

NATIONAL UNIVERSITY OF SINGAPORE
NUS Business School
Department of Finance

FIN4117 Measuring Success in Philanthropy and Impact Investing

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Course Description

Philanthropy is evolving dramatically given supply of new philanthropic monies seeking greater impact. Motivated out of a love for mankind, improving the human condition remains a key objective. However, the act of philanthropy, its orientation, methods and approaches are realigning in ways that treat the giving of private wealth not simply as gifts but as investments with expected returns. As such, the “new” philanthropy borrows ideas, practices, technologies and vocabulary from the world of finance and private equity, to articulate its purpose and operational design. It emphasizes impact and efficiency, and frames impact investing as a specific form of philanthropy, one that, at its core, involves leveraging and aggregating diverse resources to generate a blend of measurable social and financial returns consistent with the interests of the parties involved.

The past decade has seen an increasing interest in investments in hybrid organizations with double or triple bottom-lines. This conversation has just arrived in Singapore and Asia in the last couple of years. There is growing interest from all stakeholders to better understand investing in the intersection of financial, social and environmental dimensions.

Having an impact simply means making a difference. To identify and properly measure the difference, one needs to identify the counterfactual - what it would be without one’s intervention. How does an investor achieve impact? We explore this question using a framework that (1) requires that the investee enterprise itself has net positive impact, and (2) the investor’s financial and non-financial contribution increases beyond that enterprise impact.

As the venture philanthropic and impact investing practices are emergent and adaptive from the private equity sector, this course also draws discussion from venture capital and growth investing respectively. An underlying theme of this part of the course is to emphasize how venture philanthropic and impact investing can create social capital which promotes sustainable economic growth.

A sound knowledge of philanthropy and impact investing is therefore essential for the following participants in the intersection of social capital, private capital and public markets: private bankers, philanthropy advisors, family offices, foundations, venture philanthropists, impact and private equity investors, corporates developing a strategic CSR program, policy makers and government agencies.

Course Objectives

The objectives of the course are to enable students to acquire the following:

1. **Knowledge of key concepts** of philanthropy and impact investing and their evolving landscape;
2. Critical thinking **skills to frame the key issues** in philanthropy and impact investing at the strategic and operational levels; and
3. Development of **abilities in the practice** of philanthropy and impact investing.

Course Outline

The course will be organized in three related segments covering:

- A. Performance Measurement and Management;
- B. Philanthropy;
- C. Venture Philanthropy and Impact Investing.

Using lectures, case studies and discussions based on readings, the course will consider:

- Logic models, theories of change, and the design, monitoring and evaluation of philanthropic activity and impact investing;
- Measurement of social impact and the challenges faced by social investors in gauging the impact of their investments in social purpose organizations;
- Methods for improving the behaviors and accountability of individuals and organizations to achieve socially desirable outcomes; and
- Social enterprises: What are “social enterprises” in the Singapore eco-system? What are the models of social enterprises in Singapore?

Pre-requisites

There is no pre-requisite. But students would benefit if they have read FIN3102 Investment Analysis and Portfolio Management.

Readings

Course materials and readings include journal articles, book chapters, case studies, videos and information available at various websites. Updates are made available as new materials become available.

Assessment

The assessment of the module will be based on a total of 55% for individual credit and 45% for group work:

Class participation	15%) individual credit
Assignments	40%)
Group project & presentation	45%	

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