

22nd edition of the Social Impact Finance Barometer by FAIR-La Croix : With a 15% increase in 2023, social impact savings exceed €30 billion in assets, confirming their growing appeal among French households¹

Paris, June 19th, 2024 –

Social impact finance continues to grow, reaching a total of 30.2 billion euros in 2023, an increase of almost 4 billion euros compared to 2022 (+15%). Today, it represents 0.5% of French households' financial savings (versus 0.45% in 2022)². This growth is marked by a positive market effect and rising subscriptions, confirming French interest in social impact finance.

In 2023, growth in social impact finance is multi-dimensional. First of all, unlike in 2022, **social impact investment funds** are showing **very good momentum**, with **growth of 900 million euros, from 3.5 to 4.4 billion euros**. While social savings book accounts experienced a slight outflow in 2023 (see detailed explanation below), **donations from Finansol-labeled sharing products experienced exceptional growth of almost +80%**, rising from 4.8 to 8.5 million euros. On the other hand, **social finance employee savings schemes**, which account for 9.5% of total employee savings³, did **very well** (+17.6%, i.e. an increase of 2.7 billion euros). Finally, **outstanding amounts on employee saving schemes subscribed directly through social enterprises grew by +10.8%** in 2023, driven by several dynamic players such as Habitat & Humanisme and Terre de Liens.



"2023 was a very good year for social impact finance, which continues to make its mark on the French savings landscape. It was also one of the best years for growth in social savings in absolute terms. By surpassing the symbolic threshold of 30 billion euros in total assets, **these results demonstrate the growing attachment of French savers to issues of social and environmental transition: they feel concerned and are taking action thanks to their savings. This reinforces FAIR's historic mission: to promote and encourage this positive dynamic for a more socially responsible and sustainable economy that meets major social challenges**", explains Patrick Sapy, CEO of FAIR, the collective of social impact finance

players in France.

The outstanding amount of social impact finance increases by +15% in 2023

	In 2019 (in €)	In 2020 (in €)	In 2021 (in €)	In 2022 (in €)	In 2023 (in €)	Evolution 2023 vs 2022
Total of outstanding	15,2 Mds	19,3 Mds	24,5 Mds	26,3 Mds	30,2 Mds	+ 15 %
Bank channel	4,9Mds	6,9 Mds	9,5 Mds	10 Mds	11 Mds	+ 11 %
Employee savings channel	9,7Mds	11,7 Mds	14,1 Mds	15,3 Mds	18 Mds	+ 17,6 %
Direct channel (savers investing directly in social enterprises)	686 M	790 M	908 M	991 M	1,1 Md	+ 10,8 %

¹ Social Finance Barometer FAIR/La Croix, published June 19, 2024.

² According to the Banque de France, the French financial savings amounted to 6000,8 billion of euros in the third quarter of 2023 : https://www.banque-france.fr/sites/bdf_espaces2/files/webstat_pdf/EPA_MEN_2265_fr_SI_Epargne_des_menages_T32023.pdf (February 14th, 2024)

³ According to the Association Française de la Gestion Financière (AFG), employee savings schemes reached 188 billion of euros by the end of 2023. Source : <https://www.afg.asso.fr/afg-news/leparagne-salariale-atteint-un-niveau-historique-et-maintient-sa-progression-dans-les-tpe-pme/> (march 21st, 2024)

Source : FAIR, AFG

2023 in 5 key trends:

1. SOCIAL IMPACT FUNDS AND SOCIAL ENTERPRISES IN CONSTANT GROWTH

Social Impact funds, such as mutual investment funds and unit trusts, recorded strong growth in assets under management compared with 2022, rising from €3.5 billion to €4.4 billion. In particular, they benefited from a **€550 million increase in net subscriptions** and a positive market effect of €400 million, illustrating their dynamism and attractiveness. In 2023, these funds invested nearly €160 million in social enterprises. **The same trend can be observed among social enterprises that raise funds directly**: social enterprises in FAIR's network are reporting growing fundraising (+€142 million in net subscriptions). Lita.co, Habitat et Humanisme, Terre de Liens, 3 Colonnes, EHD, Solifap, La Nef and Fermes en Vie are some of the companies to have raised significant amounts in 2023.

2. A RISE IN SOCIAL FINANCE EMPLOYEE SAVINGS

Social finance employee savings grew by 17.6%, reaching €2.7 billion in 2023. It is thus growing at a faster pace than overall employee savings, which will reach €187.8 billion by the end of 2023 (+15.7%). As a result, the proportion of social finance employee savings continues to rise (9.5% in 2023, compared with 9.4% in 2022 and 8.4% in 2021). **Social finance employee savings funds now total €18 billion, compared with €9.7 billion in 2019 (before the PACTE law came into force⁴), nearly doubling in 5 years**. The estimated number of subscribers to Finansol-labeled social finance employee savings schemes is between 1.2 and 1.3 million employees.

3. A DECLINE IN SOCIAL IMPACT INVESTMENTS

In 2023, the total stock of social investments was €3.8 billion with a flow of **investments amounting to €680 million** (down 21% from 2022). The years 2021 and 2022 had been exceptional in terms of investment (€690 million and €866 million respectively), due to the end of the health crisis (and the resulting negative social effects), the high savings rate of the French and the significant financing needs of social enterprises during this period. In 2023, with the Covid effect having been exhausted, social investments returned to the **trend seen at the end of 2020, with an average annual growth of 12%** between 2013 and 2023.

4. SOCIAL IMPACT SAVINGS ACCOUNTS DOWN SLIGHTLY

Bank products such as passbook savings accounts were affected by savers switching to regulated savings schemes and their high interest rates: they posted a net savings inflow of -€63 million. Several passbooks have also lost their Finansol label this year, and despite a rise in interest rates, **the decline in the outstanding amounts of social finance savings book accounts amounted to €240 million**. **Outstandings on social books therefore fell from €3 billion to €2.76 billion**.

5. EXCEPTIONAL INCREASE IN DONATIONS TO ASSOCIATIONS

Donations to associations, distributed via sharing financial products, rose from €4.8 million in 2022 to almost €8.5 million in 2023, an increase of nearly 80%. This significant increase is mainly due to sharing books and sharing options on savings accounts, whose donations have risen from €4 to €7.7 million, and to the rise in interest rates on sharing books in 2023, with some now offering rates of 3% or even 3.5%. As in previous years, most of the donations came from products offered by Crédit Coopératif. Donations distributed by Collective Investment Undertakings, on the other hand, experienced weaker growth (+€0.03 million; +5%).

⁴ The Plan d'Action pour la Croissance et la Transformation des Entreprises law, or PACTE law (2019), encourages the introduction of employee savings schemes in small and medium-sized businesses by lowering the social security flat-rate for VSE-SMEs to open such a scheme.

In 2023, solidarity investment (**€680 million**) supported more than **1,470** projects with a social or environmental impact. For 2023, this represents:

- **65** microfinance institutions, agricultural cooperatives, social enterprises, etc. promoting access to essential goods and services financed in developing countries*.
- **16,000** jobs created or consolidated
- **2,100** new people rehoused
- **13,000** people supplied with renewable electricity
- **2,600** hectares of organic farming (equivalent to 3,714 soccer pitches) and 180 new farmers supported

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Methodology

The Social Finance Barometer FAIR / *La Croix* is the result of the consolidation of data collected by FAIR's Observatoire de la finance à impact. The data comes from FAIR, in particular for the Finansol label (187 solidarity-based financial products analyzed), the AFG for solidarity-based employee savings, the Banque de France for French wealth and France Assureurs. This 8-page annual document, produced in partnership with the daily newspaper *La Croix*, reveals the latest developments and trends in the solidarity finance sector in France. It also invites readers to discover all Finansol-labeled products and how to become a social savior.

About FAIR :

The FAIR association, which brings together players in the field of social finance in France, has been working for nearly 30 years to promote solidarity-based finance by mobilizing individual savers and institutional investors. FAIR brings together more than 140 socially responsible companies, banks, asset management companies, NGOs, business schools and committed personalities, and bears the Finansol label, created by civil society players to guarantee the socially responsible nature of labelled savings products, as well as the transparency of information. More than 180 products currently carry the Finansol label. The aim of FAIR's action is clear: to make savers fully aware of their power, and to support them in working together for a fairer society. <http://www.finance-fair.org>

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