Welcome to the sixth issue of ***Hartz & Minds***, a vehicle for us to share useful ideas and expert opinions on topics related to corporate social responsibility (CSR), impact investing, diversity, family philanthropy, nonprofit strategy, and social entrepreneurship. Today's *Hartz & Minds* examines **FINANCIAL INVESTMENTS** in companies, in partnerships, in individuals and teams, with input from three subject-matter experts.

I approached this topic, first from a narrow lens – allocating company investment dollars to address community needs. Then with a broader view, I saw connections which may help clients, *Hartz & Minds* readers, and colleagues. Most companies donate money to nonprofit partnerships to impact both their own strategic goals and the communities they serve. Leading companies and foundations are also placing investment dollars with charitable enterprises to yield a solid ROI and spur social change. Many people consider spending money on executive coaching, lifelong learning, or civic leadership to impact their own careers and personal fulfillment. Corporate Hartz can widen the perspective of how precious dollars are invested for current and future benefit.

Impact Investment

"In the past, increasing assets and affecting social change were considered divergent paths. Now, due to trends involving talent, technology, markets, and policy, that tradeoff no longer needs to exist. Corporate and Foundation investments that capitalize on the synergies of social and financial efforts are attractive in the current era of unpredictable markets, where the volume and availability of data is so very great. Wise investors question their own philosophies, partners, goals, and risk profiles; many are going back to basics," says Josh Cohen Managing Partner of New York based City Light Capital. Sustainable investments are now part of a strategic approach to portfolio management. In the US there is currently $3,000,000,000,000 working in this way – for both investor and societal returns. Oh, and this figure is growing rapidly.

Partnership Investment

Our legal and accounting systems are catching up to the new demands for corporate flexibility and civic responsibility; the nonprofit sector need not serve alone. "Investors, stockholders, and entrepreneurs increasingly consider social and environmental issues in forming and operating businesses. Hybrid for-profit/nonprofit business models such as B ("beneficial") corporations and Low-Profit Limited Liability Companies (L3Cs) are on the rise," informs Cass Brewer of Morris Manning Martin LLP. Both of these distinct concepts share a common purpose of providing a community benefit through the power of a traditional company. Currently, the IRS does not grant any type of special tax status to B corporations or L3Cs, but if federal law is changed to favor such types of businesses similar to nonprofits, the formation of these organizations undoubtedly will accelerate.

People Investment

Peter Drucker said, "The best training for a young manager is to volunteer in a community organization." Joel Koblentz, Founding Partner of senior-executive and board of directors recruitment firm, The Koblentz Group agrees and extends this assertion. "The best qualified professionals bring a spectrum of lenses, which are often gained from experiences outside of their own offices." Even in the current market, investing in your own and your team's civic leadership is time and money well spent. This strategy raises corporate profile, develops professional skills, empowers employees, and reduces training, turnover, team-building, and communications costs.