Morgan Simon, founding partner of Candide Group, explains that systemic change is needed not only with regard to who has access to capital, but also with regard to who gets to allocate capital. She encourages impact investors to value the lived experiences of the people who will be affected by an investment, and to find ways that a wider community of individuals can influence funding decisions. Irma Olguin Jr., CEO and co-founder of Bitwise Industries, adds that she hopes to see deeper conversations that reshape how investors view who deserves money.

Transcript

- One of the things that we think a lot about and have been designing structures to try to address is this question of who gets to allocate capital. Because you have historic inequity in the U.S. and globally that has tended to concentrate wealth into certain communities and extract it from others. And that means that even in the context of impact investment, you often then have white investors like me, who come from, you know, I come from a pretty middle class community, but that come from relatively privileged communities, getting to make decisions for others. And to put it as crass as possible, impact investing can’t just be rich people deciding what social change should look like, right? But if they are the asset owners, if they are the board members for foundations or endowments, that’s who gets to decide where ultimately capital is allocated. So we’ve been really looking at, and not just us but many others in the ecosystem, how do you really broaden not just access to capital but access to decision making over capital. So for instance, we have a fund called Olamina, which is a $40 million fund that’s invested in U.S. community development that has a community advisory board that is all women of color activists, who on a rotating basis, sit on the investment committee. That means that they are voting on where this capital is being allocated. Similarly, we’re in the process of launching a climate justice fund that will similarly have a community advisory board structure to make sure that people who are directly impacted the consequences of environmental racism and climate change are getting to decide where the capital goes and get diligent support from our team which is also a highly multiracial team.

But the idea that you can bring together different skill sets and that you need to value lived experience and impact knowledge, just as much as you value financial experience. So it’s not just traditional finance people saying, “Oh, I think I’ll become a social investor, let me try that on and see if I can learn something about communities.” That’s a lifetime of experience that people may or may not have to bring to the table and that’s okay. I think it’s important to validate that we can all still have a role in this, but knowing what it is, and then how do we use the power that we have to create spaces for others? So that’s where as Candide Group, we’ve been trying to kind of build this linkage between some of our investors, you know, some high net worth families and some foundations who might be really thinking from a reparations framework and are saying, “Maybe I’m not the one who should be deciding. This wealth that I inherited here by the grace of God go I, maybe I’m not the one who should be deciding what impact priorities for the world are, let me go ahead and turn over governance to others.” Then we kind of jump in to answer the question, well, how do you do that in a structured, thoughtful way? So that’s
one of the, I kind of in a good way would say trends that I’m seeing in impact investment innovation, thinking about not just beneficiaries of capital, but allocators of capital as well. Irma that probably gave you ample time to think since I went on and on... - I mean the only thing you can say is what you said, like that’s the only right answer.. I think the other maybe small element that I’ll add is that one of the hard parts about the money versus the non money is that the question of who deserves money now becomes a thing we have to actually talk about and that’s a complicated thing.. And no two people are going to think exactly alike on that topic, which is why we are fortunate to have the Morgan Simons of the world who are spending their time and their nights awake trying to figure out how to solve this in a way that more people will agree to, if not all...