

ImpactAlpha's cheat sheet to 10 impact investing themes at SOCAP19

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ImpactAlpha, Oct. 22 – SOCAP is here and ImpactAlpha has you covered.

All year long, we've been digging into the kinds of themes on display at this week's Social Capital Markets conference in San Francisco. We've assembled what to read, what not to miss and who to meet over the next few days. And if you can't make it out to the Bay, this guide, SOCAP's [livestream](#), and our coverage will keep you in the loop.

Catalytic capital. Returns on inclusion. Opportunity Zones. Good jobs. Regenerating soil. Latin America. Indigenous impact. Creative economy. Refugee lens. Impact tech. *Our opening salvo*: "Impact washers" should fear real impact investors, not the other way around.

Actually delivering impact is the only way to capture that impact alpha. Now that financial institutions and big-shot investors have put themselves on the hook for impact, demand is spiking for those that can actually deliver it.

Here are some of the ways Agents of Impact at SOCAP are delivering:

1. Catalytic capital

Many high-impact enterprises, and even entire sectors, could not have developed but for “catalytic capital” from investors who can accept higher risks, lower returns, more flexible terms or longer repayment periods. “We have to recognize that market-rate capital doesn’t work in all circumstances,” says MacArthur Foundation’s **Debra Schwartz**. “If we don’t have a healthy commitment to the catalytic piece, we’ll be leaving impact behind.” Follow on *ImpactAlpha*: [Full stack capital](#) and [innovative finance](#).

Get smart quickly:

Who to meet: [Sunwoo Hwang](#) of SixUp will break down how he raised capital for low-income student loans from both foundations and Wall Street in “[Overcoming Barriers to Deploying Capital Into Underinvested Areas](#),” moderated by *ImpactAlpha*’s [David Bank](#), on Wednesday at 9:45 am.

2. Returns on inclusion

Not even superior performance by investment managers of color, it seems, dispels lingering racial bias. A recent study from Illumen Capital and Stanford SPARQ found that biases among those who allocate capital, implicit or otherwise, actually increase the better fund managers of color perform. “If you are not looking at this, you are actually taking risk,” says Kellogg Foundation’s **Cynthia Muller**. Follow on *ImpactAlpha*: [Returns on inclusion](#).

Get smart quickly:

Who to meet: Echoing Green’s [Cheryl Dorsey](#) and [Hadiyah Mujhid](#), CEO of HBCUvc, which trains black and Latinx populations in technology entrepreneurship and venture capital, will explore “[The Costly Cycle of Biased Investing](#),” at 12:15 Wednesday.

3. Opportunity knocks

No topic has generated more interest, and more skepticism, than the capital-gains tax incentives aimed at harnessing capital for high-impact investments in “Opportunity Zones.” Locally led development efforts, homegrown startup activity and affordable housing investments from Erie, Pennsylvania to South Los Angeles are demonstrating that deep engagement with communities can mitigate investment risk and accelerate project timelines. “Local leaders and anchor institutions are working together because they feel a sense of urgency in jumpstarting growth,” **Rachel Reilly** of Economic Innovation Group told *ImpactAlpha*. Follow on *ImpactAlpha*: [Locavesting](#) and [Opportunity Zones](#).

Get smart quickly:

- [Investments in ‘people and places’ start to demonstrate impact in Opportunity Zones](#)
- [The Opportunity Zones glass may not yet be half full, but it’s too early to call it empty](#)

- [Q&A with Rodney Foxworth: Redistributing wealth, democratizing power and shifting economic control](#)

Who to meet: Confluent Group's [David Gross](#), business partner of the late [Agent of Impact Nipsey Hussle](#), says the [Our Opportunity](#) initiative he co-founded with Hussle is a playbook for people to "buy back the block." Gross will discuss "[Unlikely Partnerships Driven by Opportunity Zones](#)" on Wednesday at 8:30 am.

4. Good jobs agenda

A growing set of impact investing strategies seek to create jobs that provide good benefits, living wages and safe working conditions. That means going beyond merely counting the quantity of jobs, but lifting their quality as well. It means treating labor not as a liability on corporate balance sheets, as is current practice, but as an asset, and optimizing for the value of that asset. Follow on *ImpactAlpha*: [Good jobs](#).

Get smart quickly:

- [Memo to candidates: Impact investors have a quality jobs agenda](#) (podcast)
- [Climb Hire rakes in \\$2 million for tech-training cooperative](#)

Who to meet: Acumen America's [Amon Anderson](#) will share lessons for "[Investing in Workforce Tech Without Losing Your Shirt](#)," on Wednesday at 2:45 pm.

5. Regenerating soil... and communities

Farmers are building soil health to mitigate climate change and foster resilience on farms and in rural communities. Regenerative farming can also reduce agriculture investment risk, creating investment opportunities across food and agricultural value chains. That calculus has spurred the creation of at least 54 U.S.-based investment vehicles, with nearly \$50 billion in assets, that incorporate regenerative practice in their ag investment strategies. "Investors speak the language of risk," says Delta Institute's **David LeZaks**. "When you start to manage systems for increasing soil health and having bigger stocks of carbon in the soil, those systems are inherently less risky and more resilient to extreme weather and climate change." Follow on *ImpactAlpha*: [Regeneration](#).

Get smart quickly:

- [Agriculture funds are investing billions to regenerate soil – and communities](#)
- [Iroquois Valley Farmland's direct public offering lets smaller investors get a share of 'soil wealth'](#)

Who to meet: Delta Institute's [David LeZaks](#), will talk about "[Soil Wealth](#)," a comprehensive analysis of private investment in food and agriculture, at "[Financing Regenerative Agriculture Across Asset Classes](#)" on Wed. at 11am.

6. Impact en las Americas

Impact ventures in Latin America are generating financial returns through social and environmental impact – and raising capital and realizing exits. *ImpactAlpha's* [video interviews](#) from the Foro Latinoamericano de Inversión de Impacto, or FLII, earlier this year are snapshots of the progress and maturity of impact investing in the region. Follow on *ImpactAlpha*: [Latin America](#).

Get smart quickly:

- [50 deals that signal a growing impact investing market in Latin America](#)
- [Second wave – and second funds – for Latin America impact fund managers](#)
- [Grupo Bimbo anchors an impact fund of funds in Latin America](#)

Who to meet: Grupo Bimbo's [Tania Dib](#) will make the case for corporate impact investing in "[The Path to Impact in LatAm: Views and Approaches from Local Investors](#)," Thursday at 1:30 pm. New Ventures hosts [Noche Latina @ SOCAP](#) on Wednesday at 8 pm.

7. Indigenous impact

Indigenous populations rich in wisdom and traditions face higher poverty rates, lower educational attainment and poorer health and housing because of past injustices and persistent structural barriers. Indigenous entrepreneurs as well have more difficulty accessing financing than their non-indigenous peers. Indigenous leaders are developing financial vehicles and mobilizing capital to support on-reserve businesses, like grocery stores, pharmacies, housing and renewable energy projects. Follow on *ImpactAlpha*: [Inclusive economy](#).

Get smart quickly:

- [Small Canadian impact fund targets "economic reconciliation" for indigenous entrepreneurs](#)
- [Ejido Verde is financing indigenous Mexicans to plant trees – and plant a stake in the middle class](#)

Who to meet: [Jeff Cyr](#) of Raven Capital Partners is raising a small impact fund to make equity investments in socially-focused indigenous entrepreneurs in Canada, in "[Achieving Impact Through \(and with\) Indigenous Communities](#)," Thursday at 10 am.

8. 'Creating' impact through art and media

Movie makers and video game producers have what mission-driven investors want: impact at scale. New financing mechanisms are opening up the market for impactful storytelling to investors who may never have considered themselves media moguls. Creative funds, production slates and media ventures include Essence Ventures, E-Line Media and Macro. Follow on *ImpactAlpha*: [Creative economy](#).

Get smart quickly:

- [Investing in the impact of powerful new voices in film and video games](#)
- [Alaska Natives build a bridge to the future – of video games](#)
- [Souls Grown Deep Foundation to invest \\$1 million in artists' hometowns in the U.S. south](#)

Who to meet: [Julia Reichert](#) has co-directed *American Factory*, a documentary film about a Chinese company reopening a shuttered factory in Ohio. Upstart Co-Lab's [Laura Callanan](#) and Souls Grown Deep's [Maxwell Anderson](#) will discuss, "[Saying No to Opioid Money is Not Enough: Bringing \\$60 billion of Arts Organization Endowments Off the Sidelines for Impact Investing](#)," on Thursday at 2:45pm.

Cool tools. Upstart Co-Lab's [deep dives](#) on [ethical fashion](#), sustainable food and [social impact media](#).

9. Investing with a refugee lens

Politicians demonize; Agents of Impact mobilize. Roughly 70 million people remain forcibly displaced worldwide. "Investors are already participating in refugee and migration deals," **John Kluge** of the Refugee Investment Network told *ImpactAlpha*. "There are increasingly more investors doing this by design and intent." Follow on *ImpactAlpha*: [People on the Move](#)

Get smart quickly:

Who to meet: [Aline Sara](#) is co-founder and CEO of NaTakallam, which connects refugees and displaced persons with work opportunities in the language sector. Don't miss, "[Refugee Lens Investing](#)," Thursday at 12:15 pm.

10. Tech's turn to impact

Tech breakthroughs like lab-grown protein, mobile credit and insurance, and genome editing for vaccines will be key to reversing climate change and ensuring that people thrive is the 21st century. "The speed and scale of the transformation we need—at the pace of the Carbon Law—has no historical precedent," write **Manuella Cunha Brito**, **Ludovic Sinet** and **Benjamin Tincq** in "[The Frontiers of Impact Tech](#)." Follow on *ImpactAlpha*: [Impact Tech](#).

Get smart quickly:

Who to meet: “We want to be for impact tech what Netscape was for the internet,” says Fifty Years’ Seth Bannon, “a wakeup call that this is real, this is happening and they better jump on board.” Bannon and Future Ventures’ Maryanna Saenko will talk “Tech’s Turn to Impact,” on Thursday at 8:30 am.

To recap, impact is a license to operate. As asset managers, private-equity firms, high-net-worth individuals and big banks are raising money and making claims to social and environmental benefit, without committing to rigorous impact, intentionality or accountability, it may be a good time to bone up on the expanding culture of, and toolkits for, accountability for social impact (see, “Q&A with IFC’s Neil Gregory: A deadline looms for transparency in impact investing”).

A good place to start is Pacific Community Ventures’ new *Impact Due Diligence Guide*. PCV’s Tom Woelfel will present the approach in “Putting Impact at the Center of Due Diligence,” on Thursday at 9:45am.