact data across their firm operations. For example, many leading impact funds have begun to tie impact returns, in addition to financial returns, to compensation for employees. We have also seen the leaders in the field putting impact data into practice when it comes to impact management and how they interact with direct investments. Using impact data for decision-making is the ultimate goal for this work, and the investors who have access to this data will begin to differentiate themselves as a partner to portfolio companies and as winning investors for LPs.

The leaders in the impact investing field have become more intentional and efficient with their approach to IMM, and the reports that they are generating are more sophisticated and rigorous. As such, these leaders are creating a new standard for quality impact data and reporting. As LPs become accustomed to this level of reporting, they will come to expect these types of reports from all of their impact-related investments.

4 Data-driven impact stories create financial value for portfolio companies

Many fund managers have begun to incorporate impact data into how they interact with and manage their direct investments. This is because there is financial value associated with companies that have a measurable positive impact, and can relay the story of that impact using data. Investors have shared anecdotes of this being true in different ways for companies at varying stages of growth. For early-stage companies, investors believe that portfolio companies need to determine their impact story to be relevant in today's market. In today's competitive landscape, for mission-driven startups to reach their full potential they must prioritize developing a strategic and structured approach to tell their impact story so they can communicate their brand identity and gain customers and market share.

Many impact investors also argue that later-stage companies need to have their impact data story finalized to maximize value in advance of an exit. Fund managers have shared that in today's market, it is now seen as a "disservice to not be a partner in helping portfolio companies to tell their impact story." In fact, in some cases the expectation is that mission-driven companies that are preparing for an exit should have an impact story that is informed by data that has been collected and analyzed for years in advance of a transaction. Investors are uniquely positioned to help companies to develop these impact stories but they need an approach and strategy to help their direct investments to do this work effectively and efficiently.

5 Evolving rules and regulations

It is a common perception that the US trails Europe when it comes to socially-focused regulatory efforts. This has certainly been the case when it comes to establishing rules and regulations to manage investor claims of social and environmental impact. In the last several years, amidst Europe's efforts to establish a net-zero economy as well as growing concerns for investor green- and impact-washing, the EU introduced several new standards and regulations to make the sustainability profile of funds more comparable and better understood by end-investors. Most notably, the EU established a transparency framework known as the Sustainable Finance Disclosure Regulation (SFDR) which requires financial market participants to disclose sustainability information to help investors make informed choices around sustainability and to understand how sustainability risk is integrated into the investment process.

Many investors share that SFDR has quickly become one of the most influential of all the regulatory efforts to date. Others offer that while this regulation is a step in the right direction, SFDR is fairly simplistic when compared to the IMM programs that many leading investors already have in place. In addition, SFDR is not broadly applicable to many impact issue areas, particularly funds focused on social impact. In any case, SFDR has significantly affected the way that investors gather and report impact data. This includes US-based investors who are raising money in Europe. UpMetrics client, Sonen Capital, shares that they have been working to complete their SFDR forms this summer as their current LPs will require that they are compliant.

It is hard to say for sure whether the SEC will establish similar regulations for investors based in the US. Irrespective of the SEC and whether they will follow the EU or not, it is clear that the current regulatory environment in Europe is affecting US-based investors and that it is best practice to establish good fundamentals and systems around IMM sooner rather than later.

6 Artificial intelligence is changing the impact data game

As AI technology continues to advance, it plays an increasingly influential role in the digitization of our society. Most notably, AI technologies will allow us to process large quantities of data at an extremely fast rate while helping us to solve complex problems. With AI, analyzing large amounts of data will become more efficient and more predictive. This will transform how businesses make decisions and lead to greater efficiencies in most industries.

Impact investing will be no different, and there will be significant benefits for business operators and their investors; AI-powered technologies will help the industry to solve complex, impact-oriented business problems. However, these technologies will also begin to make impact measurement much more mainstream. As such, investors must become more intentional about setting goals, collecting data, and creating systems to understand this information or else risk being left behind.

7 The clock is ticking

Impact-oriented challenges are largely time-bound and as the days, weeks, and years pass, the pressure to solve these challenges becomes intensified. Impact measurement can facilitate the sharing of successes and failures, and help us to identify solutions. The winners in this market will be recognized for their willingness to measure and share impact data to find solutions to challenges that will positively impact us all.

The combined effects of all of these changing market and societal conditions will make the investors who measure impact effectively and with intentionality the winners. They will attract and retain the best talent, be rewarded with more mission-aligned funding, and see greater returns on their investments as they work closely with their portfolio companies to identify solutions that scale. As the economic and cultural environment continues to evolve, investors must create a plan to measure, analyze, and understand impact data if they intend to compete and lead in this increasingly competitive impact investing market.

Part III. Technology & Team: The Foundation of Any Leading IMM Program

The time is now for investors to begin measuring and managing impact. Here are the necessary elements to institute a leading IMM program at an investment firm.

First and foremost, purpose-built technology is an essential part of measuring and managing impact in today's dynamic and competitive impact investing market. Leading investors are using tools like UpMetrics to address many of the historically challenging aspects of measuring, managing, and reporting impact. These include the following:

- Identify impact metrics via a library of standard frameworks
- Integrate third-party and public data sets
- Simplify data collection via integrations and custom surveys
- Aggregate data across multiple systems
- Organize and analyze qualitative data via a knowledge management system
- Real-time analysis of data in the form of dynamic dashboards
- Track progress towards goals over time
- Seamlessly share customized reports
- Incorporate quantitative and qualitative data into reports

For years, investors have deferred the decision to invest in purpose-built technology to support their impact measurement programs and have instead built "makeshift" systems to address these technology needs. Many of UpMetrics' clients reached a breaking point where these systems could no longer meet their evolving impact data collection, analysis, and reporting needs - spurring them to look for other solutions. One example of a client who experienced this very challenge is Sonen Capital. With over 12 years of impact-focused data accumulating around Sonen's strategic investments across impact themes including energy, water, green real estate, and sustainable agriculture, Will Morgan, Head of Impact at Sonen Capital, sought a system to up-level the firm's ability to gather and utilize impact information.

“Things had been getting more and more difficult as far as just the sheer amount of information,” Will shares. “I began to search for a provider that could help us collect data, visualize it, and present it in a way that's not just manipulated spreadsheets.” To hear more about this decision and the benefits of embracing purpose-built technology, read the Sonen Capital Partner Spotlight.

In the last year, UpMetrics has seen an increase in clients that choose to embrace purpose-built technology earlier in their impact data journey. This shift perhaps reflects the more competitive conditions in the impact investing market and the increased pressure for investors to measure and communicate impact.

Two examples of investors who have made the investment in purpose-built technology earlier in their evolution are Allianz Global Investors and Lime Rock New Energy. In 2022, Allianz Global Investors (AllianzGI) established a unit dedicated to private market impact investments. With this launch, AllianzGI announced the creation of an Impact Measurement & Management team and the creation of an impact framework to facilitate the due diligence, selection, measurement and management of investments that contribute to significant and positive impact. Soon after the launch of this new unit, AllianzGI invested in UpMetrics to support their Impact Measurement and Management team’s needs as it relates to data collection, analysis, and reporting.

On the other end of the spectrum, an emerging fund manager, Lime Rock New Energy, also decided to partner with UpMetrics to build a scalable system to track and aggregate the impact from their portfolio companies. The goal of this work has been to develop a uniform and intuitive way to communicate their total carbon-abatement impacts to both current and prospective investors, one that is able to encompass a range of quite different investments.

UpMetrics Partner Spotlight

Sonen Capital

How Sonen Capital is Leading the Way in Creating a Data-Fueled Future for Impact Investing

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Regardless of where a fund is in its evolution, the fund size, or investment strategy or vehicle, in today's competitive market it is essential to implement purpose-built technology to maximize an investment firm's abilities to collect, analyze, and report impact data.

Secondly, and of equal importance, is the need to assemble the right team to support an IMM program. While technology is an essential piece of the puzzle, having access to experts who specialize in building impact frameworks, as well as data systems and processes, is the thing that differentiates between acceptable and winning IMM programs. With UpMetrics' Managed Services offering, social sector experts become an extension of the team, helping harness the power of data. UpMetrics impact data experts will collaborate with clients to further refine and validate frameworks, centralize data, and conduct ongoing reviews of processes to limit the burden associated with this work while enabling utility across departments. Will Morgan shared the following in regard to working with the UpMetrics team: "Some people think proving impact must be kind of simple, but it's not. If you're going to make an intentional effort to create a specific change, it takes a thoughtful strategy. UpMetrics has been a true partner in helping us think about impact indicators that inform the extent to which we're achieving our strategies."

With purpose-built technology and a team of impact data experts in place, investors will be in a position to build an outstanding IMM program that can scale and adapt over time.

UpMetrics Partner Spotlight

National Bankers Association Foundation

How the National Bankers Association Foundation is Democratizing Finance Through Community Empowerment

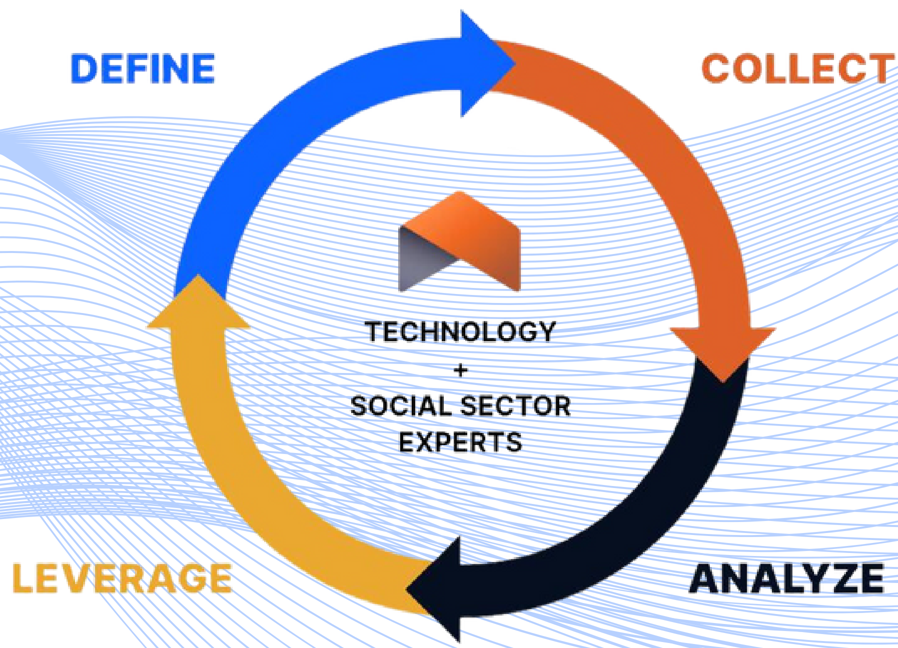
Download

Part IV. Best Practices for Impact Measurement and Management

With the foundation of technology and team in place, the next questions to ask are: "what does *good IMM* look like" and "how to do it?" Over the last several years, UpMetrics has been advising and collaborating with leading impact investors who have created robust IMM programs while optimizing for operational efficiency across virtually every impact issue area, and investment vehicle and strategy. Subsequently, the company has compiled a list of best practices for investors to build a leading impact measurement and management program at any investment firm.

As part of these best practices, UpMetrics has created a 4-step approach to guide impact investing clients in their journey toward becoming more data-driven. The 4-step approach, referred to as the **DeCAL Methodology**, simplifies what many view as a complex process and empowers impact organizations to design and implement a leading IMM program. The four steps in the DeCAL Methodology are as follows:

What does good IMM look like?



- **Define**: Design an Impact Framework to accurately measure performance and community contribution across primary impact themes.
- **Collect**: Employ customizable data capture tools and integrations to collect, consolidate, and normalize all relevant data in one centralized location.
- **Analyze**: Understand impact data and track ongoing progress toward organizational goals, and against industry benchmarks, with user-friendly dashboards that update in real-time.
- **Leverage**: Use dashboards and other data visualizations to drive effective decision-making, simplify reporting, demonstrate outcomes across key performance metrics, and more effectively tell a story of impact.

While this approach was created by the UpMetrics team to support their client engagements, these 4 steps can be helpful to any investor looking to build their own IMM program. To learn more about this process, read The Guide to Becoming Data-Driven on the UpMetrics website.

Impact Measurement & Management:
Best Practices for Impact Investors

1 Consider industry standards and frameworks

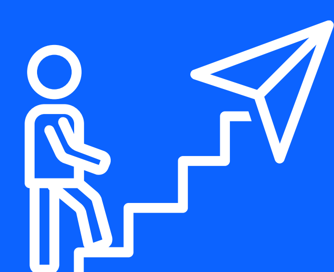
2 Incorporate real life stories

3 Streamline and simplify data collection

4 Incorporate industry benchmark data and public data

5 Track progress towards goals over time

6 Get started and see results!



Best Practices and Client Examples

Below is a list of best practices for investors to consider when implementing impact measurement and management.

1. **Consider industry standards and frameworks when defining metrics**

   For many years, investors have expressed the need for standard metrics, and certainly, standardization provides many benefits. With standard metrics, investors can avoid "reinventing the wheel" when defining metrics for a particular investment and allow for data aggregation, or a roll-up of similar investments across a portfolio. In addition, standard metrics can allow for compiling industry benchmarks, something that is very attractive to investors to understand how they are doing as compared to their peers (more on benchmarks later).

   Of course, there are challenges as well with standardization. Most notably, there are multiple different standard frameworks to consider. This can be very overwhelming. With many options, it can be challenging to identify which metrics make sense for a particular investment or impact theme. With this in mind, UpMetrics has compiled a list of industry standards and incorporated these standard metrics into the platform. This allows investors to review all of the relevant options for a given impact theme and select the standard metrics that align with their investments. If a standard metric does not seem relevant, UpMetrics can provide guidance around defining a custom, investment-specific metric that is most appropriate.

   In terms of commonly leveraged standard metrics, the Sustainable Development Goals, or the SDGs, created by the United Nations General Assembly (UNGA), are often used to assess the impact of portfolios. Critics argue that the SDG's are too broad and simple to be meaningful, but this criticism is actually what makes them so useful. The SDGs provide language to group investments with similar desired outcomes together. In addition, many investors and companies have turned to the IRIS+ system created by the Global Impact Investing Network for a catalog of standard metrics across impact focus areas. Also of note is the IMP framework, developed by the Impact Management Project Network, which provides impact management standards and guidelines and centers around the 5 dimensions of impact – Who, What, How Much, Contribution, and Risk – as a way to better understand the impact of individual investments and an entire portfolio.

When combined, these standards and frameworks provide a strong foundation and allow investors to identify standard and meaningful metrics and collect impact data in a streamlined manner. In an effort to support the interconnectivity of these three tools, several convening organizations have created resources to help investors connect IRIS+, the SDGs, and the IMP framework, making it easier to get started.

UpMetrics has been supporting several clients as they work to align their impact frameworks with IRIS+ and adopt the IMP framework. Notably, Allianz Global Investors is arguably the most advanced when it comes to using the IMP framework in creative ways. First, AllianzGI has created a simplified version of the IMP framework to support the initial stages of investment screening as a part of their due diligence phase for their private markets impact investing strategies. Second, they have developed an interesting way to use the IMP framework to create investment and portfolio-level impact scores (the latter weighted across individual investments and their contribution), to inform investment decision-making. Third, they are using the framework post-investment as a way to continue to check the extent of alignment of the five dimensions of the IMP framework with their objectives. Finally, the team is using information very intentionally to facilitate learning and provide feedback as to how their investments correlate with expectations pre-investment. For example, if they underestimate the expected impacts of a particular investment, they use this information to learn and inform their expectations for future investments.

2. **Incorporate real-life stories**

All impact investors can grasp the need for quantitative data to communicate impact. However, when it comes to impact, collecting and reporting qualitative data is an essential piece that must be thoughtfully considered when designing an IMM program. Qualitative data captures the “whole story” and the human-centered and heart-centered elements of the work that inspire stakeholders in a way that numbers alone simply can’t. Sometimes it is too difficult or expensive to capture quantitative data. In this situation, stories continue to be one of the best ways to understand impact. Moreover, qualitative data elevates the voice of the constituents and communities that investments aim to serve. When determining an impact data collection process and system, it is essential to consider how to collect and share qualitative data as well. The UpMetrics platform includes a knowledge management system to allow for seamless collection of qualitative data, and the integration of qualitative data with quantitative data to tell a more complete impact story.

In this category, it is worth noting the important work that Sonen Capital has done to incorporate compelling qualitative data into their annual reporting. By getting their Marketing team involved in the impact data collection, analysis, and sharing processes, they have created meaningful and moving reports that tell the story of the underlying impact of their investments and bring their data to life.

3. **Streamline and simplify data collection**

Collecting data is one of the messiest and most burdensome parts of the IMM process. Investors have shared how difficult it is to collect data as they are just one of countless stakeholders asking for information, and portfolio companies shoulder most of the burden when it comes to responding to multiple requests for data. Data collection is a universal challenge for impact investors, but particularly for investors in the private markets. Data in the private markets is dispersed across multiple systems and fragmented as a result of different frameworks and metrics. Moreover, early-stage companies have limited resources to allocate to IMM and as such, their data can be even more limited and messy. One way to address the data collection challenge is to streamline data collection via integrations wherever available, rather than making additional requests for information. UpMetrics can integrate with a number of data sources, allowing investors to aggregate their data from disparate systems into one place. If integrations are not an option, designing thoughtful surveys with individualized questions can go a long way to minimize requests for redundant information.

Also of importance is considering not just how you are collecting data but also what you do with the data once received. Too often investors request data for their own reporting purposes and that data goes into a “black box” never to be revisited again. Those sharing the data are left wondering what happened as a result of their efforts, and whether there were any valuable insights gained from this information. When collecting data, investors should view this exchange of information as an opportunity to provide value back to their investees and to have discussions about how they can continue to use data to drive impact together. Creating the systems and processes to facilitate discussions around this data is important and will save investors valuable time throughout the data collection and analysis process.

Sonen Capital provides a wonderful example for reimagining data collection. Recognizing the burden of traditional surveys, Sonen Capital revamped their approach to data collection using custom, fund-specific surveys built into the UpMetrics platform. Once data is collected, Sonen Capital reviews live data visualizations which allows them to provide instant feedback to fund managers in the form of shareable dashboards. They also use these dashboards to catch any inconsistencies in the data responses and act on those while it is top of mind for those reporting the information. This personalized approach has made all the difference when it comes to collecting impact data from various stakeholders.

SJF Ventures is also a leader when it comes to their practices around data collection. First, when determining which data to collect from their portfolio companies, they include the companies in that discussion, and allow the companies to share which metrics matter most to their business and what data they would like to see across the entire portfolio and from their peers. Second, SJF Ventures creates customized data submission templates that incorporate these company-specific metrics and standard, portfolio-wide metrics. Third, once they receive data from companies, SJF Ventures works hard to respond almost immediately with real-time insights uncovered via dashboards and to share resources if the data uncovers areas where they can be helpful. For example, if a response shows that one of their companies does not have a DEI policy in place, SJF Ventures responds with a template that the company can reference. By considering the needs of their portfolio companies throughout the entire data collection process, SJF Ventures is able to incentivize participation, provide value as a thought partner, and ultimately work with their investees to identify opportunities where they can continue to drive impact together.

4. **Incorporate industry benchmark data and publicly available data where applicable**

Impact investors with leading IMM programs are beginning to look to industry benchmarks and public data to provide important context to their internal data and tell a more complete story. Incorporating industry benchmark data allows investors to communicate how they are doing as compared to their peers. As more investors look to standard frameworks to inform their own impact frameworks, these shared benchmarks are becoming more common and more meaningful. One impact issue area where benchmark data is becoming more available is diversity and representation. UpMetrics has compiled a list of industry benchmarks for any investor who is looking to incorporate them into their diversity data reports.

UpMetrics also provides census-level public data to their clients to help drive deeper and more inclusive insight. This data can be particularly beneficial for investors who are making place-based investments. Incorporating data points at the zip code level such as income levels, unemployment rates, and education attainment levels, helps investors tell a more complete story about the communities they aim to serve via their investments. UpMetrics can provide guidance and expertise to incorporate publicly available data in a poignant and seamless way.

In their efforts to invest in community development via the banking sector, the National Bankers Association Foundation provides a wonderful case study for overlaying community and impact data to tell a more complete impact story. The foundation and their funders were very interested in understanding the nature of the communities that they were investing in. UpMetrics partnered with the foundation to overlay demographic and community-level data with lending activities to better assess and communicate the impact of these investments.

5. **Track progress towards goals over time**

   Too often, impact investors look at data in a vacuum and report stand-alone numbers in the context of an annual report. Reporting numbers without a baseline and a target, and without showing progress over time, fails to communicate valuable information about where investments have been and where they are aiming to go. Leading investors set goals and track progress on an ongoing basis.

   It is worth highlighting HCAP Partners in this section as they provide a fantastic example of how to partner with portfolio companies to track and support progress towards goals over time. HCAP works closely with their companies to set goals to improve job quality through their Gainful Jobs Approach™ and other value-creation activities. HCAP first provides resources and guidance to help portfolio companies implement recommended changes, and then these companies report progress towards goals over time, and together they review progress and discuss priorities for moving forward. These efforts allow HCAP Partners to collaborate with companies to support their workforce and build environments where employees thrive, which in turn positions their companies to reach their goals, achieve better financial results and, ultimately, generate enhanced investment returns.

6. **Get started and see it!**

   Too often, investors are waiting for the "perfect time" to get started. In a fast-paced business like investing, there are always competing priorities. The shifting market conditions will not allow investors to wait for the "perfect time" anymore. The time to get started with impact measurement is now. Investors must make their IMM program a priority and get started. Furthermore, UpMetrics clients share over and over again that getting started and seeing their data visualized in the form of UpMetrics dashboards allows them to answer questions and better understand their impact framework. So don't wait - get started today!

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Thank you for reading!

Connect with our team today at info@upmetrics.com.

Visit our Resources Page for more customer stories, guides, and blogs created to support impact investing organizations in their journey towards impact measurement.

A special thank you to Maureen Coleman and everyone on the UpMetrics team who helped produce this white paper!

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Let's Go!!