



# DAF Perspectives for Advisors

Expertise and tools to help advisors deepen the philanthropic conversation

## How Sustainable and Impact Investing with DAFs Can Enhance Your Clients' Philanthropy

*By Natalie Pinon, Director of Development*

Impact investing refers to investments explicitly intended to generate a positive and measurable social or environmental result alongside a financial return. [Donor-advised funds](#) (DAFs) are uniquely positioned to help your clients use sustainable and impact investing to amplify their giving. Here are three reasons why you should talk with your clients about impact investing with a DAF:

**Sustainable and impact investing can help clients meet their philanthropic goals:** Many donors want to pursue their charitable cause(s) using every tool available. Once your clients have put philanthropic capital aside in a DAF or other charitable vehicle they can put those assets to work immediately, even before making a grant. By investing their DAF assets for impact, your clients can align their impact investment goals with their grantmaking goals to bring more resources to bear in addressing social and environmental challenges.

**Sustainable and impact investing makes good financial sense:** The impact and sustainable investing markets have grown significantly as demand for these type of investment strategies has surged. Growing evidence suggests that companies that prioritise environmental, social and governance (ESG) issues generate better long-term financial performance, according to an aggregated [report](#) of more than 2,000 studies. [Morningstar](#) found that 73 percent of its 56 ESG-screened indexes outperformed their non-ESG equivalents since inception. For your clients this means that diversifying philanthropic portfolios towards sustainable and impact investments makes financial sense as well.

**Sustainable and impact investing helps your clients connect with the next generation:** Over the next several decades it is estimated that tens of trillions of dollars of financial assets will pass from baby boomers to their heirs. For clients looking to engage the next generation in their family's giving, impact investing is a sensible choice. The innovative millennial generation now look for investments with purpose and that align with their values. As your clients plan their family's wealth transfer, allocating philanthropic capital for sustainable and impact investing today means the next generation can get involved in purpose driven investment right away.

Being knowledgeable of and receptive to impact investing and other sustainable investment approaches can be a key differentiator for advisors looking to participate in the coming wealth transfer.

For more information about how your clients can use a DAF for impact investing, [contact us](#).

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