For its 20th edition, the annual Barometer of social finance (Baromètre de la Finance Solidaire) published by FAIR and La Croix reveals, once again, an unprecedented growth of solidarity-based finance compared to the previous year.

The amount of solidary savings reached a new record, at 24.5 billion euros at the end of 2021, i.e. an annual growth of 27% (+5.1 billion euros). The amount includes all solidary savings in France: savings invested directly in companies with a strong social purpose, in solidary banking products or in financial products used to finance projects with a strong social and environmental purpose.

To explain this success, Jon Sallé, head of Research team in FAIR, mentions two reasons:

• “The growing diversification of the range of solidarity products offered, for all types of subscribers”

• and the fact that “the French are increasingly attracted by the idea of directing their savings towards projects that have a particularly strong social impact”.

In 2021, the banking channel was particularly dynamic, with a growth of + 2.4 billion euros (+38%), i.e. a total amount of 9.1 billion. The Barometer highlights the “dynamism of financial institutions in promoting solidarity products”, with 1,262,000 new subscriptions, compared to 837,000 in 2020 (+51%). Savers may also have been seduced by the good performance of solidarity products: the Autorité des Marchés Financiers (AMF) published a study in 2021 reporting that the financial profitability of solidarity products is no lower than that of traditional products.

In terms of new products, life insurance has been the most dynamic.

“The PACTE Act made it mandatory, since January 1st, to present a social option in life insurance contracts, which mechanically increased the offer available to savers”, Jon Sallé explains.

Finally, as regards the last channel - direct collection of capital by social enterprises and...
to be produced, that can be used to guide private and public investments to achieve them.”

Against the backdrop of the current social, environmental and international crisis, “virtuous actors are scaling up” says Jon Sallé. “And we are helping to ensure that extra-financial performance becomes at least as important as financial performance. For FAIR, this is tomorrow’s horizon”.

By analysing the twenty years that have passed since the first Barometer, two elements seem to be structuring the French social finance sector:

• Several pieces of legislation have had a strong effect over the last fifteen years. Financial institutions are now required to offer social options for a certain number of financial products. This has led organisations to evolve, in particular by setting up teams of experts to manage those products, which has led to a real transformation. “Today, in France, we have proven that the notion of positive impact is compatible with an innovative but robust economic model,” explains Jon Sallé. This vision was initially limited to associations and cooperatives but is now embraced by many companies.

• The second structuring element is the 17 Sustainable Development Goals (SDGs), proposed in 2015 by the UN for the 2030 horizon. “Each SDG has been translated into concrete and measurable ‘macro’ indicators. In order to measure their evolution, data has

Find out more in the 20th Barometer of social finance, produced by La Croix and FAIR (in French) or on FAIR website (in English).
The 17 Sustainable Development Goals (SDGs) are the 17 priorities adopted by the United Nations to address global challenges such as inequality, poverty and climate change.

Source: figures consolidated by FAIR’s Observatory on social impact finance as of December 31, 2021.

FRENCH SOCIAL FINANCE IN 2021

24.5 BILLION euros as of December 31st, 2021

This represents 0.42% of French people’s financial savings, an increase of 14% compared to 2020.

4.3 MILLION euros worth of social impact funding

699 MILLION worth of social investment products

5.1 BILLION on total outstanding... have collected an additional solidarity investment products for an amount of...

_ to support _ 1,350 social and/or environmental projects.

What impacts for society in 2021?

Goal 1 - No poverty

4.6 MILLION people, including 3.2 million in Africa, benefit from essential services provided by more than 60 institutions and cooperatives.

43,758 jobs supported

1,619 individuals rehoused during the year

Goal 8 - Decent work and economic growth

Goal 11 - Sustainable cities and communities

Goal 12 - Responsible consumption and production

5,904 households supplied in renewable electricity

1,212 hectares of organic agriculture, i.e. 849 football fields, and 71 farmers supported

1,350

* The 17 Sustainable Development Goals (SDGs) are the 17 priorities adopted by the United Nations to address global challenges such as inequality, poverty and climate change.

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