

NATIONAL UNIVERSITY OF SINGAPORE
NUS Business School
Department of Finance

FIN4715/FIN4117 Measuring Success in Philanthropy and Impact Investing

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Course Description

Philanthropy is not charity or mere giving. Philanthropy is problem-solving; it is strategic long-term doing good, that is more likely focused on outcomes and impact. Philanthropy is evolving dramatically given supply of new philanthropic monies seeking greater accountability and impact. Improving 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. There is a growing discourse that hybrid organizations may norm businesses and firms in the new economy, fueled by the social media that gives voice to the marginalized, the powerless and the disabled.

This module looks at a specific modeling of philanthropy through impact investing in hybrid organizations. 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. An underlying theme of this part of the course is to emphasize how impact investing can create social capital which promotes sustainable economic growth.

Course Objectives

The objectives of the course are to enable students to:

1. Better understand, participate in and lead the growth and development of philanthropic and impact investing in Asia and globally;
2. Gain new knowledge and skills in designing programs and managing monitoring and evaluation for impact investments, portfolios and programs; and
3. Examine issues and challenges in field building and capacity building in impact assessment and impact investing.

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 Outline

The course will be organized in three related segments covering:

- A. Building the field in philanthropy and impact investing;
- B. Measuring success – examining strategies and tools for evaluating individual impact investments, portfolios and programs.
- C. Methods for improving the behaviors, efficiency and accountability of individuals and organizations to achieve socially desirable outcomes

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:

Assessment Components	Weightage
Class participation and forum	10
Learning journals	15
Assignment and Quiz	30
Group Project and Presentation	45
Total	100

Academic Honesty and Plagiarism

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times.

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