Financial Returns from Restoration

HOW INVESTMENTS GENERATE RETURNS
Investments deliver financial returns in two main ways: income and capital gains.

INCOME: a recurring payment to the owners of the asset

CAPITAL GAINS: profits from the increased value of the investment, realized at the time of sale

INVESTMENTS PROVIDE RETURNS ALONG A SPECTRUM OF INCOME TO CAPITAL GAINS

BONDS/FIXED INCOME
Recurrent payment

REAL ESTATE

EQUITIES
Returns from stock appreciation

GOLD
Returns from capital gains

RESTORATION AS AN INVESTMENT
Restoration includes planting or nurturing trees on degraded or deforested land, stabilizing the soil and the ecosystem.

This improves the value of natural capital, a term used to describe air, soil, plants and water, for example.

Restoration delivers financial returns in the same way as traditional investments.

INCOME: restored land delivers cash flow by providing a steady flow of goods and services

CAPITAL GAINS: restored land delivers capital gains by improving the stock of natural capital, increasing its value

As a financial investment, restoration should be evaluated based on the potential for both income and capital gains. This helps to fully realize the value of natural capital.

To learn more about WRI’s efforts to unlock financial and environmental value in restoration, please visit wri.org/NRE or email NRE@wri.org | Follow us on Twitter: @restoreforward