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Supporting Entrepreneurship Development, The Impact Investment Way

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ABSTRACT
The paper aims to explore the concept of impact investment and its viability in the present economic conditions across the globe. Business houses have been constantly battling for profits over cost to environment and society and often the environment and society lose in this conflict. Once the importance of sustainable development was realized, it became imperative that businesses must contribute to the sustainable development of the economies to integrate itself with the society and environment, thus creating 'blended value.' Over time investors have become more aware of the power they hold over businesses as investors and have started to refrain from investing in businesses or activities with socially and environmentally negative effects. This has led to socially responsible investment and created the concept of impact investment. Entrepreneurship development in emerging economies is need of the hour and first crowdfunding and now impact investing is paving the way for entrepreneurs to secure venture financing in non-traditional ways and aligning their businesses with the United Nations Sustainable Development Goals. The paper will further draw a comparison between impact investment and crowd funding as a source of entrepreneurial finance (since crowdfunding also works on projects and ventures of social impact) while discussing the pros and cons of selecting either of the funding modes and which types of projects are best suited for crowdfunding and impact investing.

Keywords: Entrepreneurship, Impact Investment, Crowdfunding, Sustainable Development Goals, Blended Value..

I. INTRODUCTION

In the year 2014, 'The World Investment Report' (UNCTAD, 2014) published by UNCATD (United Nations Conference on Trade and Development) titled "Investing in the Sustainable Development Goals: An Action Plan" (UNCTAD, 2014) an attempt was made to define sustainable development goals. It called for an alliance of the governments, the private sector, international organizations, non- governmental organizations, and other stakeholders across the globe in achieving the SDGs by providing guidance and setting well defined targets in areas such as poverty alleviation, education, health, food security, equal employment opportunities, climate change, ecosystems and managing biodiversity. Since the Millennium Development Goals (MDG) (2000) were due to expire in the year 2015, new goals were in order to be set, resulting in the Sustainable Development Goals (SDG). It focused on a major deficiency in the MDGs, that is, MDGs did not address the need of developing a process of investment in a sustainable development resilient to economic social or cultural shocks. The MDGs had a very myopic view and were primarily concerned with the traditional and fundamental goals of poverty alleviation, eradication of hunger reducing child mortality and improving maternal health. Consequently, SDGs have a more organic agenda. The SDGs are not only oriented towards specific social, economic, and environmental issues but also towards construction of policies, institutions, and systems necessary to generate sustained investment and growth. The report estimates a 2.5 trillion-dollar (world over) funding gap after accounting for the contribution made by the governments and philanthropic agencies in achieving the SDGs. Therefore, the focus has shifted to urgently mobilize private capital to bridge the gap and address the global challenges of sustainable development. At this juncture the potent questions that arise are:

a) What is in it for the business houses to invest in achieving SDGs?

b) Since the businesses are focused on generating profits (whatever maybe the cost), what do they gain from investing in society and not ploughing back the profits into the business?

c) How can investment in the SDGs be mutually beneficial for society and the private sector?

The answer to the above questions can be to some extent satisfied by exploring the concept of *impact financing* and *blended value creation.*

II. HISTORICAL BACKGROUND OF IMPACT INVESTMENT

The precursor to impact investing (Morgan Stanley Smith Barney LLC., 2013) is private philanthropy which can be traced back to Andrew Carnegie in the 19th century. Though his was not the first case of private donation but he was the first man of significant wealth in America to initiate the practice of private donations. This led the way for other private donors to fund educational institutions, libraries, hospitals, and other sectors where there was a funding gap due to lack of resources on part of the government or non-profit organizations. These social investments were categorized as 'sunk costs' as such investments yielded no returns. Though the traditional philanthropy continues to grow, financial innovation is constantly pushing for a symbiotic relationship between social investing and profit generation by the private sector by striking a balance and creating a win-win situation for both parties. Impact

investing is one such financial innovation that tries to strike a balance between philanthropy and profit making. Let us first understand the concept of Impact Investment or Impact Financing (used interchangeably).

The blending of social investment and businesses can be primarily categorized in three ways:

a) ***Social Enterprise:*** They are driven by the idea of doing common good. Such organizations have two goals; one, to achieve social, environmental, cultural, and economic goals and two, to generate revenue. Thus, its two fold approach tries to strike balance between doing business and doing common good thus retaining financial sustainability and creating positive impact on society, economy and environment.

b) ***Corporate Social Responsibility:*** CSR is an effort by the businesses to initiate assessment and take responsibility for the business's effect on society and environment in which it operates. It translates to '*doing good*' as '*doing well*'. As the investors become more aware of the functioning of the businesses they focus on ethical issues of corporate activities and base their investment decisions on it. Investors today refrain from investing with corporates which have negative impact on the ecosystem and society thus such corporates stand to lose investor confidence along with the company's share value.

c) Socially Responsible Investing: These are investment funds that exclude the companies involved in manufacturing products that have negative impact on the ecosystem and society (e.g., tobacco manufacturing companies) from their funds while investing in the private sector thus creating socially responsible investments.

The above-mentioned means of social investments has given rise to the concept of impact investment. The term *impact investing* was first coined by the Rockefeller Foundation (USA) in the year 2007 at the Rockefeller Foundation's Bellagio Centre thus providing a name for investments made with the intention of creating a positive social and environmental impact along with the generation of financial returns (Bugg-Levine, 2011). Historically the Rockefeller Foundation has been initiating innovative means to channelize the private sector funding for the social good. So, what exactly is impact investing? The Global Impact Investing Network (GIIN) defines it as "*Investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return*" (Global Impact Investing Network, 2023).

Impact investment can be made in developed and emerging markets with the target range of returns varying from below market to market returns depending on case to case. Impact investment can be used to address the most pressing challenges in the world as stated in the SDGs of the United Nations ranging from 'agriculture, healthcare, poverty alleviation, education, gender equality, water management, sanitation, affordable and sustainable energy for all, building infrastructure for sustainable industrialization, reducing inequality among countries, developing sustainable production and consumption patterns, combating climate change and its impact, protecting ecosystems and biodiversity, access to justice for all to strengthen means of implementation of sustainable development'. The core characteristics of impact investing as defined by GIIN are a) Internationality b) investment with expected returns C) range of returns (below market to risk adjusted market returns) and d) impact measurement. Among the above stated core characteristics, impact measurement is of utmost importance as the investor is committed to measure the performance of investment with that of the objectives and goals of the project since financial returns cannot be generated till the goals and the objectives of the project are met (Godeke, 2016). In general, components of impact measurement best practices for impact investing include:

"- Establishing and stating social and environmental objectives to relevant stakeholders
- Setting performance metrics/targets related to these objectives using standardized metrics wherever possible
- Monitoring and managing the performance of investees against these targets
- Reporting on social and environmental performance to relevant stakeholders."

(Global Impact Investing Network, 2023)

III. EXPLORING THE SYMBIOTIC RELATIONSHIP BETWEEN IMPACT INVESTMENT AND SOCIAL IMPACT

The financial debacle of 2008 has reinforced the fact that efforts need to be made to develop financially healthy societies as there is a growing desire of the younger generation to reconnect work with meaning and making a difference for a better future. This in turn is leading the prospective job seekers to find employers who are committed to making the world a better place. The rapid rise in number of impact innovators over the past years have shifted the focus of markets from the traditional two-dimensional approach of risk and return to a three-dimensional approach of risk, return and *social impact* (Jackson, 2013). Generating returns and making a social impact are no longer considered to be mutually exclusive (Nicholls, 2010).

The Impact Investor Project established 2012 was a two-year research partnership between InSight at Pacific Community Ventures, CASE at Duke University, and ImpactAssets which published a report titled 'Impact Investing 2.0 - The Way Forward' in November 2013. It studied the symbiotic relationship between investment and social impact through twelve different case studies of successful impact investing across the globe and categorized impact financing into five categories that are:

a) ***Foundational:*** The investment is based on a public private partnership model where the fund/firm works closely with the government and their relationship merely does not limit itself to providing financial assistance. In this case the government influences the structuring of the policies of the investment, provides governmental policy support, other public infrastructural support and also attracts additional investors by using its high-level relations.
Case: A debt fund was formed by Business Partners Limited (BPL), a South African financial company founded in 1981 by the Rupert family in collaboration with the South African government and other significant South African enterprises. To start this fund, the government provided 50% of the funding. The fund aimed to offer financial assistance to smaller businesses and risky ventures. The government held a fifty percent stake in the fund until 1996, when BPL returned the full amount of the government's initial investment to start issuing equity and quasi-equity while reducing its target market. BPL continues to thrive and expand in providing risk credit for the underserved SME sector with the initial assistance from the government.

b) ***Financial:*** In the growing market of impact investment, investment opportunities are often rigged with financing issues. For example, investment opportunities with strong social and environmental impact may not be generating sufficient financial returns for their level of risk or may have extremely high risk attached to it or may suffer from lack of information and may not have sufficiently backed track record due to its novelty. Catalytic first loss capital[1] (CFLC) is one such innovative financial tool which aims at overcoming the above issues in impact investment. Governments often act as CFLCs by providing grants and guarantees with the intention of de-risking investments and thereby attracting more capital inflows. This kind of government investment is more prevalent in markets where market failure is entrenched, or the market is new or underdeveloped.
Case: Accion Texas Inc. (ATI) takes advantage of various government regulations in requesting financial assistance from the US Department of Treasury's Community Development Financial Institutions (CDFI) Fund. The San Antonio based micro-lender receives majority of its lending capital from local banks. This mobilization of funds is driven by the Community Reinvestment Act (CRA), which requires the banks to invest some of their assets in marginalized communities. ATI is certified by CDFI which automatically qualifies it for bank investments and CRA credit and that it can apply for funding from the US Department of Treasury. ATI has further diversified its revenue in becoming an SBA - (Small Business Administration 504 loan service provider)[2] Certified Development Company in 2008/2009 as an official approver of SBA 504 loans. Though not a lender in this program, ATI provides the loan for a fee where typically such a structure consists of the bank providing a 50 percent loan, 40 percent is guaranteed by the SBA in the form of debentures and 10 percent is provided by the borrower. ATI also receives a portion of the fee paid by the borrower for processing the deal and any other service rendered.

c) ***Regulatory:*** A regulatory relationship supports the fund by capitalizing on public policies that affect its structure, means of investment and operations. This happens when the government creates special purpose public entities that provide tax exemptions or credits and any other incentive in key markets or structure rules and regulations to direct capital from other sources.
Case: HCAP Partners (formerly known as Huntington Capital) is a San Diego, California (USA) based mezzanine debt fund that utilizes government policies to fund impact investment projects. It is registered as a SBIC (Small Business Investment Company) under an SBA program. It has access to SBA loans at the ratio of 2:1 to private investor capital.

d) ***Advocacy Driven:*** In general, successful impact investment firms indirectly influence the structuring of public policies by standardizing market performance of such funds but often they also make it a point to directly influence the formation of government policies by involving government entities in their projects on a regular basis. These firms advocate the cause of public private partnership to its full potential by

directing the focus of the policy makers to the fact that the success of impact investment projects is largely dependent on the development of supportive policies and infrastructure.

Case: Avishkaar has been instrumental in formation of the Indian Impact Investor Council (IIIC) which is concerned with creating voluntary guidelines to safeguard the Indian microfinance industry after the microfinance debacle of 2010[3] in India. It aims at supporting government efforts to ensure that the microfinance industry grows in a sustainable manner. The IIIC has core group of impact investors that includes the Omidyar Network, Elevar Equity, Unilazer Ventures, the family and the office of Ronnie Screwvala, and others who seek to promote greater accountability with sustainability across the impact investing sector. The council works towards differentiating impact funds from mainstream private equity and venture capital firms investing in India, who claim that they are funding impact investment projects through job creation and raising income levels, despite not explicitly focusing on social and environmental benefits.

e) ***Opportunistic***: Traditionally, investors often play a pivotal role in collaborating with the government (policymakers in this case) to garner support for portfolio companies, by acquiring discrete incentives, contracts, and other such supports as and when required. Since impact investors intend to deliver social or environmental benefits through their project funding, they may have greater leverage as compared to more traditional firms in garnering government support.

Case: SEAF's SME Sichuan Investment Fund founded in 2001, in Sichuan province in China, has its managers working very closely with the local and regional governments and in due course having enhanced their relationships and knowledge of government processes and priorities to assist portfolio companies in obtaining permits and approvals while taking advantage of policy-driven incentives. The primary concern of the fund was tackling the declining employment rate in Sichuan province despite the high growth rate of the Chinese economy. It is fostering the idea of 'privatized economy to generate wealth while creating impressive economic and social development' (SEAF, 2023).

All the examples stated above point towards the fact that impact investors (government and the private sector) have taken upon greater responsibility and accountability for sustainable development by promoting the marginalized and underserved sectors in joining the mainstream of their country's economy. This should not be mistaken for charity or donations as all the stakeholders expect returns (below the market or marked to market) for their efforts, and since returns are expected hence accountability is indispensable.

IV. QUANTIFYING THE SUCCESS OF IMPACT INVESTMENT

With the growth of the impact investment sector in leaps and bounds over the recent years, as has been explored above it becomes imperative that strong vigil be kept on the functioning and output of the impact investment projects to avoid having financial anomalies like the microfinance industry crisis of 2010 in India. There is a strong need for measuring the output and returns from such projects and standardization of factors of measurements needs to be done (Saltuk, Bouri, & Leung, 2011). To tackle the issue of standardization of measurement globally, three tools have emerged to measure social impact: IRIS, PULSE and GIIRS. These tools are complementary to each other and help to measure and define a successful impact investment.

IRIS (Impact Reporting and Investing Standards): Through a pre-determined metric system it governs how companies report their measure of the social and environmental goals and objectives achieved by them. The metrics are divided into the following heads: 1) Sector Focus- ranging from agriculture, health, education, financial services, environment, infra and housing development to other community services. 2) Target Beneficiaries: Clients, distributors, employees, environment and suppliers 3) Operations and Financials: environmental policies, financials (balance sheet, cash flow, income statement etc.) governance and ownership, IRIS reporting info, organization info and social policies and performance and 4) Strategic Focus: gender, geographic setting, minority, poverty level and SMEs. Once the assesse filters the company's characteristics along these heads results are tabulated scores are obtained. (IRIS+, 2023)

PULSE: It had been created jointly by Google and Acumen Funds in 2006 and served as a software platform that enabled companies to benchmark their aggregated ESG metrics. The software provided real time actionable metrics which allow the managers to analyze their portfolio highs and lows efficiently. PULSE has now merged with B Lab.

GIIRS (Global Impact Investment Rating System): It is a product developed by independent non-profit B Lab and serves as a platform to assess companies and funds on basis of their social and environmental impacts by providing and establishing the benchmarks on specific data points (like IRIS) for evaluating the firm. (B Lab, 2023)

V. BLENDED VALUE CREATION THROUGH IMPACT INVESTMENT: THE ROADMAP FOR FUTURE CORPORATIONS

The concept of blended value creation has given a new dimension to the concept of impact investment (Emerson & Twyman, 1996). Before we try to understand how impact investment and blended value creation develop a symbiotic relationship for a better future, it is essential to first understand the concept of blended value creation. The term '*Blended Value*' first introduced in the year 2000 by Jed Emerson, refers to maximizing the potential of the capital in a three-dimensional way: profit, social impact, and environmental impact. The key is to achieve a balance among the three and not just focus on the profit aspect of the business, irrespective of the nature of the organization that is; for profit, not- for- profit or hybrid (Freireich & Fulton, 2009). Traditionally, the for-profit organizations are focused on creating economic value and the non-profit organizations are involved in creating social and environmental value. The time has come to change that outlook and create businesses that focus on all the three above-mentioned aspects. This shall lead way to create organic businesses that shall evolve into integrated development of economy, society, and environment (Kanter, 2011). This can be achieved by integrating the sustainable development goals of the UN in the business models of the firms and blurring the lines separating profit motive and social and environmental development. One example of blended value creation is the use of renewable energy sources. Companies that invest in renewable energy not only generate financial returns for their investors, but also contribute to the reduction of greenhouse gas emissions and the transition towards a more sustainable energy system. Another example is the use of inclusive hiring practices. Companies that prioritize diversity and inclusion not only create a more just and equitable society, but also benefit from the increased creativity, productivity, and innovation that comes from having a diverse workforce. The investors must take a stand on the kind of businesses they want to be associated with. If investors are inclined more towards the firms who create blended value, then the firms/businesses will be forced to change their business models to that of blended value creation or else risk losing share value and investment (Miller & Porter, 2015). Thus, the futures of businesses are now tied with the development of society and protection of the environment and not just generating profits. Blended value creation is, therefore, the creation of both financial and social or environmental value. Traditional business models often focus solely on financial returns, with little consideration given to the social or environmental impact of their operations. Blended value creation, on the other hand, is about finding ways to create both types of value simultaneously. This can involve finding ways to create social or environmental value through business operations, as well as finding ways to create financial value through investments in social or environmental causes.

In today's business landscape, there is an increasing demand for companies to create both financial and social value. Blended value creation is a way of thinking about how to generate both types of value simultaneously. It involves finding ways to create social or environmental value through business operations, as well as finding ways to create financial value through investments in social or environmental causes. For corporations to succeed in this new era of blended value creation, they will need to adopt a new mindset and approach to doing business. The following is a roadmap for future corporations looking to create both financial and social value.

1. Align Business Goals with Social or Environmental Values

The first step for future corporations looking to create blended values is to align their business goals with social or environmental values. This can involve setting goals around reducing greenhouse gas emissions, increasing diversity and inclusion, or improving labor standards in supply chains. Companies should prioritize social or environmental values as part of their core business strategy. This will help them create social or environmental value while also generating financial returns.

2. Measure Impact

To create social or environmental value, corporations must be able to measure their impact. This can involve developing metrics to track progress towards goals or partnering with external organizations to measure impact. Companies should consider the impact of their operations on the environment, society, and the economy. By measuring impact, corporations can identify areas where they can improve their social or environmental performance and create more value.

3. Engage Stakeholders

Corporations must engage with a wide range of stakeholders, including investors, employees, customers, and communities, to understand their needs and concerns. Companies should develop partnerships with non-profits or community organizations or create advisory boards to provide input on social or environmental issues. By engaging stakeholders, corporations can identify areas where they can create more social or environmental value and improve their overall performance.

4. Invest in Impact

Future corporations should look for ways to invest in social or environmental causes as part of their overall investment strategy. This can involve investing in renewable energy, supporting local communities, or partnering with non-profits to address social issues. Companies can also create social or environmental impact funds, which invest in organizations that align with their social or environmental values. By investing in impact, corporations can create both social or environmental value and financial returns.

5. Report on Impact

Finally, corporations must be transparent about their impact and report on their progress towards social or environmental goals. This can involve publishing sustainability reports, providing data on environmental or social performance, or engaging with third-party organizations to verify their impact. By reporting on impact, corporations can demonstrate their commitment to creating both social or environmental value and financial returns.

Blended value creation is a way of creating both financial and social or environmental value. Impact investing is a way of putting this concept into practice. Impact investing involves deploying capital with the intention of generating measurable positive social or environmental outcomes, while also generating financial returns. As impact investing continues to grow, it is likely to become an increasingly important part of the business landscape. For corporations to succeed in this new era of blended value creation, they will need to adopt a new mindset and approach to doing business (Whelan & Haidar, 2015). The roadmap outlined above provides a starting point for future corporations looking to create both financial and social value. By aligning their business goals with social or environmental values, measuring impact, engaging stakeholders, investing in impact, and reporting on impact, corporations can create more social or environmental value while also generating financial returns.

VI. COMPARISON OF CROWDFUNDING AND IMPACT INVESTING IN ENTREPRENEURIAL FUNDING: THE INVESTMENT DECISION

Crowdfunding is a process of raising funds for a business or project by soliciting contributions from many people, typically via the internet. This method of fundraising has become increasingly popular in recent years, with crowdfunding platforms making it easier for entrepreneurs and small businesses to access funding. Impact investing, on the other hand, is an investment strategy that seeks to generate social and environmental impact alongside financial returns. An impact investor may invest in a business or organization that is working to address a particular social or environmental issue, with the goal of creating positive change while also earning a return on their investment. Both crowdfunding and impact investing offer unique opportunities for investors to support causes they believe in while potentially earning a return on their investment. However, there are pros and cons to each approach that investors should consider before deciding.

Understanding Crowdfunding Sites and Platforms

Crowdfunding sites are online platforms that connect investors with businesses or projects seeking funding. These platforms typically charge a fee for their services, which can range from a percentage of the funds raised to a flat fee. There are several different crowdfunding platforms available, each with their own strengths and weaknesses. Some platforms specialize in certain types of projects or industries, while others have a more general focus.

Pros and Cons of Crowdfunding Sites

One of the main advantages of crowdfunding sites is that they offer a relatively low barrier to entry for investors. This means that investors can get involved in a project or business with a relatively small amount of capital, which can be especially appealing for those who are new to investing.

Crowdfunding sites also offer investors the opportunity to support businesses and projects that align with their values and interests. This can be a powerful motivator for investors, who may be more willing to take on risks to support a cause they believe in.

However, there are also some potential drawbacks to crowdfunding sites. One of the main concerns is that these platforms may not be well-regulated, which can make it difficult for investors to assess the risks associated with a particular investment.

Additionally, crowdfunding sites may have a high failure rate, with many projects or businesses failing to meet their funding goals or going bankrupt shortly after receiving funding. This can be a significant risk for investors, who may lose some or all of their investment if a project or business fails.

Factors to Consider When Choosing the Best Crowdfunding Site

If you are interested in investing through a crowdfunding site, there are several factors you should consider when choosing a platform. Some of the most important factors include:

- The platform's track record of success.
- The fees charged by the platform.
- The types of projects or businesses listed on the platform.
- The level of due diligence performed by the platform.
- The platform's user interface and ease of use.

By carefully considering these factors, you can choose a crowdfunding site that is well-suited to your investment goals and preferences.

Top Crowdfunding Sites to Consider

There are several different crowdfunding sites available, each with their own strengths and weaknesses. Some of the top crowdfunding sites to consider are:

Kickstarter: One of the most well-known crowdfunding sites, Kickstarter focuses on creative projects such as films, music, and art.

Indiegogo: Indiegogo is a more general crowdfunding platform that allows businesses and individuals to raise funds for a wide range of projects.

Fundable: Fundable is a crowdfunding platform that specializes in helping startups raise seed capital.

CircleUp: CircleUp is a crowdfunding platform that focuses on consumer products and retail companies.

Crowdfunder: Crowdfunder is a crowdfunding platform that allows investors to invest in startups and small businesses.

Pros and Cons of Impact Investing

While crowdfunding sites offer investors a way to support businesses and projects they believe in, impact investing takes this concept one step further. Impact investing is an investment strategy that seeks to generate social and environmental impact alongside financial returns.

An impact investor may invest in a business or organization that is working to address a particular social or environmental issue, such as climate change or poverty alleviation. The goal of impact investing is to create positive change while also earning a return on the investment.

One of the main advantages of impact investing is that it allows investors to support causes they are passionate about while also potentially earning a return on their investment. This can be a powerful motivator for investors, who may be willing to take on more risk to support a cause they believe in.

However, there are also some potential drawbacks of impact investing. One of the main concerns is that it can be difficult to measure the social or environmental impact of an investment. This can make it challenging for investors to assess the true value of their investment.

Additionally, impact investing may require a longer time horizon than traditional investing, as it can take time for social or environmental impact to be realized. This can be a challenge for investors who are looking for more immediate returns on their investment.

Comparison of Crowdfunding Sites and Impact Investing

While crowdfunding sites and impact investing may appear similar on the surface, there are some key differences between these two approaches. One of the main differences is that crowdfunding sites typically focus on supporting startups and small businesses, while impact investing may involve investing in larger, more established organizations.

Additionally, impact investing typically involves a more direct focus on social or environmental impact, while crowdfunding sites may be more focused on generating financial returns. This can make impact investing a more appealing option for investors who are looking to have a more direct impact on the world.

Making the Right Investment Decision - Factors to Consider

If one is trying to decide between crowdfunding sites and impact investing, there are several factors one must consider. Some of the most crucial factors include:

- The investment goals and preferences
- The level of risk one is comfortable taking on.
- The types of projects or businesses one is interested in supporting.
- The desired level of involvement in the investment

By carefully considering these factors, one can make an informed decision about whether crowdfunding sites or impact investing is the right. Both crowdfunding sites and impact investing offer investors unique opportunities to support businesses and causes they believe in while potentially earning a return on their investment. However, there are pros and cons to each approach that investors should carefully consider before deciding. If one is interested in investing through a crowdfunding site, it is important to carefully choose a platform that is well-suited to one's investment goals and preferences. Similarly, if one is interested in impact investing, it is important to carefully assess the social or environmental impact of your investment. By taking the time to make an informed investment decision, one can maximize the investment potential while also supporting the causes and businesses one believes in.

VII. CONCLUSION

In conclusion, impact investing and blended value creation represent powerful tools for corporations and investors to generate both financial returns and social or environmental impact. By directing capital towards enterprises and projects that create positive change, impact investors can help to address some of the world's most pressing problems while also generating sustainable financial returns. Moreover, blended value creation emphasizes the importance of considering social and environmental impact alongside financial returns, and it provides a roadmap for future corporations seeking to align their business strategies with their social and environmental values. By blending financial, social, and environmental values, companies can create shared value for all stakeholders, including investors, employees, customers, and communities. While impact investing and blended value creation are still relatively new concepts, they have been gaining traction in recent years, with a growing number of investors, corporations, and entrepreneurs recognizing the potential of these approaches. As such, it is likely that we will continue to see increased interest and investment in these areas in the years to come. However, it is important to recognize that impact investing and blended value creation are not panaceas for all social and environmental problems. They are just one piece of the puzzle, and we must also continue to support and invest in other forms of social and environmental change, including advocacy, policy change, and philanthropy.

Ultimately, the success of impact investing and blended value creation will depend on the ability of investors, corporations, and other stakeholders to work together to create sustainable solutions that address both financial and social/environmental concerns. By doing so, we can create a more equitable and sustainable future for all.

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