

"Brace for Impact"

April 2020



www.pensionsforpurpose.com

This blog by Karen Shackleton is part of a new weekly series from the Pensions for Purpose team.



In January (when we were in the 'old world'... remember those days?), in my role as Non-Executive Chair of the Board of [Resonance Ltd](#), I was asked to say a few words at the end of a two-day strategy offsite for the whole company.

One of my messages to the team was that I was seeing a growing interest in impact investment from pension funds. I told them to **"Brace for Impact"**, for a flow of capital from pension funds into impact investment over the next few years. Little did I realise quite what lay ahead, and I certainly wasn't talking about the sort of impact that we have seen from the pandemic, over the past few months...

Rather, my message was based on the growing number of conversations I have had about impact investment, in my dialogue with pension funds. Over the past six months I have run eleven workshops for pension funds, introducing them to impact investment and helping them articulate their investment beliefs to facilitate a journey towards more intentional, impactful investment. Pensions for Purpose is now running the investment beliefs workshop online and taking bookings from pension funds already. There is also a pre-recorded, free-of-charge, [introductory session](#) to impact investment and the spectrum of capital that can be accessed automatically via the platform. These training courses have led to some fascinating discussions and I am always impressed with the quality of conversations held by investment committees who are thinking so carefully about this.

Whilst the COVID-19 crisis has probably delayed that anticipated wave of capital flowing into impact investment, I certainly don't think it will have dampened appetite. On the contrary, the lockdown has given us all time to reflect on our values, with a much greater emphasis on thinking about the community in which we live. When lockdown restrictions begin to ease, there are likely to be new community needs that continue well after COVID-19 is contained. Whereas pre-pandemic, the interest in impact investment amongst pension funds was more around climate change and environmental damage, post-pandemic I anticipate an additional, increased interest in social impact investment.

Social impact investment can range from housing the homeless, to working with social enterprises helping those with mental health issues, to regenerating local areas. All these are examples of social impact investment that have already been considered by pension funds. This leads me to conclude, as we emerge gradually from our home-working environment, and begin our journey towards recovery, that the message very much remains "Brace for Impact".

Karen Shackleton
27th April 2020