



Impact Investing Experiential Learning Seminar
–DRAFT Syllabus–

Steven Godeke
Adjunct Professor of Finance
NYU Stern School of Business
44 West 4th Street
New York, NY 10012
e-mail: sgodeke@stern.nyu.edu

Richard M. Levich
Professor of Finance
NYU Stern School of Business
44 West 4th Street
New York, NY 10012
e-mail: rlevich@stern.nyu.edu

Course Description

Investing for social and environmental impact is gaining wider acceptance within the institutional investment community. Many, and perhaps most, pension funds and endowments have sizeable holdings in environmental, social, and governance (ESG) related investments and integrate ESG strategies into their portfolios. Dozens of mutual funds and even exchange traded funds (ETFs) carry a “sustainable” moniker selecting investments on the basis of ESG characteristics in addition to traditional risk-return criteria.

Building on a companion course (FINC-GB.3348) that surveys the principles and techniques of impact investing, this seminar-style course offers students an opportunity to develop their knowledge of impact investing using a complementary approach. This course combines the experience of a semester-long consulting engagement focused on a live impact investing opportunity or challenge facing a family office with classroom lectures and expert guest speakers from the impact investing field.

Among established institutional investors, the mission and objectives of family offices are likely to be more varied than the metrics that commonly drive mutual fund or pension fund managers. In particular, with multi-generational investment horizons and the ability to flexibly deploy capital, family offices sit in a unique position to incorporate impact investment strategies into their operations.

This course assembles a small number of family or multi-family offices, each one supporting a project designed around a theme or objective specific to the family office’s needs. The project serves as a focal point for students to deepen their knowledge of impact investing and develop an awareness of the issues facing institutions that engage in ESG related investments.

A Thumbnail Sketch of the Course, Consulting Engagement and Deliverables

- Student teams of 3-4 MBAs will undertake a 12-week consulting engagement to complete a quantitative analysis of a “live” impact investing opportunity/challenge facing the family office.
- Commitments from 4-6 family offices and proposed project descriptions will be known by the start of the class. Students will select among the available projects.
- The family office will actively engage with the team and will receive a customized work product at the end of the semester addressing a clear business need.
- Students will be expected to work 5-10 hours per week on the consulting project in addition to the class. While the bulk of the work may be done remotely by the students, the opportunity to visit and meet with the family office team will be a key part of the learning experience.
- The seminar format will offer a blend of in-class lectures, guest lectures and open clinic sessions during which the students will receive support from Stern faculty and have the opportunity to reflect on their experiences and learn about the consulting projects of their fellow students.
- Family office clients will also be invited to participate in specific sessions with the opportunity for peer-to-peer learning among the NYU Stern Family Office Council participants.
- The final consulting deliverable will be a presentation to the client with the family office providing feedback and an assessment of the student team.

Grading and Deliverables

Activity	% of Total Grade
Preliminary draft of project report	20%
Final draft of project report	25%
Final project presentation	25%
Client evaluation of team performance	20%
Class Participation	10%
Total	100%

Course Philosophy:

The fields of investment and environmental and social policy development have operated separately despite the fact that many challenges facing the world will require integrated solutions that can successfully combine the capital markets with policy objectives. Traditional models describing the interaction of the private and public sectors do not capture the complexity of how private investors, philanthropists, non-governmental institutions (NGOs) and the public sector are now working together. We will consider how capital markets, asset management and investment and commercial banking can be harnessed to create positive environmental and social impacts.

Course Schedule:

Session 1: Week of Feb 6	Classroom: Introduction to course and concepts / The case for creating impact from the investor's perspective Finalize teams and schedule 1 st client meeting
Session 2: Week of Feb 13	Classroom: Theories of change and impact measurement/ Guest speaker 1 Fieldwork: Kick-off meeting with clients, finalize scope of work for projects with clients
Session 3: Week of Feb 20	Classroom: Debrief of initial client meetings and faculty feedback for teams Fieldwork: Ongoing project research and team meetings
Session 4: Week of Feb 27	Classroom: Financing development and access to services / Guest speaker 2 Fieldwork: Finalize and submit detailed project outlines with detailed deliverables
Session 5: Week of Mar 6	Classroom: Clinic session with faculty and teams. Debrief of preliminary outlines and assess progress and challenges to date. Fieldwork: Ongoing project research and team meetings
Spring Break Week of March 13	
Session 6: Week of Mar 20	Classroom: Environmental finance eco-system services, real assets and water, climate change / Guest speaker 3 Fieldwork: Ongoing project research and team meetings
Session 7: Week of Mar 27	Classroom: Structuring impact investments Fieldwork: 2 nd Meeting with clients – present preliminary report; receive and incorporate feedback.
Session 8: Week of Apr 3	Classroom: Integrating ESG into public markets, standards and reporting / Guest speaker 4 / Fieldwork: Submit preliminary reports to faculty.
Session 9: Week of Apr 10	Classroom: Clinic session with teams and faculty. Debrief of preliminary reports and assess progress.
Session 10: Week of Apr 17	Classroom: Due diligence process and investment advisor selection Fieldwork: Ongoing project work and team meetings
Session 11: Week of Apr 24	Classroom: Innovations in Impact Investing Fieldwork: Finalize client report and presentation; 3 rd meeting with client to present final draft, receive and incorporate feedback.
Session 12: Week of May 1	Presentation of final reports / 5 groups: 30 minutes/group; 15 min. presentation + 15 min. Q&A with audience of students and all project clients

Course Readings:

All required readings are either available on the NYU Classes site or part of an electronic coursepack which has been created and available through the NYU Bookstore. On the NYU Class site, the readings are in folders for each week. Study questions will be provided for most of the cases the week before the case is discussed in class.

Recommended Readings each week and at the back of this syllabus are optional and include materials which will supplement your knowledge in a specific area. These should also be helpful for the Team Projects. Relevant materials and articles are also posted on my blog: <http://www.godekeconsulting.blogspot.com>

Class Attendance and Participation:

Given the experiential learning nature of the course and the reliance of cases and guest speakers, students are required to attend each class prepared to discuss the required readings and topics for the week. Students are required to attend all classes. Unexcused absences will negatively affect grades.