

Appendix: The Future of Impact Investing in the Post-Brexit UK

Audience Experiment Report for European Commission Horizon 2020 Project Dolphins



Introduction

On the 23rd of January, the Italian Embassy in London in partnership with PlusValue and Finance Matters, organised a roundtable event. 50 experts from across sectors and passionate about the topic gathered to discuss the impact of Brexit on the future of social impact investing.

Experiment Information

Under the European Commission Horizon 2020 Programme for the project Distributed Global Financial Systems for Society (<http://www.dolphinsproject.eu/>), PlusValue has organised an experiment that aimed to engage the roundtable participants.

The objective of the experiment was to understand from the participants what are the key “hot topics” of impact investing and how best to move forward, strengthening the sector. This experiment is in line with task 2.3 “network of social finance” and task 3.3 “engaging citizens in the social function of finance”.

Experiment Structure

The event was structured around 2 main components:

- Poll: the attendees were invited to respond to an online live poll. Questions were asked by the moderator and developed by the organisers based on previous discussions with journalists for the social finance and sector or key strategic documents, such as Big Society Capital 2014 strategy, that motivated the question on mass participation. The live poll used the online application [PollEverywhere](#).
- Public debate, engaging 3 experts in the social investment sector. The panellists included Cliff Prior, CEO of Big Society Capital; Jason Eis, Executive Director of Vivid Economics; and Karl Richter, co-founder and Executive Director of EngagedX. The

moderator opened the floor for questions and several questions came from the audience.

Experiments Results

The poll was accessed by the participants through a personalised URL (www.pollev.com/catherinehug920) that displayed the questions in time with the slide on display. The poll is totally anonymous and did not collect any additional data on the participants responding.

50 people attended the event¹, out of which 22 were females, 28 males. This composition is quite interesting as normally finance events have a strong male prevalence. In contrast, for events focusing on social sector women are often the majority.

Mean number of poll respondents: 19
Standard deviation: 7

The event was invitation-only for professionals working within the impact or finance sectors in some way. More specifically, the audience included: journalists, social investors, bankers of some mainstream finance organisations, as well as representatives from organisations working within the social impact sector.

Specific data was not collected on the geographic breakdown of the audience. Nearly 50% of participants are Italians or of Italian heritage, with the second biggest demographic being of British background.

Further Information Gathered on Questions

The question with the highest response rate was: **What is the priority for the impact investing agenda?**

The favourite answer was: Common framework for impact measurement

The questions with the lowest rate of response: **What does impact mean for Millennials and future generations?**

To read more about the questions, please refer to Annex 1: Questions and response rate

To read more about the detailed contents of the event, please refer to the event report included as an attachment to this report.

¹ See List of Participants, Annex II of Impact Exchanges Report

Twitter Reach

The designated hashtag #BrexitImpInv was used for the event. A breakdown of the use and reach of this hashtag is as follows.



Other tags used by individuals tweeting about this event include:

- ◆ #impinv – used by majority
- ◆ #socinv
- ◆ #Brexit
- ◆ #finance
- ◆ #impact
- ◆ #evaluation

Conclusions

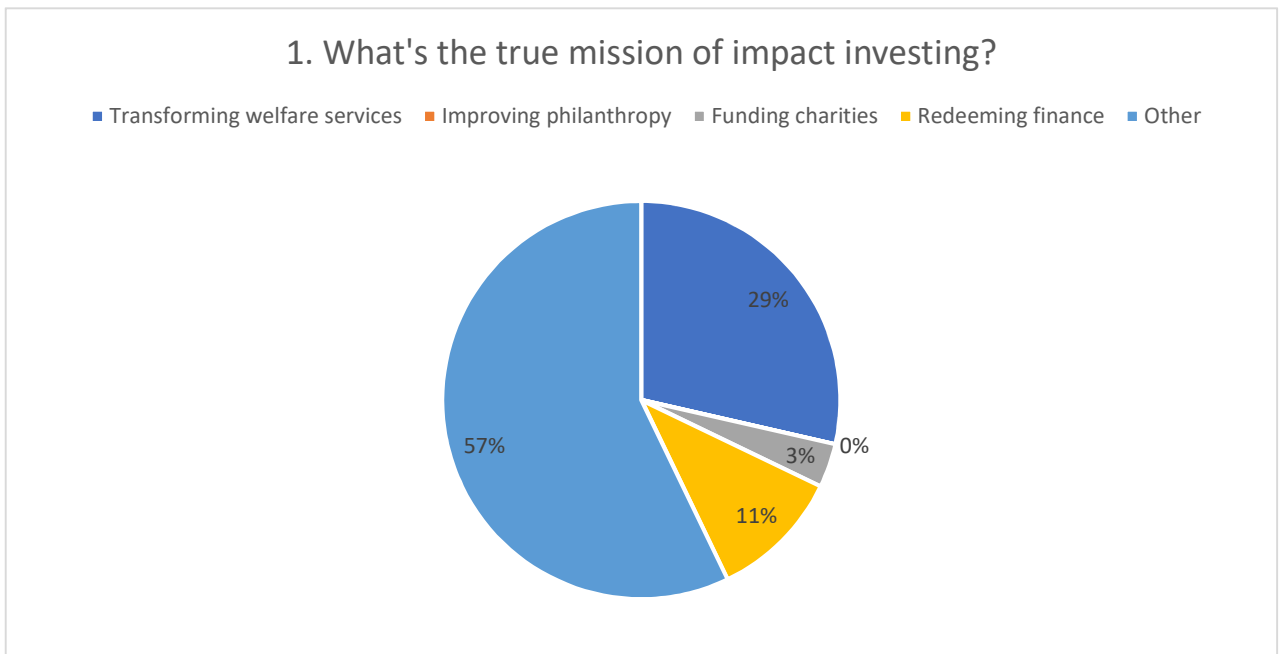
As a testing ground for new software and a style of event that encouraged audience participation during the panel discussion, the event provided evidence that such a method could be a successful tool with further development. The primary weaknesses in the present experiment were the lack of projector or screen available in the room, meaning participants could not see their responses being shared live, as well as lack of diversity in the background and demographics of the participants.

Despite these weaknesses, the experiment did demonstrate the existence of a strong social impact finance sector and of an increasing interest even from mainstream finance.

The outcomes of this experiment will be put to future use by guiding investigations for Dolfins on key topics and language used in the global discussion on impact investing. Many of these keywords and topics will be used for future visualisations of the debate.

Annex 1: Questions & Response Rate

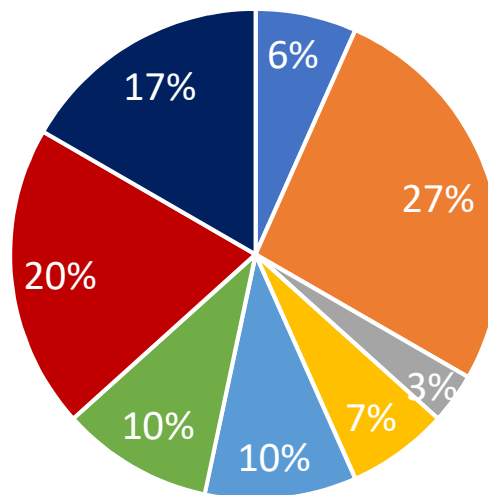
1. What's the true mission of impact investing?		
KEYWORD	Option	Responses
A	Transforming welfare services	8
B	Improving philanthropy	0
C	Funding charities	1
D	Redeeming finance	3
E	Other	16
		28



2. What is the priority for the impact investing agenda?		
KEYWORD	Option	Responses
A	Definition of impact investment	2
B	Common framework for impact measurement	8
C	Impact investment in public procurement	1
D	Tax breaks for impact investors	2
E	Capacity building for investment readiness	3
F	Public awareness	3
G	Public engagement in impact investment	6
H	Other	5
		30

2. What is the priority for the impact investing agenda?

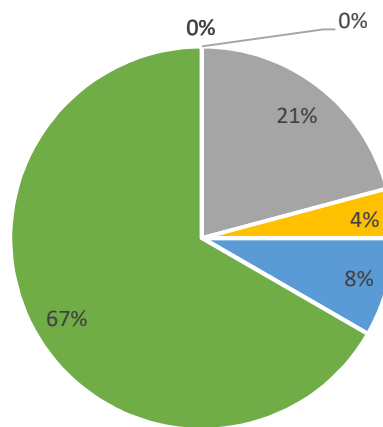
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- Tax breaks for impact investors
- Capacity building for investment readiness
- Public awareness
- Public engagement in impact investment
- Other



3. Impact investing has made a difference...		
KEYWORD	Option	Responses
A	...to ordinary people	0
B	...to government	0
C	...to specialised investors and intermediaries	5
D	...in the financial markets	1
E	...to existing charities and social enterprises	2
F	Evidence of impact is only just beginning to emerge	16
G	Impact investing has been useless	0
		24

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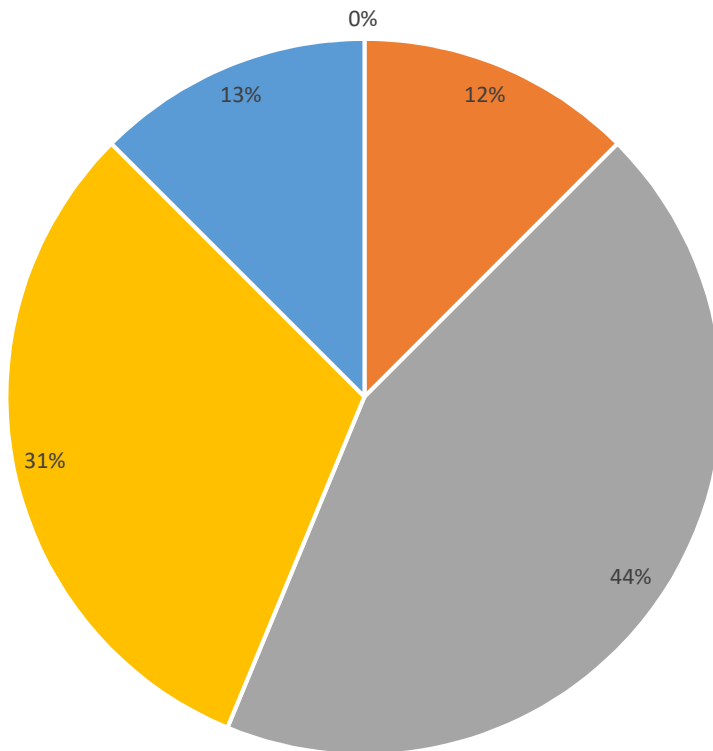


4. What's a fair profit in an impact economy? (Difference is in impact return).

KEYWORD	Option	Responses
A	Below 0	0
B	Breakeven	2
C	Between 0 - 5%	7
D	Between 5 - 10%	5
E	More than 10%	2
		16

4. What's a fair profit in an impact economy?

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 ■ Breakeven
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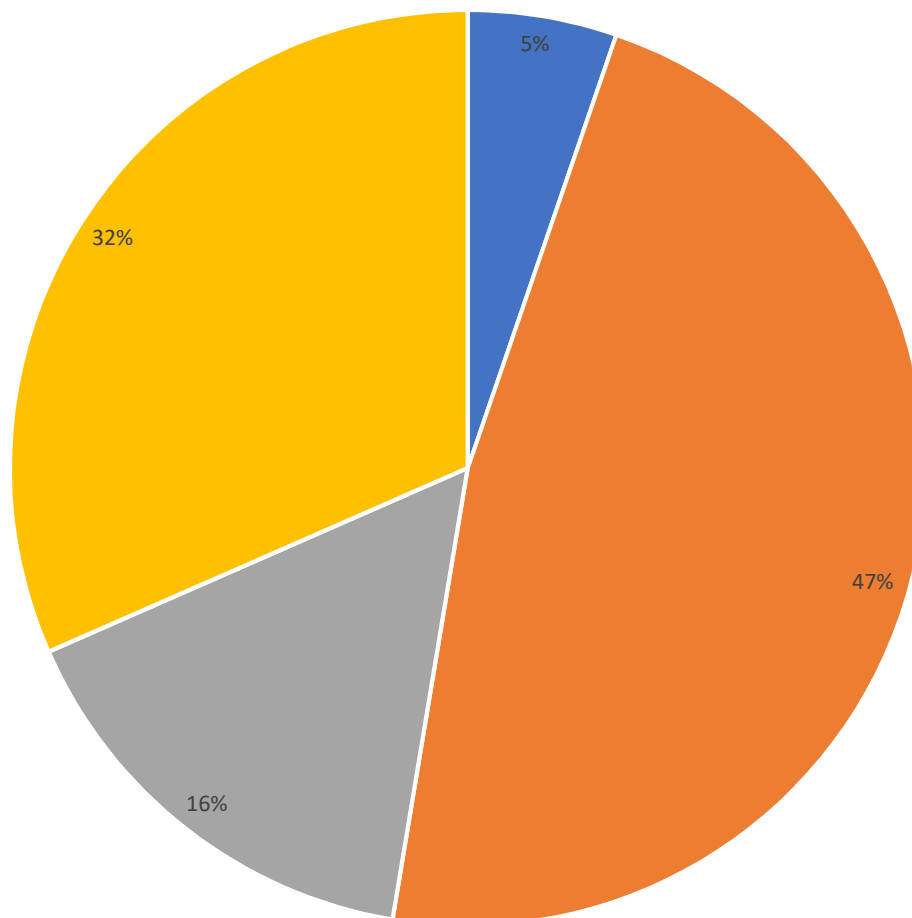


5. The past gov pushed the label of mission-led business as impact embedded in corporate strategy (not just CSR). Is there evidence of any change in the market?

KEYWORD	Option	Responses
A	No change	1
B	Expression of interest but no real change yet	9
C	New legal forms for mission-led business	3
D	Existing businesses are introducing impact in their mission	6
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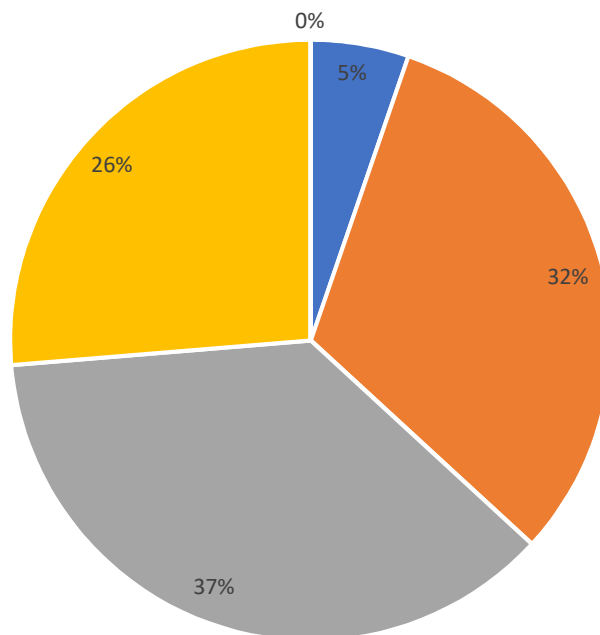


6. Do impact investors really offer a better deal to organisations measuring their impact? What is there to change?

Option	Responses
Nothing	1
Investors need to understand more about organisations' needs	6
We need better/more/stronger intermediaries who manage the relationship between organisations and investors	7
Organisations need to understand more about investors' needs	5
Impact investment and commercial finance are not suitable for organisations who seek to prioritise impact	0
	19

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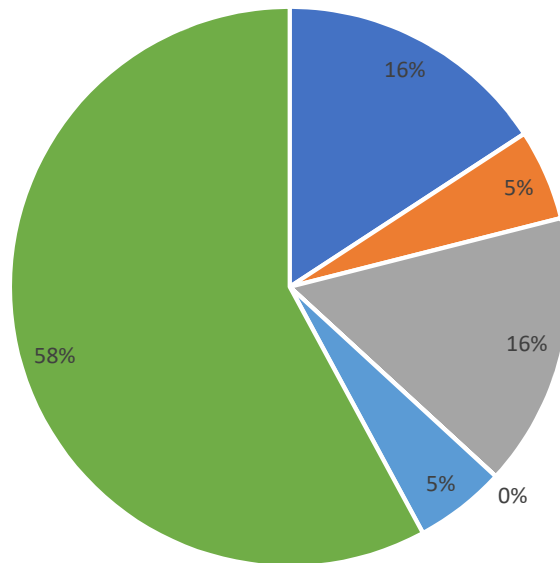


7. Is Hard Brexit the requiem for London's world leadership in impact investing? If so, then what's the alternative?

Option	Responses
London will retain leadership	3
The EU and/or a European capital will lead	1
The US will lead	3
China will emerge	0
The UN or other multilateral institutions already have the lead and will strengthen their position	1
No leadership but difference models emerging	11
	19

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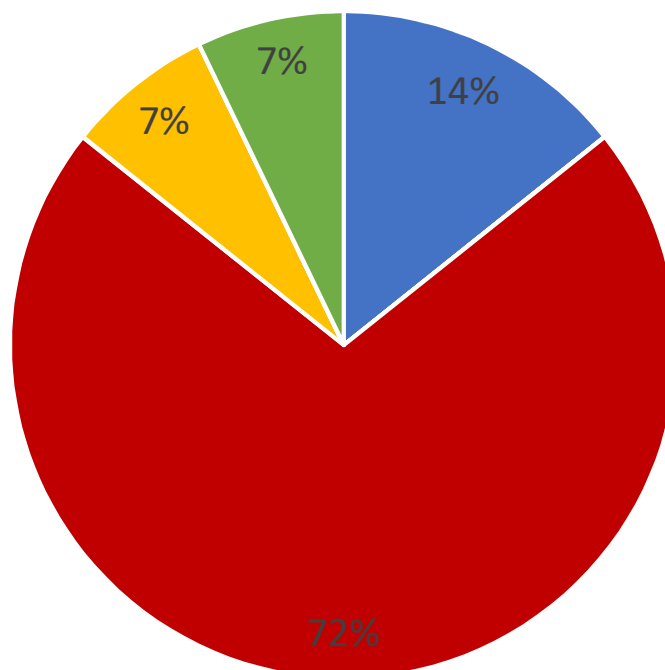
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- No leadership but difference models emerging



8. What are future plans to increase participation in impact investment?		
KEYWORD	Option	Responses
A	Supporting crowdfunding platforms	2
B	Pursuing the uptake of the impact investment tax relief offered by gov	0
C	Increasing the offer of ethical products in defined contribution private pension schemes	10
D	Boosting peer lending	1
E	Encouraging volunteering	0
F	Other	1
		14

8. What are future plans to increase participation in impact investment?

- Supporting crowdfunding platforms
- Increasing the offer of ethical products in defined contribution private pension schemes
- Boosting peer lending
- Other



9. What does impact mean for Millennials and future generations?		
KEYWORD	Option	Responses
A	Impact means quality of life and happiness beyond financial returns	6
B	Becoming like Donald Trump	0
C	Following Bill Gates: get rich and then dedicate to philanthropy	0
D	Following Saint Francis: give away all wealth to live in poverty and simplicity	1
		7

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- Following Bill Gates: get rich and then dedicate to philanthropy
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