DECODED DOUGH

A FINANCE & IMPACT INVESTING GLOSSARY FOR THE CULTURE

NOIRE IMPACT

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First Edition, February 2025

Decoded Dough

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INTRODUCTION

If you've ever felt overwhelmed by financial jargon or impact investing buzzwords, you're not alone. As someone who's spent years working in impact investing and social impact organizations, creating meaningful social change, and bridging communities with innovative solutions, I know how confusing these terms can sound. That's why I've created this ebook—because finance doesn't have to be intimidating, and impact investing is for everyone.

This eBook is here to break things down in a way that we can ALL understand. It's all about cutting through the fancy talk, getting to the real meaning, and making sure you're armed with the knowledge to navigate this world with confidence. Whether you're new to the game or just looking to sharpen your understanding, this glossary is your toolkit for unlocking the power of impact investing.

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WHAT IT SOUNDS LIKE IN BOARDROOMS VS. WHAT IT REALLY MEANS

Each term is presented in two ways:

1. **What It Sounds Like in Boardrooms:** The formal explanation that sounds like it came from a finance textbook.

2. **Decoded:** The real talk version—the one that helps you understand what it actually means for you and/or your organization.

Because let's be real: understanding finance is about more than memorizing definitions. It's about seeing how these concepts connect to real-life decisions, opportunities, and possibilities for you and your community.

Ready to dive in? Let's go!

Accredited Investor

What It Sounds Like in Boardrooms: A high-net-worth individual or entity meeting specific financial criteria that allows them access to exclusive investment opportunities. (SEC, 2024)

Decoded: If you want access to those VIP-only investments, you need to have a net worth of at least $1 million (excluding your primary home) or earn at least $200K per year ($300K if married) for the past two.

Blended Finance

What It Sounds Like in Boardrooms: "The strategic use of development finance and philanthropic funds to mobilize private capital flows to emerging and frontier markets." (OECD - Organisation for Economic Co-operation and Development)

Decoded: When the government and private investors team up to make big things happen that neither could do alone—like a power couple, but with cash.

Business Interests

What It Sounds Like in Boardrooms: Ownership stakes or financial involvement in a company, including partnerships, shares, or proprietary rights. (Harvard Business Review, 2024)

Decoded: If you got skin in the game—aka you own a piece of a business—this is you!

Capital Stack

What It Sounds Like in Boardrooms: "The structure of all the financial capital invested in a company, including debt, equity, and grants, organized by risk and return." (Harvard Business Review - HBR)

Decoded: The money pyramid—grants on the bottom, big risks on top. The safest dollars come first, and the high-stakes investors roll in when the game gets serious.

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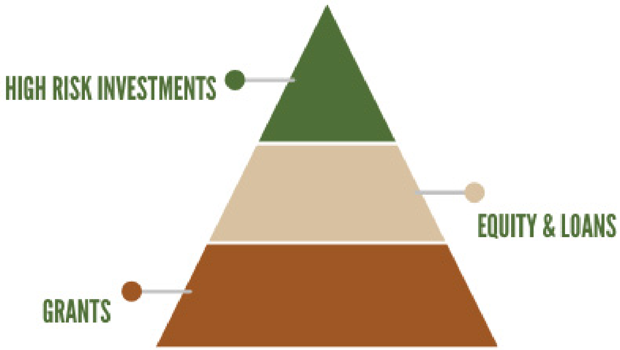
STACK IT UP: A CLEAR LOOK AT THE CAPITAL STACK



- **Grants** (low-risk money, usually from foundations).
- **Equity & Loans** (investors and lenders splitting the pie).
- **High-Risk Investments** (where the big gambles live).

Catalytic Capital

What It Sounds Like in Boardrooms: "Investment capital that is patient, risk-tolerant, and concessionary, used to unlock additional funding from private investors." (MacArthur Foundation)

Decoded: The "let's get this party started" money—the first investors willing to take the risk so everyone else feels comfortable jumping in.

Convertible Debt

What It Sounds Like in Boardrooms: A type of loan that can be converted into company equity rather than repaid with interest. (SEC, 2024)

Decoded: You loan a company money, but instead of getting cash back, you might get a piece of the business instead.

Community Development Financial Institution (CDFI)

What It Sounds Like in Boardrooms: "A private financial institution that provides credit and financial services to underserved markets and populations." (U.S. Department of the Treasury - CDFI Fund)

Decoded: A bank for people and businesses that usually get overlooked. The homie hook-up for communities who can't get loans from big banks.

Equitable Distribution

What It Sounds Like in Boardrooms: The fair allocation of assets and earnings based on predefined terms or societal impact considerations. (World Bank, 2024)

Decoded: Everybody eats! The money, assets, or profits are divided based on fairness—which doesn't always mean equal. It could be based on who invested what, who needs more, or what the rules say.

Equity

What It Sounds Like in Boardrooms: Ownership interest in an asset, often in the form of company shares or real estate. (SEC, 2024)

Decoded: If you have equity, you own a piece of the action—whether it's a business, a building, or a project. The bigger your equity, the bigger your claim on future profits.

Equity Crowdfunding

What It Sounds Like in Boardrooms: A fundraising method where individuals invest in a company in exchange for equity shares. (SEC, 2024)

Decoded: Regular people (not just rich investors) can buy tiny pieces of a startup online. Instead of getting free perks (like Kickstarter), you actually own a part of the company—so if it blows up, your investment does too! But if it flops, so does your money.

ESG (Environmental, Social, and Governance)

What It Sounds Like in Boardrooms: "A set of standards for a company's behavior used by socially conscious investors to screen potential investments." (Oxford Languages)

Decoded: A checklist for how companies treat the planet and people—because how you handle business matters just as much as the bottom line.

Financial Risk

What It Sounds Like in Boardrooms: The potential for loss in any investment or financial decision. (CFA Institute, 2024)

Decoded: The "uh-oh" factor—how much of a chance is there that you'll lose money?

Fixed Income Investment

What It Sounds Like in Boardrooms: Investments that provide regular income through interest or dividends, such as bonds or treasury securities. (Fidelity, 2024)

Decoded: This is the "set it and forget it" bag—you lend money and get steady checks back on a schedule.

Green Bonds

What It Sounds Like in Boardrooms: "Fixed-income instruments specifically earmarked to raise money for climate and environmental projects." (International Capital Market Association - ICMA)

Decoded: Loans for eco-friendly projects. Think solar farms, clean water initiatives, or anything that helps fight climate change.

Impact Investing

What It Sounds Like in Boardrooms: "Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return." (Global Impact Investing Network - GIIN)

Decoded: Investing in businesses and projects that aren't just avoiding harm—they're actually fixing problems. Think clean energy, affordable housing, or fair-wage jobs. You're putting your money where your heart is, making a difference, and stacking your returns. Win-win!

Impact Metrics

What It Sounds Like in Boardrooms: "Quantitative and qualitative measurements used to assess the effectiveness of social, environmental, and financial investments." (Global Impact Investing Network - GIIN)

Decoded: Data that shows if your investment actually made a difference. The receipts for your "I helped the world" flex.

Investment Rounds

What It Sounds Like in Boardrooms: Stages in which a company raises capital, such as Seed, Series A, B, and so on. (Y Combinator, 2024)

Decoded: Imagine your business as a startup athlete training for the big leagues. Each investment round is like a new sponsorship deal—at Seed stage, you get just enough to start running. By Series A and B, bigger investors are putting up millions because they see your potential. If you make it to Series C or later, you're playing with serious money—sometimes hundreds of millions or even billions—and getting closer to that big IPO (going public).

Lines of Credit

What It Sounds Like in Boardrooms: A flexible loan arrangement allowing businesses or individuals to borrow up to a set limit. (Bank of America, 2024)

Decoded: A "just-in-case" stash of money you can borrow when you need it—like an emergency backup plan.

Liquid

What It Sounds Like in Boardrooms: Assets that can be quickly converted into cash without significantly affecting their value. (Federal Reserve, 2024)

Decoded: How fast can you get to your money? If it's liquid, you can grab it ASAP!

Managed Assets (Trust)

What It Sounds Like in Boardrooms: Financial assets controlled by a professional entity on behalf of an individual or organization, often for wealth preservation or estate planning. (Consumer Financial Protection Bureau (CFPB), 2024)

Decoded: Somebody else handles your money for you—think of it as a financial babysitter making sure your coins grow.

Mission-Driven Investing

What It Sounds Like in Boardrooms: "Investing with the intent to generate social or environmental benefits alongside financial returns, aligned with an organization's mission." (Global Impact Investing Network - GIIN)

Decoded: Making investments that match your values. "This money? It's going where my heart is."

Mutual Funds

What It Sounds Like in Boardrooms: A professionally managed investment vehicle that pools money from multiple investors to purchase a diversified portfolio of stocks, bonds, or other securities. (Investopedia, 2024)

Decoded: You and a bunch of folks throw your money into a big pot, and a finance pro spreads it around different investments so y'all (hopefully) make some coin together.

Negative Screening

What It Sounds Like in Boardrooms: "An investment strategy that excludes companies or industries that do not meet specific ethical, environmental, or social criteria." (Morningstar Sustainable Investing Handbook)

Decoded: Skipping companies that don't align with your values. Nope, no oil, no tobacco, no shady business here.

Portfolio

What It Sounds Like in Boardrooms: A collection of financial assets such as stocks, bonds, real estate, or businesses. (Fidelity, 2024)

Decoded: Your money lineup—everything you got working for you to (hopefully) grow your wealth.

Positive Screening

What It Sounds Like in Boardrooms: "An investment approach that actively selects companies based on positive environmental, social, and governance (ESG) criteria." (UN Principles for Responsible Investment - PRI)

Decoded: Picking companies that are doing good things. Basically, swipe right on the do-gooders.

Private Investment

What It Sounds Like in Boardrooms: Capital invested in companies or assets not publicly traded on stock exchanges. (SEC, 2024)

Decoded: This is that "exclusive access" money—you're investing in something that's not open to just anybody.

Program-Related Investments (PRIs)

What It Sounds Like in Boardrooms: "Investments made by foundations to support charitable activities that involve the potential return of capital within a set time frame." (Internal Revenue Service - IRS)

Decoded: Charities investing in projects that align with their goals. Basically, when a charity says, "Here's some money to do good, but make it count because we're watching!"

Public Equity

What It Sounds Like in Boardrooms: "Shares of a company that are publicly traded on the stock market, available for purchase by investors." (Nasdaq)

Decoded: Stocks anyone can buy, like Apple or Amazon.

Public Investment

What It Sounds Like in Boardrooms: Investments available to the general public, typically through the stock market or government bonds. (NYSE, 2024)

Decoded: Anybody with a few dollars and an internet connection can get in on this.

Purchase Order Finance

What It Sounds Like in Boardrooms: A funding method where a lender pays suppliers so businesses can fulfill customer orders. (Investopedia, 2024)

Decoded: A company gets the cash upfront to buy what it needs to sell, so they're not out here broke before making a sale.

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WHY UNDERSTANDING THESE TERMS MATTERS

Finance and impact investing can feel intimidating, but here's the thing: these concepts hold the power to change lives, especially in communities of color. Understanding terms like ESG or SROI isn't just about sounding smart in a meeting—it's about understanding how to make real, lasting impact while growing wealth.

Knowledge is power, and this glossary is designed to hand that power back to you. Let's make finance accessible, relatable, and something you can use to build a brighter, more equitable future.

Risk-Adjusted Return

What It Sounds Like in Boardrooms: "A calculation of the potential return on investment that considers the risk involved, often measured by metrics like the Sharpe ratio." (Investopedia)

Decoded: Is the juice worth the squeeze?

Royalty Finance

What It Sounds Like in Boardrooms: An investment model where an investor provides capital in exchange for a percentage of future revenue. (Harvard Business Review, 2024)

Decoded: You give a company some cash, and they cut you a slice of their earnings forever (or until y'all's deal is done).

Social Impact

What It Sounds Like in Boardrooms: Investments made to generate positive social or environmental change alongside financial returns. (World Economic Forum, 2024)

Decoded: Putting your money where your heart is—getting paid while making the world better.

Seed Funding

What It Sounds Like in Boardrooms: "The initial capital raised to support early-stage business development, often from angel investors, venture capital firms, or accelerators." (Startup Genome Report)

Decoded: The "let's plant this idea and see if it grows" money.

Series A, B, C Funding

What It Sounds Like in Boardrooms: "Sequential rounds of funding that startups raise as they grow, each increasing in investment size and company valuation." (Crunchbase)

Decoded: Leveling up the cash game—like startup milestones with prizes.

Social Enterprise

What It Sounds Like in Boardrooms: "A business that prioritizes social impact alongside profit, reinvesting revenue to further its mission." (Social Enterprise Alliance)

Decoded: Doing good, but make it profitable.

Social Impact Bonds (SIBs)

What It Sounds Like in Boardrooms: "A financial instrument where private investors provide upfront funding for social programs, and government agencies repay them based on achieved outcomes." (Harvard Kennedy School - Government Performance Lab)

Decoded: Investors fund a program and get paid back if it works.

Socially Responsible Investing (SRI)

What It Sounds Like in Boardrooms: "An investment strategy that considers environmental, social, and governance (ESG) factors to generate competitive financial returns while positively impacting society." (Morgan Stanley Institute for Sustainable Investing)

Decoded: Investing in companies that do less harm—re: the planet, their people, and doing business the right way. It's about making your money grow without funding pollution, shady labor practices, or corporate nonsense

Stocks

What It Sounds Like in Boardrooms: A type of security that signifies ownership in a company and represents a claim on part of its assets and earnings. (SEC, 2024)

Decoded: Buying a stock means you own a tiny slice of a company. If the company makes money, you might see a higher stock price (so you can sell for a profit) or get dividends (a small payout for holding the stock). But if the company flops, so does your money. Some stocks are slow and steady (blue chips like Apple, Microsoft), while others are high-risk, high-reward (like startups or meme stocks).

Sustainable Investing

What It Sounds Like in Boardrooms: "An investment discipline that considers environmental, social, and corporate governance (ESG) criteria to generate long-term competitive financial returns and positive societal impact." (Morgan Stanley Institute for Sustainable Investing)

Decoded: Putting money into stuff that lasts and doesn't wreck the world.

Term Loan

What It Sounds Like in Boardrooms: A loan repaid over a fixed period in regular installments. (Federal Reserve, 2024)

Decoded: A "pay-it-back-in-pieces" loan—you borrow, then give it back bit by bit.

Velocity Rating

What It Sounds Like in Boardrooms: A measure of how quickly money or investments are moving through a financial system. (Federal Reserve, 2024)

Decoded: Imagine money like a hot potato—when people and businesses keep spending and investing, it moves fast, meaning the economy is buzzing. But when folks hold onto their cash (like during a recession), money moves slow, which signals trouble. A high velocity rating usually means businesses are thriving, banks are lending, and people are spending—while a low one could mean the economy is in slowdown model.

Venture Capital

What It Sounds Like in Boardrooms: "Private equity financing provided to startups and small businesses with high growth potential." (National Venture Capital Association - NVCA)

Decoded: Big-money folks rolling the dice on the next billion-dollar idea.

Volatility

What It Sounds Like in Boardrooms: "A statistical measure of the dispersion of returns for a given security or market index. In most cases, the higher the volatility, the riskier the security." (Investopedia)

Decoded: How much an investment's price jumps up and down. If it's high volatility, expect big swings—think crypto, meme stocks, or hot tech startups. If it's low volatility, it moves slow and steady, like bonds or stable blue-chip stocks. Basically, the riskier the asset, the wilder the ride.

05

FROM COIN TO CAUSE: THE REAL DIFFERENCE BETWEEN MISSION-DRIVEN, IMPACT & SUSTAINABLE INVESTING

By now, you've got the fundamentals of finance down. You know the terms, the money moves, and the game that's been played for generations. But if you're trying to build wealth with purpose, you're gonna hear these three terms tossed around a lot:

- Mission-Driven Investing
- Impact Investing
- Sustainable Investing

And while they sound similar, they are not the same thing. Let's get into it.

Mission-Driven Investing: The Big Picture Play

You'll mostly hear about mission-driven investing in philanthropy circles, foundations, and nonprofits. This is the broadest category—it includes any investment that's aligned with a set of values, whether the goal is profit, social change, or both.

Think about a foundation using its endowment to fund Black-owned businesses or a wealthy donor putting money into community land trusts to keep housing affordable. That's mission-driven investing.

The Key Takeaway?

Mission-driven investing is about putting money where your values are—whether that means making returns, shifting power, or just making the world better.

Where You Hear About It:

- Philanthropy & Foundations
- Nonprofits & Social Justice Movements
- Faith-Based Investing & Community Wealth Building

Impact Investing: The Money Moves That Make Change

Impact investing takes it up a notch. It's not just about avoiding harm—it's about actively funding solutions for big issues like climate change, healthcare, racial equity, and education.

If you're investing in a company that builds solar farms in under-resourced communities, or a fund that backs tech startups creating job access for formerly incarcerated people—that's impact investing.

The Big Difference?

Impact investing is about measurable change. It's not just a feel-good thing—it's about tracking real progress alongside financial returns.

Where You Hear About It:

- Venture Capital & Private Equity
- Social Enterprises & Startups
- Government & Development Agencies

Sustainable Investing: Keeping It Clean & Ethical

Sustainable investing is about supporting companies that aren't trashing the planet, exploiting people, or running their business on shady ethics. It's often tied to ESG (Environmental, Social, and Governance) factors—aka, investing in businesses that do less harm.

A major sustainable investment would be putting money into a fund that only includes companies with diverse leadership, ethical labor practices, and green initiatives.

The Core Idea?

Sustainable investing is about long-term financial growth that doesn't come at the expense of the planet or people.

Where You Hear About It:

- Wall Street & Big Investment Firms
- Corporate Responsibility Initiatives
- ESG-Focused Mutual Funds & ETFs

Connecting the Dots: How These Investment Strategies Fit Together

Here's the thing—all impact investing is sustainable investing, but not all sustainable investing is impact investing. And mission-driven investing? That's the big umbrella over them both.

- **Sustainable investing** = "Do less harm" (Invest in responsible companies).
- **Impact investing** = "Do more good" (Invest in solutions that drive change).
- **Mission-driven investing** = "Make your money match your values" (Whether or not you expect financial returns).

When you understand these differences, you take control of your dollars. Whether you're investing for your future, your community, or a better world—now you know the language, the strategy, and where the opportunities are.

06

MONEY MOVES THAT MATTER

This guide is your first step toward understanding how to make finance and impact investing work for you and your community. The next step? Take this knowledge and make it actionable.

Whether you're investing in your own project, contributing to your community, or supporting broader social change, remember: every dollar can create impact—it's all about how you use it.

ABOUT THE AUTHOR

Charney Robinson-Williams is the Founder of Noire Impact LLC, a consultancy dedicated to supporting social impact organizations and driving equity-centered solutions. With a deep expertise in impact investing, she recognized a critical gap in how these concepts were communicated—especially in spaces that lacked diversity and accessibility.

Determined to change that, Charney developed a passion for breaking down complex financial and investing terms into clear, relatable language, ensuring that more people—especially those historically left out of wealth-building conversations—have the tools to take charge of their financial futures.

This eBook is a natural extension of that work, designed as an accessible, no-nonsense guide to impact investing—helping readers decode the jargon, make informed money moves, and build wealth with purpose.

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