



THE RISE OF IMPACT INVESTING

Investing with a socially responsible mindset is going mainstream. The practice is growing remarkably fast: According to the Global Impact Investing Network (GIIN), the value of impact investing assets under management across the world roughly doubled from 2017 to 2018, and the pace of growth is not expected to subside soon. Impact investing comprises a \$1.3 trillion market, the *Financial Times* reported in September. Why the sudden surge? One factor might be the millennial generation, which is socially minded and now beginning to invest money. Growing skepticism of the traditional nonprofit charity model of aid might be another cause. Books such as Dambisa Moyo's *Dead Aid* and reports by academics have suggested that this model does not create economic growth.

To meet demand, more and more investors are entering the impact space,

GIIN's latest report says. But they still face challenges to growing the industry, such as a lack of appropriate capital across the risk/return spectrum, particularly outside the United States. There is also the risk that as impact investing grows, its meaning will be diluted. Some investment organizations are

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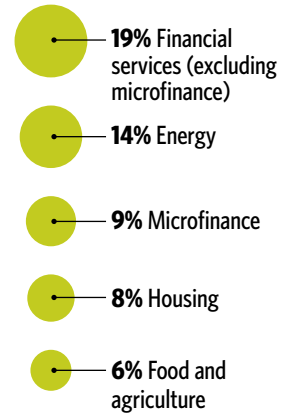
worried about "impact washing," whereby an organization masks unpopular practices by investing in noble causes.

"We are very concerned about impact washing," Mark Haefele, global chief investment officer of UBS Wealth Management, told the *Financial Times* in September.

In October, the World Bank's International Finance Corporation (IFC) unveiled a definition of impact investing to head off confusion. "There have been shifting definitions. There is a certain degree of confusion," said IFC Vice President Hans Peter Lankes. "Asset owners have been asking for clarity."

FOLLOW THE MONEY

According to the Global Impact Investing Network's 2018 report, these are the top areas of investment for impact funds, in terms of assets under management.



WHAT DOES 'UNLIMITED' REALLY MEAN?

At first blush, unlimited vacation time as an employee sounds ideal. But the policy has been hotly debated in the last few years, entering the spotlight after corporations including Netflix, LinkedIn and Virgin adopted it.

The problems originally anticipated with unlimited vacation have not emerged at these companies. (Will anything get done? Will anyone ever be in the office?)

Instead, early research indicates that the policy either has no impact on employee habits or actually causes

them to take fewer days off.

That latter counterintuitive outcome is now sparking debate.

Proponents say the freedom engenders "an ownership mentality," builds morale by demonstrating trust in employees and improves work-life balance, thereby boosting worker happiness. But proponents tend to be corporate bigwigs—and the reality of the policy in practice can often be quite different than they imagine.

Reports have found that without clear vacation-day guidelines, many workers are stressed and uncomfortable with where to draw the line. Even if corporate policy calls for unlimited time off, some

feel that office and/or manager norms and expectations imply using vacation time sparingly. No one wants to be seen as the slacker.

To a large extent, how an unlimited vacation policy plays out in practice comes down to culture, business psychologist Douglas LaBier told *The Cut* website.

"Management culture has to convey what it means in terms of its values, authentically. If you feel like it's authentic, that can make you feel a little freer and less guilty about taking the time off," Mr. LaBier told the website. "But if you sense this is maybe a technique they're trying to make you work harder, to always call in or be on the computer even if we take the time off, then you'll think it's a gimmick."

