# Global impact investing market set to reach USD 1,131 billion by 2034



The global impact investing market is poised for significant expansion, with projections estimating its value to reach approximately USD 1,131 billion by 2034, up from USD 377 billion in 2024. This represents a compound annual growth rate (CAGR) of 11.6% over the forecast period from 2025 to 2034.

Geographically, North America currently leads the market, accounting for over 38% of the total share in 2024, equating to around USD 143.2 billion in revenue. The United States alone contributed USD 136 billion in 2024 and is expected to experience a steady CAGR of 9.7% through to 2034. This dominant position is attributed to the region’s robust financial infrastructure, a mature institutional investor ecosystem, and regulatory frameworks that support sustainable investment practices. Additionally, a substantial number of asset managers and institutional investors in the U.S. are integrating Environmental, Social, and Governance (ESG) criteria into their investment strategies.

Sector-wise, healthcare is the most prominent area within the impact investing market, capturing about 24% of total investments in 2024. The surge in healthcare investments stems from the increasing demand for accessible and affordable medical services worldwide, further intensified by recent global health crises. Investment flows into healthcare infrastructure, telemedicine, and innovative treatment solutions reflect investors' dual goals of achieving financial returns alongside measurable social benefits.

Institutional investors dominate the market segment, contributing over 63% of the capital flow in 2024. Entities such as pension funds, insurance companies, endowments, and sovereign wealth funds have incorporated impact investing into their portfolios, aligning with mandates for long-term value creation and ESG compliance. These investors have also played a pivotal role in developing rigorous impact measurement and reporting standards, promoting transparency and accountability.

A notable driver of this expanding market is the increasing demand from younger generations, particularly Millennials and Generation Z, who are prioritising investments that deliver both financial and social/environmental outcomes. According to Bank of America, 80% of young investors actively seek alternative investments, including commodities, private equity, and real estate, marking a shift from traditional equity-focused portfolios. These younger investors allocate 16% of their portfolios on average to alternative assets, three times more than older generations, and only 25% to stocks, half of Baby Boomers’ allocation. Furthermore, 75% believe that traditional stocks and bonds alone do not suffice to achieve superior returns.

The impact investing market benefits from technological advancements, such as artificial intelligence (AI), which enhances data analysis capabilities to measure Environmental, Social, and Governance (ESG) factors. AI tools help monitor greenhouse gas emissions and evaluate deforestation risks, enabling more informed investment decisions. However, the energy consumption involved in AI operations presents environmental challenges that stakeholders are seeking to manage. A survey indicates that 91% of investment managers are either currently using or planning to adopt AI in their investment processes.

Recent developments among key industry players illustrate growing momentum in impact investing. Goldman Sachs expanded its portfolio through the acquisition of NN Investment Partners for €1.7 billion in April 2022 and launched a Global Infrastructure Strategy in March 2025 focusing on private infrastructure investments. LeapFrog Investments raised over $1 billion in its fourth fundraise cycle, targeting emerging markets in Asia and Africa. BlueOrchard Finance Ltd., majority-owned by Schroders since 2019, continues its focus on private assets in emerging markets.

Several other institutional actors are advancing impact investing initiatives. In January 2025, BlackRock launched a sustainable infrastructure fund targeting developing countries, particularly focusing on projects that enhance clean energy and water access. UBS formed a strategic partnership with a global non-profit in December 2024 to create a platform connecting capital from impact investors with social enterprises addressing climate change, poverty, and education. JPMorgan Chase, in November 2024, acquired a fintech startup specialising in AI-driven impact analytics to provide clients with personalised portfolios aligned to their values. Additionally, Goldman Sachs introduced a new line of impact products in October 2024, addressing gender equality and healthcare access.

Emerging trends in the market include thematic investing focusing on specific sectors such as renewable energy, affordable housing, and sustainable agriculture, alongside blended finance models that combine public and private capital to fund high-risk or large projects, especially in emerging markets. The growing emphasis on transparency and standardised impact measurement frameworks is also reshaping investor confidence and broadening participation in this sector.

The market faces certain constraints, notably political and regulatory uncertainties related to ESG policies that vary widely across jurisdictions, potentially causing compliance challenges and impacting investment decisions. Moreover, balancing financial returns with measurable social and environmental impact remains a complex challenge, as impact measurement methodologies continue to evolve.

Opportunities in emerging markets are substantial, driven by significant requirements for renewable energy, healthcare, and education investments to address pressing social and environmental issues. Enhanced data availability and supportive local and international policies further encourage investment in these regions.

Overall, the global impact investing market is experiencing rapid growth, supported by demographic shifts, technological innovation, evolving regulatory environments, and increased demand for responsible investment options that integrate financial performance with social and environmental impact.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.ft.com/content/45530d17-3b80-41e2-b961-d8309e635b78> - This article discusses the rapid growth of the impact investing market, highlighting that funds promoting social and environmental impact have grown their assets under management at an annual rate of 21% over the past five years, now managing more than $1.5 trillion.
* <https://finance.yahoo.com/news/impact-investing-market-size-worth-230000781.html> - This report estimates that the global impact investing market, valued at USD 3 trillion in 2023, is projected to reach USD 7.78 trillion by 2033, indicating a compound annual growth rate (CAGR) of 10% over the forecast period from 2024 to 2033.
* <https://www.globenewswire.com/news-release/2025/02/13/3025646/28124/en/Impact-Investing-Market-Trends-and-Strategic-Business-Opportunities-2025-2030-Growth-in-Demand-for-Green-Bonds-and-Social-Bonds-Fuels-Market-Expansion.html> - This report highlights the rising demand from investors, particularly Millennials and Generation Z, for investment options that generate positive social and environmental outcomes alongside financial returns, contributing to the growth of the impact investing market.
* <https://www.marketresearch.com/Fairfield-Market-Research-v4228/Impact-Investing-Global-Size-Share-34987781/> - This analysis projects that the global impact investing market is set to reach US$4.5 trillion by 2030, with a CAGR of 18.6% from 2023 to 2030, driven by government support and increasing investor demand.
* <https://www.marketresearch.com/Global-Industry-Analysts-v1039/Impact-Investing-39526579/> - This report estimates that the impact investing market in the U.S. is valued at US$27.3 billion in 2024, with China projected to reach US$44.6 billion by 2030, indicating significant contributions from these regions to the global market.
* <https://www.ft.com/content/d6c7ef2d-4744-4db0-913e-f6ff59d075b9> - This article discusses the evolution of impact investing, noting that the value of impact investments is over $1.57 trillion globally, reflecting a 21% annual growth since 2019, and emphasizes the balance of financial performance with positive societal outcomes.
* <https://news.google.com/rss/articles/CBMiXkFVX3lxTE1MT3lhVFNuSWJ1anZBMzN3N0NBYkNOM291Q0piS3pwb1lZMHFMYUxRTFltZUwySEpXaUhIWWwtMGdtU216YmhROTVyWVk0T05pendVMjJ0TEo0eUs4OGc?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data