

New Initiative by Tides Canada Advances Impact Investing for Canadians

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Tides Canada recently launched the first customizable donor advised fund (DAF) in Canada to be 100% invested for impact. The ImpactDAF is a unique charitable giving vehicle that brings high impact philanthropy together with an aligned impact investing strategy. This means that, unlike traditional DAFs, the ImpactDAF mobilizes its underlying investments towards the same social and environmental goals as grants made from the DAF to charities.

The concept is simple. By combining impact investing and charitable giving, the ImpactDAF allows individuals and organizations to mobilize more philanthropic assets towards impact. And, it offers donors a new way to better align their contributions with their values.

Tides Canada is a leading national charity that enables community-led transformation for social, environmental, and economic equity. We do this with a unique suite of tools and services that help changemakers get from vision to impact. The ImpactDAF is the latest tool in our toolkit, and part of our work to develop new models of social finance that create more impact with every available philanthropic dollar.

Climate change and inequality are accelerating and causing destructive effects on communities and our environment. Charities, investors, and philanthropists recognize the need to deploy as many resources as possible to develop solutions to these pressing issues. Although philanthropy and impact investing have roles to play here, it was previously difficult to blend these two vehicles towards a united goal. The ImpactDAF addresses this challenge.

We also want to help shift the sector of donor advised philanthropy away from traditional investments that often have a negative social and environmental impact. The most recent numbers indicate that donor advised funds in Canada hold over \$3B in assets. Of the DAF dollars that are invested, almost all are in traditional investments. There is much work to be done.

By introducing the ImpactDAF, we hope that other institutions offering DAFs will change their investment strategies to be more aligned with the philanthropic values of their initial contributions. Given that so many DAFs in Canada are

associated with large financial institutions, this may create a ripple effect. And this is where the ImpactDAF holds the greatest potential. As we collectively work to address climate change and inequality, we must acknowledge that people and institutions are starting from different places. We hope that soon the ImpactDAF will become a “low-bar” – the bare minimum requirement for all DAFs in Canada.

A decade ago, very few were thinking about how to activate investments for the common good. And now impact investing accounts for **\$500B worldwide**. If vehicles like the ImpactDAF can become the low-bar, we can focus on moving even further along the path to sustainability. This means that over the next decade, impact investing and philanthropy as they are currently constituted will not suffice. If the last decade has seen an acknowledgement of the need to redirect capital, the next ten years should be about who benefits from the redirection.

We’re excited to engage new philanthropists through the ImpactDAF. We strongly believe it will result in more funds being available for important community-led solutions. At the same time, we’re working towards the next phase, pursuing ways to mobilize more capital in service to community-asset-building. Some exciting potential is seen in innovative models like worker owned co-ops, community land trusts, and social wealth funds. We hope to one day enable these types of community-asset-building initiatives to be a new bare minimum or “low-bar” for impact investments.

Tides Canada’s ImpactDAF will be invested and managed by the Genus-SVX Impact Investment Counsel. Success of the ImpactDAF portfolio will be measured using a methodology aligned with the United Nations Sustainable Development Goals (SDGs).