

How to Start Impact Investing

The first step in learning how Impact Invest is to educate yourself on exactly what Impact Investing is and why it's beneficial. The next step is building a plan. This can be done by yourself, or with an Impact Investing advisor, but in this article, you're going to learn how to put together a simple Impact Investing strategy.

Step One – Develop a Vision

The key here is to determine exactly how impact investing can benefit *you*. There are many reasons to consider Impact Investing, but not every reason will resonate with you personally. To help answer, consider what type of investments you're interested in—and be creative. Do you want to make a positive impact on the environment, or on social change, or both? Do you want to live in a world where 100% of vehicles are AI driven or carbon neutral?

Once you've finished brainstorming, shift your focus to your goals. What does success with Impact Investing look like to you? What type of returns are you looking for?

With your vision outlined, it's time to move on to the next step. However, it's completely normal to return to your vision later, and you should allow yourself to make changes as you navigate through this guide.

Step Two – Develop a Strategy

In the last step, you were told to get creative. In step two we're going to turn off our imagination, as it's now time to develop a strategy that is realistic to *your* circumstance. Every investor comes from a unique background and thus every investor needs a unique investment strategy. At this point, you may wish to stop and bring your vision to an investment advisor, as this plan should be actionable and precise.

As you develop your plan, consider your expectations and your current reality. What are your return expectations? Will you be prioritizing impact investments, and if you are, are you willing to make below market rates? Do you plan on taking the reins, or will you use an advisor?

Remember the goal here is to create an actionable plan that allows you to take strides forward, learn from your mistakes, and succeed in the long-term.

Step Three – Develop Measurable Goals

Going back to your vision, what *measurable* goals can you see? The key here is *measurable*. If you can't measure your growth, how do you know you're growing? With Impact Investing, this gets a little more difficult, as you need to consider the social and environmental goals you have and not simply the amount of money you're making.

Once you've determined your goals, it's time to figure out how you'll monitor it. If you've chosen to use an impact investment advisor, you may not need to answer this question. However, you should ask your advisor this question yourself.

Step Four – Management Strategy

Managing your investments can be a lot of work. You must consider things like risks and returns, and you'll need to know when and how to adjust your strategy. It's important to put the right person in charge of your investments. Assuming this person isn't you, you'll need to determine who to work with. If you already have an investment advisor, you should consider whether or not this person has requisite experience in Impact Investing.

Step Five – Invest

With your detailed and actionable plan in hand, it's time to start making investments. Yet understand that the planning process isn't over. Strategies will need to be augmented or changed or tweaked as you go, and that's okay. Do not start building your plan with the idea that you need to get it perfect from the start. Be flexible and allow your plan to grow and change based on advice from your advisor or based upon your own evidence and intuition.

So, now that you've got your plan, it's time to consider one last thing: how you'll share your story and how you'll mobilize other investors to take on global challenges.