

# INVESTING TO ADVANCE WOMEN

*A Guide for Investors*





# INVESTING TO ADVANCE WOMEN

*A Guide for Investors*

**DISCLAIMER:** This report is provided only for informational purposes and does not constitute investment advice.

## EXECUTIVE SUMMARY

---

Investing to promote gender equality and advance the socioeconomic standing of women and girls is a leading priority of many sustainable investors. The US SIF Foundation found that at the start of 2018, institutional investors considered “gender lens” as a criterion in \$868 billion of investment assets. This is more than double what was identified in 2016.

In this brief report we present summary information on the socioeconomic status of women in the United States and globally, the challenges they face in achieving parity with men in the business and economic realm, the business case for investors to put their dollars to work to address these pressing issues and strategies and products that will allow them to do so.

After a brief **Introduction**, the report examines **The Changing Socioeconomic Status of Women** and presents key facts on the socioeconomic status of women in the United States and globally. While women have made notable political, economic and educational gains in recent decades, they still earn on average less than men. In many countries, women face legal and cultural barriers that restrict their economic and educational opportunities.

The **Business Case for Advancing Women** highlights the substantial and growing body of research that demonstrates the business case for investing in gender equality, and the gains the world stands to reap by rectifying gender equality issues.

For example, research shows that companies with greater representation of women on their boards of directors and in senior management are likely to have higher profitability and produce better returns than their less diverse peers.

**Investment Strategies and Products that Support Women** offers a summary of funds that are singularly focused on investing in gender equality, those where gender-related criteria are incorporated in investment analysis and those that prioritize shareholder engagement across environmental, social and governance (ESG) issues, including gender-related issues. You will also find links to searchable databases of investment products and services.

**Your Investments** provides specific guidance for both retail and accredited/institutional investors on how to invest in companies and funds that support women’s socioeconomic advancement as well as how to make your voice heard as a shareholder or fund investee.

The report concludes with a section encouraging you to consider your ability **In Your Community** to influence the investment policies of non-profit organizations, university endowments, religious institutions and local government operating and pension funds with which you have ties.

# TABLE OF CONTENTS

---

<b>Introduction</b> .....	6
<b>The Changing Socioeconomic Status of Women</b> .....	6
<b>The Business Case for Advancing Women</b> .....	8
<b>Investment Strategies and Products that Support Women</b> .....	9
Gender Lens Products .....	9
Other Investment Products .....	10
Shareholder Engagement.....	10
<b>Your Investments</b> .....	12
Direct Ownership of Stocks .....	12
Fixed Income (Direct Holdings).....	13
Mutual Funds and Exchange-Traded Funds.....	13
Alternative Investments .....	15
Banks, Credit Unions and Loan Funds.....	15
<b>In Your Community</b> .....	15
<b>Citations and Information Sources</b> .....	16

## INTRODUCTION

---

Women have made significant advances in the United States and around the world in recent decades, but they have not yet achieved parity with men on socioeconomic measures ranging from equitable pay and access to capital to representation on the boards of major corporations. A growing body of evidence suggests that there is not only

an equity argument for investing in women, but a business case as well. This guide is intended as a handbook for individuals and institutions interested in learning about the growing opportunities to invest in women across a broad range of asset classes and regions.

## THE CHANGING SOCIOECONOMIC STATUS OF WOMEN

---

In recent decades, women around the world have made major steps forward in politics and business. As of January 1, 2019, 25 presidents or prime ministers worldwide were women.<sup>1</sup> In addition, as of June 1, 2019, there were 51 countries in which women constituted 30 percent or more of the parliamentary representation in the lower house or unicameral legislature, up from 39 countries just five years earlier and only six in 1999.<sup>2</sup>

Globally, in 2018 women were estimated to control about \$40 trillion in annual consumer spending, up from \$29 trillion in 2013.<sup>3</sup> In aggregate, women represent a consumer spending growth market more than 4.5 times bigger than China and India's consumption expenditures combined.<sup>4</sup>

In education, women have also made important strides. The Organization for Economic Cooperation and Development (OECD), an international economic organization of 34 countries, reported that women continue to make gains in higher education across its member countries. For example, women accounted for 48 percent of the candidates entering doctoral programs in 2016, a 2.5 percentage point increase since 2005, and 57 percent of all the new graduates that year with bachelor's, master's or doctoral degrees.<sup>5</sup>

Despite these advances and achievements, women's voices and opportunities are often stifled by societal stereotypes and legal, political, cultural and structural barriers. The International Finance Corporation (IFC) reported that in 2018 over 2.7 billion women around the world were legally restricted from having the same job options as men, and that more than

one third of the 189 economies studied still have at least one legal constraint on women's access to institutions, and close to 40 percent have at least one constraint on women's property rights.<sup>6</sup>

In the informal labor market, women are disproportionately represented as "contributing family workers," generally considered unpaid roles: 28 percent of female informal workers hold such roles as opposed to 8.7 percent of men.<sup>7</sup> Twelve million girls are married each year before the age of 18,<sup>8</sup> a practice which, if ended, could provide \$4 trillion in welfare gains globally, such as reduced infant mortality and more moderate population growth, higher educational attainment and compounding annual productivity growth.<sup>9</sup>

In developing countries, women constitute 43 percent of the agricultural labor force but own less than 20 percent of the agricultural land; in many of these countries, laws or custom prevent them from owning or inheriting land.<sup>10</sup> In many parts of the world, women walk hours to fetch wood and carry water, reducing their opportunities for education and income generation. Ensuring that women and girls in rural areas have access to electricity is particularly beneficial. Girls in rural areas of Brazil with access to electricity, one study found, are 59 percent more likely to complete primary education by the time they are 18 years old than those without access.<sup>11</sup>

In the United States, women constitute nearly half the workforce.<sup>12</sup> As of 2017, women owned more than 11.6 million, or 41 percent, of businesses in the country, employing more than nine million people and generating \$1.7 trillion in revenue.<sup>13</sup>

Nonetheless, women in the United States continue to face challenges. As noted in the accompanying sidebar, US working women earn nearly 20 percent less than their male counterparts, on average. Women represent 83 percent of workers in middle-skill occupations paying less than \$30,000 per year while representing only 36 percent in growing middle-skill occupations that pay at least \$35,000 per year.<sup>14</sup> Women experience higher poverty rates than men.<sup>15</sup> These economic inequities are even more acute for women of color in the United States.

Similarly, in the European Union women's hourly earnings were on average 16 percent lower than those of their male counterparts, with a range of 3.5 percent in Romania to 25.6 percent in Estonia.<sup>16</sup> In Japan women receive only 70 percent of what men earn for equivalent work,<sup>17</sup> and in Thailand the ratio is 75 percent.<sup>18</sup>

In the United States, women are underrepresented in corporate leadership positions. Only 18 percent

of the directors on the boards of the Russell 3000 publicly traded companies in 2018 were women (although this represents an increase from 11.6 percent in 2012). Fifty percent of these companies still have only one or no women on their boards.<sup>19</sup> Additionally, women, and particularly women of color, remain significantly underrepresented at all levels of corporate talent pipelines. Women hold 38 percent of manager positions, 34 percent of senior manager/director roles, 29 percent of VP titles, 23 percent of SVP titles and only 22 percent of C-Suite positions.<sup>20</sup>

As of October 2018, nine of the 10 countries with the highest number of MSCI ACWI constituent companies with three or more women on their boards were European.<sup>21</sup> Asia continues to lag behind in female board representation: 63 percent of companies with all-male boards on the MSCI ACWI index are in Japan, China and South Korea.<sup>22</sup>

## QUICK FACTS ON WOMEN IN THE UNITED STATES

**166  
MILLION**

The number of women and girls in the United States as of July 2018 [the number of males was 161 million].<sup>23</sup>

**26.9**

The percentage of Chief Executive Officer positions held by women in 2018.<sup>25</sup>

**4**

The percentage of C-Suite positions held by women of color.<sup>26</sup>

**61¢**

The amount that women of color earned in 2017 for every dollar their white male counterparts earned.<sup>29</sup>

**74.4  
MILLION**

The number of women 16 and older who participated in the civilian labor force in 2016. Women comprised 46.8 percent of the civilian labor force in 2016.<sup>24</sup>

**\$43,002**

The median annual earnings of women 15 years or older who worked year-round, full time in 2017. In comparison, the median annual earnings of men were \$53,420.<sup>27</sup>

**80.5¢**

The amount, at all levels of education, that female year-round, full time workers earned in 2017 for every dollar their male counterparts earned. This ratio rose from 77¢ in 2012.<sup>28</sup>

**11.2  
MILLION**

The number of female college students in fall 2018. Women comprised 56.3 percent of all college students.<sup>30</sup>

## THE BUSINESS CASE FOR ADVANCING WOMEN

Given these discrepancies and opportunities, governments and corporations are recognizing that providing a level playing field and expanding opportunities for women drives development and builds a more sustainable economy. Globally, government leaders acknowledge that achieving the United Nations' Sustainable Development Goals (SDGs)<sup>31</sup> requires rapidly moving towards gender equality. [SDG 5](#) is focused on Gender Equality and includes nine targets with 14 associated indicators aimed at breaking down systemic barriers to women's economic and social empowerment. It is strongly interrelated with the achievement of other SDGs, including those related to health, poverty eradication and childhood education.

A recent International Finance Corporation ([IFC](#)) report details the strong business case for investing in women and gender diversity. It provides a number of case studies that reinforce that for businesses, investing in women and promoting gender diversity can “improve talent pipelines, strengthen market development, and build an enabling investment climate.”<sup>32</sup>

A significant body of research suggests that companies that promote women to the most senior levels of business and appoint them to boards tend to perform better than those companies that do not.

- Pax World Funds released a report in July 2019 analyzing the performance of MSCI World companies with the strongest gender diversity profiles compared with those with weaker profiles. The top quartile in gender-diversity leadership also constituted the top performing quartile of stocks in the MSCI World index, delivering a return of 7.9 percent compared with 6.6 percent for the index as a whole.<sup>33</sup>
- McKinsey's 2018 *Delivering Through Diversity* report found that the results from its 2015 study, *Why Diversity Matters*, continue to hold. There is a statistically significant correlation between greater diversity in leadership teams and financial outperformance. Companies in the top-quartile of gender diverse executive teams were 21 percent more likely to see outperformance in profitability and 27 percent more likely to deliver superior value creation.<sup>34</sup>
- In 2017 Morgan Stanley released research data for 108 tech companies showing that over the five years ending in September 2016, firms with higher overall gender diversity returned on average 5.4 percent more than peer companies with less gender diversity.<sup>35</sup>
- The Credit Suisse Research Institute in 2016 examined the performance of over 3,000 global companies. It found that that companies that prioritized women on boards and in senior management delivered higher average returns on equity, better average growth and higher price/book value multiples than their peers.<sup>36</sup>
- MSCI ESG Research Inc. found in 2015 that companies on the MSCI World Index with strong female leadership (i.e., three or more women on the board, or female board representation above the national average where the company operates) achieved both higher returns on equity and superior average valuations, relative to other companies in the index without strong female leadership, as measured by price-to-book ratio.<sup>37</sup>
- The Peterson Institute for International Economics found in 2014 that a company that went from having no women in corporate roles (board

### OTHER USEFUL BUSINESS CASE RESOURCES

- [Gender Lens Investing: Uncovering Opportunities for Growth, Returns, and Impact](#)
- [Criterion Institute—Gender Lens Investing Tool: Designing an Action Plan](#)
- [Calvert Impact Capital—Just Good Investing](#)
- [Cornerstone Capital Group—Two Lenses, One Vision: Investing for LGBTQI and Gender Equality](#)



members or C-Suite executives) to a 30 percent share saw an increase in net margin of one percentage-point, which translates to a 15 percent increase in profitability for an average firm.<sup>38</sup>

The business case for investing in women is evident at the microfinance level, too. A [2010 study](#) of 350 microfinance institutions (MFIs) across 70 countries found that MFIs with higher percentages

of female clients had both lower portfolio risk and lower write-off rates.<sup>39</sup> Moreover, a 2015 study published by the Harvard Kennedy School's Women and Public Policy Program found that, across a range of societies, women were better credit risks and had an average repayment rate 17 percentage points higher than men.<sup>40</sup>

## INVESTMENT STRATEGIES AND PRODUCTS THAT SUPPORT WOMEN

There are various investment products and strategies that help advance women. They include:

- investment funds and vehicles that explicitly brand themselves as having a “gender lens” approach with a similarly explicit investment process focus;
- other funds that use gender-related criteria as factors in investment analysis; and
- funds that prioritize shareholder engagement on ESG issues, including on gender-related issues.

This variety of approaches offers investors significant flexibility in selecting the portfolio that achieves their financial and gender-specific goals.

### GENDER LENS PRODUCTS

In the last several years, investment firms have introduced product offerings across asset classes to support companies and other institutions seeking to help women advance at all economic levels—from corporate boardrooms to factory floors—or to assist women and their families living in poverty or in underserved communities. In addition to considering standard financial metrics, these investment managers describe their approach to the investment process as using a gender lens.

This gender lens approach appeals to an increasing number of individuals, families and foundations who are exploring how to use their discretionary income, philanthropic donations and investment portfolios to address gender inequality and the advancement of women as urgent moral and economic imperatives. Public employee pension funds, family offices and

other institutional asset owners reported that they consider gender lens issues across aggregate assets of \$868 billion, according to US SIF's *2018 Report on US Sustainable, Responsible and Impact Investing Trends*, an increase of more than \$470 billion since the 2016 Trends Report.

A paper published by Veris Wealth Partners, [\*Gender Lens Investing: Bending the Arc of Finance for Women and Girls\*](#), consolidates and details the evolution of the business case for gender lens investing—and notes that there are \$2.4 billion in public market funds and products that are explicitly marketed and managed as gender lens strategies, a 24-fold increase from 2014 to 2018. The report recommends steps investors can take to manage their portfolios to support gender equality, and it catalogues various new investment products that have emerged in the last five years. These products cover asset classes ranging from mutual funds, exchange traded funds (ETFs), exchange-traded notes (ETNs) and certificates of deposit (CDs), to separately managed accounts and other proprietary strategies, as well as bonds and fixed income.<sup>41</sup>

Additionally, the Wharton Business School's Social Impact Initiative issued a report under its Project Sage program, [\*Tracking Venture Capital with a Gender Lens\*](#), which provides a similarly extensive list of investment products and vehicles across various asset classes. The report places a particular focus on private equity and venture capital funds.

The investment products highlighted in these two reports vary in geographic focus and asset class, as illustrated by the following examples.

- Several equity funds and exchange-traded notes—offered by Barclays, BMO, CPG, Glenmede, Legal and General, MacKenzie, Pax and State Street—prioritize investments in companies that have female CEOs or a high proportion of director seats or of executive positions held by women, as well as other criteria.
- Calvert Impact Capital, noting the correlation between women’s empowerment and their access to clean energy, lends to organizations that develop and distribute clean energy technologies in off-grid communities in the developing world. Its 2017 funding helped nearly 700,000 women gain access to clean energy.<sup>42</sup>
- Root Capital’s Women in Agriculture Initiative supports the advancement of rural women in Latin America and Africa by lending to gender-inclusive businesses and providing advisory services to women managers, technicians and accountants to open new opportunities for female entrepreneurs. It assisted more than 246,000 women in 2018.<sup>43</sup>

Many community development credit unions and other community investing institutions active in the United States provide loans and financial services that help women in underserved communities develop credit and businesses. For a more detailed list of community banks, credit unions and other investing institutions, see the “BANKS, CREDIT UNIONS AND LOAN FUNDS” section on page 15.

## OTHER INVESTMENT PRODUCTS

In addition to the gender lens products noted above, many sustainable investment managers offer separate account strategies, mutual funds and other products that, while not specifically labeled as “gender lens,” still do take into account board diversity, fair employment, labor rights and other issues that benefit women.

For example, the US SIF [list of mutual funds](#) offered by US SIF members provides a screening and advocacy tab to identify which funds consider criteria such as equal employment opportunity (EEO), human rights, labor and board issues. Similarly, US SIF’s online chart of [Separate Account Managers in Sustainable and Responsible Investing](#) can help identify separate account managers offering equity

and fixed income strategies that take these issues into account.

## SHAREHOLDER ENGAGEMENT

Shareholder engagement and proxy voting is another critical tool for advancing gender equality. Publicly traded companies hold annual elections to their boards of directors. When voting as shareholders in these director elections, a number of sustainable fund managers have policies of withholding votes from, or where possible voting against, all slates of director nominees that do not include women. One such manager, [Pax World Funds](#), votes against all the male directors on the slates of any board with fewer than three women and then registers its concerns with the company through a follow-up letter explaining the reason for its opposition to the slate and encouraging the company to take steps to add women to its board.

In addition, many investors have directly filed shareholder resolutions to promote board diversity. From 2010 through 2019, more than 230 resolutions were filed on this topic, with 28 filed in 2019. Many of these investors work with the [30 Percent Coalition](#), a group whose members represent \$5 trillion in assets under management and that seeks to ensure that “corporate boardrooms reflect the gender, racial and ethnic diversity of the United States workforce.”

From 2016 to 2018, the California Initiative—a coalition that includes CalSTRS, the Los Angeles County Employees Retirement Association and the Chief Investment Officer of the University of California’s Regents—influenced the appointment of 20 new female directors at 18 companies headquartered in California.<sup>44</sup> Additionally, California passed a law in 2018 requiring public companies that have their principal executive offices in the state to have at least one female director by the end of 2019. The threshold increases to require at least two women directors for boards of five directors, or three women directors for boards of seven by the end of 2021.

In addition to pushing for board diversity, numerous investors have sought greater transparency about female participation throughout corporate structures. For example, since the late 1990s, investors have pressed a number of companies to release their

workforce diversity data, called an EEO-1 report, which documents gender, racial and ethnicity diversity information in nine job categories.

More recently, shareholder proposals filed by Trillium Asset Management seeking EEO-1 data from Travelers and Palo Alto Networks received majority votes, and companies such as Cigna, CVS, PNC, and Stifel Financial agreed to disclose this kind of diversity and inclusion data. In a related effort, investors representing \$1.73 trillion in assets under management signed a [public statement](#) requesting that companies provide better information “related to their workplace equity policies and practices across gender, race, ethnicity, sexual orientation, and other federally protected classes.”

Two additional areas receiving increased investor attention are the gender pay gap and sexual harassment.

In 2016, Arjuna Capital began filing proposals at 10 technology companies asking for a report on company policies and goals to reduce the gender pay gap, which it defined as “the difference between male and female earnings expressed as a percentage of male earnings.” Vote levels ranged from under 7 percent at Facebook to 51 percent at eBay. Arjuna was also able to withdraw its proposals at several companies when the companies’ managements reported that they had succeeded in closing the gender pay gap or would do so shortly.

By 2018, this initiative had grown to more than 30 proposals filed by Arjuna, the New York City pension funds and other investors. Although the five proposals that came to votes by mid-2018 earned just under 15 percent support, the proponents were also able to secure several commitments in exchange for withdrawal agreements. New York City Comptroller Scott Stringer announced that eight of the financial and healthcare companies at which

the New York City funds had filed gender pay equity proposals in 2018 had agreed to “disclose new information on how they identify and eliminate gender pay disparities among their employees.” Pax World, similarly, was able to withdraw four of its shareholder resolutions on gender pay equality when the companies committed to greater transparency about pay equity in 2018. (Pax has filed a [petition](#) with the SEC to make pay equity reporting mandatory for publicly traded companies.)

The #MeToo movement has added urgency to and reinforced shareholder efforts to increase corporate transparency regarding sexual harassment in the workplace.

In April 2019, [McDonald’s](#), responding to a [shareholder proposal from Clean Yield Asset Management](#), disclosed that it is not requiring employees to agree to mandatory arbitration of harassment and discrimination claims and that it will inform its board of directors if a nondisclosure agreement is sought in a case of harassment or discrimination. This victory follows similar decisions by Microsoft and Alphabet to eliminate mandatory arbitration and nondisclosure clauses as conditions of employment.

In February 2018, [the attorneys general from all 50 US states sent a letter](#) to the US Congress calling for legislation to better protect victims of sexual harassment in the workplace—and specifically for an end to mandatory arbitration. They stated: “Concerns arise from the secrecy requirements of arbitration clauses, which disserve the public interest by keeping both the harassment complaints and any settlements confidential. Ending mandatory arbitration of sexual harassment claims would help to put a stop to the culture of silence that protects perpetrators at the cost of their victims.”

## YOUR INVESTMENTS

---

As an investor, your shareholder vote and voice can help support women's socioeconomic advancement.

If you are a **retail investor**, you may own shares directly in individual companies as part of your investment portfolio. You are likely to have investments in mutual funds and exchange-traded funds (ETFs), perhaps as part of an individual retirement account, 401(k) plan or other type of retirement plan. You also probably have an account in a bank or credit union.

If you are an **accredited individual or institutional investor**, you (or your institution) own shares in companies or corporate bonds, perhaps through separately managed accounts. You may also have investments in mutual funds, exchange-traded funds and loan funds as well as in depository institutions.

### DIRECT OWNERSHIP OF STOCKS

If you own shares of a company, you can use your rights as a shareholder to comment on company actions and policies and to raise issues of concern.

**REVIEW THE COMPANY:** To learn about your portfolio companies' policies relating to gender equality, including board diversity, look on the company's website, under the "Investor Relations," "Governance," "Code of Conduct" or "Sustainability" sections. Check whether the company publishes a corporate responsibility or sustainability report and, if so, whether it has policies and disclosure on human rights, labor relations, diversity and corporate governance. Leading companies are producing disclosure around the composition and comparative pay of the company's labor force. As this disclosure becomes more standard, companies can be compared with each other and their own prior performance. Look, too, at the careers sections of companies' websites to see if the benefits offered to employees are described, and if so, if they are friendly to women, such as parental leave, flexible hours and remote working potential.

You can also review [\*The Calvert Women's Principles\*](#), a report published by Calvert Research and Management, which spells out seven principles to

use when evaluating companies on their gender equality performance.

If you are an institutional investor, you may also consider purchasing research conducted by independent firms that specialize in assessing companies on various issues that affect gender equality, as well as environmental and other social and governance issues. To find a list of these firms, visit the directory of financial services offered by US SIF members: under "Directory categories," select "Research & Index Providers."

**PROXY VOTING:** If you directly own shares of a company, you will receive a proxy statement that entitles you to cast votes at the company's annual meeting without having to attend the meeting in person. Management is required to put forth certain business items on which the shareholders must vote. In addition to the required voting items, shareholders may have submitted proposals on a variety of other issues that the company has included in the proxy statement.

Pay close attention to the management proposals and shareholder resolutions, each of which will be accompanied by an explanation as to the resolution on which you are being asked to vote. In the case of resolutions being put forth by shareholders, there will be a statement from the shareholder explaining the resolutions, along with a statement from management as to whether management recommends a vote for or against the resolution, and why. Be sure to vote your shares. Proxy voting is a fundamental way that investors can exercise their rights and weigh in on issues, including those that affect gender equality.

If you are an institutional investor or rely on investment managers to vote your shares, make sure they are voting in accordance with your views. Proxy advisory firms are available to assist with drafting proxy voting guidelines for your institution; they can also vote your institution's shares in accordance with these guidelines. For background on issues being raised through shareholder resolutions, as well as lists of shareholder resolutions that have been filed for votes at US companies' upcoming annual

meetings, please see [As You Sow Foundation](#) and the [Sustainable Investments Institute \(Si2\)](#).

**FILING A RESOLUTION:** If you find that a company has not been responsive to your concerns, you may wish to file your own shareholder resolution. Currently, you are eligible to file a resolution if you can document that you have owned \$2,000 worth of the company's stock for a year as of the date that you file the resolution. To find the deadline by which your resolution must be submitted to be considered for inclusion in a company's proxy statement for next year's annual meeting, find its most recent proxy statement on the "[Edgar](#)" site of the SEC. After selecting the company, you can type "DEF 14A" under "Filing Type" to access the company's definitive proxy statement. The deadline for filing shareholder resolutions is usually given under "Other" or "Additional" information in the proxy statement and will typically be about five-and-a-half months before the next annual meeting. The same section of the proxy statement will provide the name and address of the corporate officer to whom the shareholder proposals should be submitted. Proposals are limited to 500 words. In addition, keep in mind that you or your designated representative must attend the annual meeting in person to present the proposal formally.

To find models to follow in drafting your resolution, you may wish to consult the [list of shareholder resolutions](#) filed by investors affiliated with the Interfaith Center on Corporate Responsibility.

## FIXED INCOME (DIRECT HOLDINGS)

You can screen corporate bonds the same way you screen public equities, for instance by giving preference to issuers that have gender-diverse boards or executive suites or that support initiatives to advance women. Some of the research firms listed in [US SIF's Financial Services Directory](#) provide research on corporate bond issuers.

In addition to corporate bonds, there are municipal bonds that for example include financing for community centers and health services that support women. Community development loan funds are also an option to explore, and are discussed in greater detail on page 15.

## MUTUAL FUNDS AND EXCHANGE-TRADED FUNDS

Rather than (or in addition to) owning stocks or corporate bonds directly, you or your institution may own shares in mutual funds and exchange-traded funds that invest in stocks and bonds.

**LEARN ABOUT THE FUNDS:** You can learn about a fund's investment philosophy from its website and online summary prospectus. The prospectus will note if the fund takes social responsibility or corporate governance and business ethics concerns into account in selecting its portfolio.

Funds that invest in stocks (equities) also have a responsibility to vote their shares (the proxies) in portfolio companies, and are required to provide a record of how they voted, called an "N-PX" report, under rules issued by the SEC. The report will list each resolution and whether it was proposed by the company management or by shareholders, how the fund voted ("for," "against" or "abstain") and whether that vote was "for" or "against" the company's recommendation. N-PX reports are lengthy, so you should search by key words, such as "diversity," "discrimination," "board diversity," and "human rights" or the names of companies where you know or suspect that such resolutions were voted. The managing firm may also state its position on issues like gender diversity in published "proxy voting guidelines." Another resource is Fund Votes, now part of Morningstar, which summarizes how mutual funds and ETFs vote on shareholder proposals. Morningstar's report [Gender and Diversity Funds: Intentional or Not?](#) analyzes how 15 mutual funds and ETFs that market themselves as committed to gender equity voted on gender-related shareholder proposals from 2016 through 2018.

As You Sow, a non-profit focused on shareholder engagement and advocacy, provides a searchable database platform—[Gender Equality Funds](#)—that rates mutual funds based on the records and policies of their underlying companies. The ratings are based on the gender balance of the companies' boards and senior management and on their policies promoting gender equality, but they do not include information on funds' proxy voting records or corporate engagement on gender issues.

**EXPRESS VIEWS TO FUND MANAGEMENT:** If you don't see evidence that the funds in which you are invested have thoughtful voting or investment policies on gender equality, contact the fund company to express your concerns. You should be able to find a general, toll-free telephone number on the website of the mutual fund company under "Contact Us" or "Open an Account." Mutual fund companies are usually sensitive to customer opinion. You should not hesitate to express your concerns and suggestions. Remember that the shares you own in mutual funds are ostensibly being voted on behalf of you and other clients. Moreover, fund companies are likely to develop or modify their products if they believe there is sufficient customer demand.

**SWITCH FUNDS:** If you are able to do so, you may also wish to switch funds. A good place to start is the [list of mutual funds](#) offered by members of US SIF. By clicking on the screening and advocacy tab, you can see which equity funds focus on diversity and fair employment and which file shareholder resolutions or communicate with portfolio company management on ESG issues. The proxy voting tab provides quick links to the funds' proxy voting guidelines and records. Many of the US SIF member funds vote thoughtfully on efforts that help promote gender equality. They are likely to support

resolutions to promote board diversity, disclose human rights policies and working conditions in their supply chains, and combat human trafficking, among other issues. You can also get ideas for mutual funds and ETFs from the [Veris report](#) noted earlier.

**DEMAND SUSTAINABLE INVESTING OPTIONS IN RETIREMENT PLANS:** For retail investors, if your IRA, 401k or retirement plan platform does not offer funds with thoughtful policies on gender equality, request that your investment advisor or investment committee make such options available.

In a survey of retirement plan sponsors, the US SIF Foundation found that requests from participants are important in determining whether sustainable investment funds are offered as an option by such plans. Among the survey respondents that do offer such options, nearly a quarter said they were influenced by participant requests. And of the plan sponsors that did not offer sustainable options, 71 percent said they had never received recommendations or requests to do so.

For institutional investors, if your institution's retirement plan does not offer funds with thoughtful policies to advance women, consider adding some to the plan lineup. You may wish to share the US SIF Foundation's [Resource Guide for Plan Sponsors](#) with your plan's investment committee.

## FINDING PROFESSIONAL INVESTMENT HELP

If you are a retail investor and seek to advance gender equality and other environmental, social and governance and investment goals in a manner that is appropriate for your age, investment objectives, risk tolerance and return expectations, you may want to enlist the assistance of a financial advisor. One place to start is the [directory of financial services](#) offered by US SIF members, as they have expertise in sustainable investing options and strategies. Under "Directory Categories," retail investors can select "Financial Planners, Advisors and Brokers" and institutional investors can select "Investment Consulting Firms."

If you are an accredited or institutional investor, you may also wish to employ the services of an investment management firm that specializes in sustainable and impact investment approaches. You may wish to visit US SIF's online chart of "[Separate Account Managers in Sustainable and Responsible Investing](#)." Many of these firms assist clients in filing shareholder resolutions ESG issues, including diversity/EEO issues, human rights and labor relations. You may also want to enlist the assistance of a financial advisor or consultant with expertise in sustainable and responsible investing options and strategies.

## ALTERNATIVE INVESTMENTS

Alternative investments—specifically private equity, venture capital, property, real estate and hedge funds— have become one of the most dynamic segments within the sustainable investing space, though they are still a relatively small part of overall assets. For a list of alternative investment funds specializing in gender issues, refer to [Wharton’s Project Sage report](#) cited earlier in this guide. Numerous resources and networks exist for accredited investors interested in alternative investments geared toward gender equality. A short list includes:

- [Social Venture Circle](#): formerly known as “Investors’ Circle,” an early-stage impact investing network. Together with 500+ members—such as angel investors, venture capitalists, foundations and family offices—they have propelled over \$220 million into more than 330 early-stage social ventures dedicated to creating social, economic and environmental change.
- [ImpactBase](#): a searchable, on-line database of impact investment funds and products designed for accredited investors.

## BANKS, CREDIT UNIONS AND LOAN FUNDS

You may wish to open accounts in, or purchase certificates of deposits and other cash instruments from, banks and credit unions that have a commitment to financing women-owned businesses

or non-profits that serve women and affordable housing in low- and-middle income communities. To find a credit union or bank committed to assisting women or supporting low- and moderate-income communities, please visit:

- [Inclusiv](#) (formerly the National Federation of Community Development Credit Unions)
- [National Community Investment Fund](#)
- [Community Development Bankers Association](#)
- [Financial Alliance for Women](#)

Two sources of information on community development loan funds active in the United States are [Opportunity Finance Network \(OFN\)](#) and [Aeris](#).

- OFN provides a [CDFI Locator](#), an online directory of loan funds (and other financial institutions) that are certified by the US Treasury as Community Development Financial Institutions (CDFIs), that is searchable by the states served and the type of lending provided (e.g., microenterprise, affordable housing) as well as its target beneficiaries, where “women” can be specified.
- [Aeris](#) offers an online search guide to CDFI loan funds that have undergone its extensive due diligence evaluation. Its [Fund Selector](#) enables investors to search for investment opportunities by impact area, including women, food access, healthcare and education.

## IN YOUR COMMUNITY

---

In addition to your own investment accounts, you or your institution may also have some ability to influence the investment actions of organizations on whose boards or advisory committees you serve, or with which you have other connections. This includes non-profit organizations, university endowments, religious institutions and local government operating

funds and pension funds. Consider asking the investment committee or trustees how they vote proxies on resolutions relating to board diversity, disclosure of workforce composition (EEO disclosure), non-discrimination and other issues related to gender equality.

## CITATIONS AND INFORMATION SOURCES

---

1. [Rulers.org](http://rulers.org/), accessed July 18, 2019. <http://rulers.org/>.
2. "Percentage of women in national parliaments," Inter-Parliamentary Union, accessed July 22, 2019, <https://data.ipu.org/women-ranking?month=6&year=2019>.
3. "Quick Take: Buying Power." Catalyst. Accessed July 18, 2019. [https://www.catalyst.org/research/buying-power/#footnote3\\_6jh9hbk](https://www.catalyst.org/research/buying-power/#footnote3_6jh9hbk).
4. Final Consumption Expenditure (current US\$)." The World Bank Data. Accessed July 18, 2019. <https://data.worldbank.org/indicator/NE.CON.TOTL.CD?locations=IN-CN>.
5. OECD (2018), *Education at a Glance 2018: OECD Indicators* (Paris: OECD Publishing, 2018), 209, <https://doi.org/10.1787/eag-2018-en>.
6. World Bank Group, *Women, Business and the Law 2018*. (Washington, DC: World Bank., 2018), 7-8. <http://hdl.handle.net/10986/29498>. License: Creative Commons Attribution CC BY 3.0 IGO
7. International Labor Organization, *Women and Men in the Informal Economy: A Statistical Picture*, (Geneva 2018), 21-22. Accessed August 9, 2019. [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms\\_626831.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_626831.pdf).
8. "Child Marriage." UNICEF Data. June 2019. Accessed July 18, 2019. <https://data.unicef.org/topic/child-protection/child-marriage/>.
9. Wodon, Q., C. Male, A. Nayihouba, A. Onagoruwa, A. Savadogo, A. Yedan, J. Edmeades, A. Kes, N. John, L. Murithi, M. Steinhaus and S. Petroni. World Bank and International Center for Research on Women, *Economic Impacts of Child Marriage: Global Synthesis Report*. (Washington, DC: World Bank., 2017), 39. <https://www.icrw.org/wp-content/uploads/2017/06/EICM-Global-Conference-Edition-June-27-FINAL.pdf>
10. UN Food and Agriculture Organization, *The Female Face of Farming*. <http://www.fao.org/gender/resources/infographics/the-female-face-of-farming/en/> Accessed July 18, 2019.
11. O'Dell, Kathleen, Sophia Peters & Kate Wharton, *Women, Energy and Economic Empowerment*. (Deloitte University Press, 2015), <https://www.theatlantic.com/sponsored/deloitte-shifts/women-energy-and-economic-empowerment/261/>
12. "Facts Over Time - Women in the Labor Force." Women in Labor Force, Women's Bureau, US Department of Labor. Accessed July 18, 2019. [https://www.dol.gov/wb/stats/NEWSTATS/facts/women\\_lf.htm#one](https://www.dol.gov/wb/stats/NEWSTATS/facts/women_lf.htm#one).
13. American Express, *The 2017 State of Women-Owned Businesses Report* (2017), 3. [https://about.americanexpress.com/sites/americanexpress.newshq.businesswire.com/files/doc\\_library/file/2017\\_SWOB\\_Report\\_-FINAL.pdf](https://about.americanexpress.com/sites/americanexpress.newshq.businesswire.com/files/doc_library/file/2017_SWOB_Report_-FINAL.pdf).
14. Institute for Women's Policy Research, *Pathways to Equity: Narrowing the Wage Gap by Improving Women's Access to Good Middle-skill Jobs*, (Washington, DC March 2016), 2. [https://iwpr.org/wp-content/uploads/2016/03/Middle-skills\\_layout-FINAL.pdf](https://iwpr.org/wp-content/uploads/2016/03/Middle-skills_layout-FINAL.pdf)
15. Fontenot, Kayla, Jessica Semega, and Melissa Kollar, US Census Bureau, Current Population Reports, *Income and Poverty in the United States: 2017* (US Government Printing Office, Washington, DC, 2018), 12. <https://www.census.gov/content/dam/Census/library/publications/2018/demo/p60-263.pdf>.
16. "Gender Pay Gap Statistics." Gender Pay Gap Statistics - Statistics Explained. February 2019. Accessed July 18, 2019. [https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender\\_pay\\_gap\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_pay_gap_statistics).
17. The World Economic Forum, *The Global Gender Gap Report 2018* (Zurich, 2018), 139. [http://www3.weforum.org/docs/WEF\\_GGGR\\_2018.pdf](http://www3.weforum.org/docs/WEF_GGGR_2018.pdf)
18. Ibid., 269
19. "2018 Gender Diversity Index Key Findings." 2018 Gender Diversity Index Key Findings | 2020 Women on Boards. Accessed July 18, 2019. <https://www.2020wob.com/companies/2020-gender-diversity-index>.



20. McKinsey & Company, *Women in the Workplace 2018*, (2018), 6. <https://womenintheworkplace.com/>
21. Ellis, Morgan, Meggin Thwing Eastman, MSCI ESG Research LLC, *Women on Boards: Progress Report 2018* (December 2018), 7. <https://www.msci.com/documents/10199/36ef83ab-ed68-c1c1-58fe-86a3eab673b8>.
22. Ibid., 11
23. “US Census Bureau QuickFacts.” Census Bureau QuickFacts. Accessed July 18, 2019. <https://www.census.gov/quickfacts/fact/table/US/SEX255218#SEX255217>.
24. “Facts Over Time - Women in the Labor Force.” Women in the Labor Force, Women’s Bureau, US Department of Labor. Accessed July 18, 2019. [https://www.dol.gov/wb/stats/NEWSTATS/facts/women\\_lf.htm#one](https://www.dol.gov/wb/stats/NEWSTATS/facts/women_lf.htm#one).
25. “Employed Persons by Detailed Occupation, Sex, Race, and Hispanic or Latino Ethnicity.” Labor Force Statistics from the Current Population Survey. January 18, 2019. Accessed July 18, 2019. <https://www.bls.gov/cps/cpsaat11.htm>.
26. McKinsey & Company, *Women in the Workplace 2018*, (2018), 6. <https://womenintheworkplace.com/>
27. Hegewisch, Ariane, M.Phil., and Heidi Hartmann, Ph.D. “The Gender Wage Gap: 2018 Earnings Differences by Race and Ethnicity.” Institute for Women’s Policy Research. March 7, 2019. Accessed July 18, 2019. <https://iwpr.org/publications/gender-wage-gap-2018/>.
28. Fontenot, Kayla, Jessica Semega, and Melissa Kollar, US Census Bureau, Current Population Reports, *Income and Poverty in the United States: 2017* (U.S. Government Printing Office, Washington, DC, 2018), 9. <https://www.census.gov/content/dam/Census/library/publications/2018/demo/p60-263.pdf>.
29. The American Association of University Women, *The Simple Truth About the Gender Pay Gap: Fall 2018 Edition* (Washington, DC, 2018), 9. [https://www.aauw.org/aauw\\_check/pdf\\_download/show\\_pdf.php?file=The\\_Simple\\_Truth](https://www.aauw.org/aauw_check/pdf_download/show_pdf.php?file=The_Simple_Truth).
30. “Fast Facts: Back to School Statistics.” National Center for Education Statistics (NCES). Accessed July 18, 2019. <https://nces.ed.gov/fastfacts/display.asp?id=372>.
31. The Sustainable Development Goals (SDGs) replaced the Millennium Development Goals in 2015. The SDGs include making progress toward achieving gender equality, reducing inequalities, promoting good health and wellbeing, ending poverty and providing universal primary education by the target date of 2030. See: <https://www.un.org/sustainabledevelopment/>.
32. International Finance Corporation, *Investing in Women: New Evidence for the Business Case*, (International Finance Corporation, March 2017), 2. <https://www.ifc.org/wps/wcm/connect/ac8fca18-6586-48cc-bfba-832b41d6af68/IFC+Invest+in+Women+October+2017.pdf?MOD=AJPERES&CVID=IYLVAcA>
33. Falci, Steve, Julie Gorte, Scott LaBreche, David Loehwing, and Heather Smith, Pax World Funds, *Gender Diversity Delivered: Results from Five Years of Investing in Women* (July 22, 2019). <https://paxworld.com/gender-diversity-delivered-results-from-five-years-of-investing-in-women/>
34. McKinsey & Company, *Delivering Through Diversity* (January 2018). <https://www.mckinsey.com/~media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity-full-report.ashx>
35. “Women Employees Boost the Bottom Line for Tech Firms.” Morgan Stanley. May 3, 2017. Accessed July 18, 2019. <https://www.morganstanley.com/ideas/gender-diversity-tech-companies>.
36. Credit Suisse Research Institute, *The CS Gender 3000: The Reward for Change* (Zurich, 2016). [https://www.commoninterestsfinancial.com/wp-content/uploads/2018/02/csri\\_gender\\_3000.pdf](https://www.commoninterestsfinancial.com/wp-content/uploads/2018/02/csri_gender_3000.pdf)
37. Lee, Linda-Eling, Ric Marshall, Damion Rallis, Matt Moscardi, MSCI ESG Research Inc., *Women on Boards: Global Trends in Gender Diversity on Corporate Boards* (MSCI Inc., 2015), 4. <https://www.msci.com/documents/10199/04b6f646-d638-4878-9c61-4eb91748a82b>
38. Noland, Marcus, Tyler Moran, and Barbara Kotschwar, Peterson Institute for International Economics, *Is Gender Diversity Profitable? Evidence from a Global Survey* (Washington, DC, 2016), 9. <https://www.piie.com/commentary/op-eds/study-firms-more-women-c-suite-are-more-profitable>

39. Mersland, Roy, Bert D'Espallier, Isabelle Guérin, World Development. *Women and Repayment in Microfinance: A Global Analysis* (2010). [https://www.researchgate.net/publication/228200473\\_Women\\_and\\_Repayment\\_in\\_Microfinance](https://www.researchgate.net/publication/228200473_Women_and_Repayment_in_Microfinance)
40. Chakravarty, Sugato, S.M. Zahid Iqbal, Abu Zafar M. Shahriar, Harvard Kennedy School, *Gender Differences in a Cooperation Game: Evidence from the Field in Matrilineal, Patriarchal and Gender-neutral Societies* (2015), 13. [http://gap.hks.harvard.edu/sites/default/files/September%202015\\_Gender-Difference-in-cooperation.pdf](http://gap.hks.harvard.edu/sites/default/files/September%202015_Gender-Difference-in-cooperation.pdf)
41. Veris Wealth Partners, *Gender Lens Investing: Bending the Arc of Finance for Women and Girls*, (2018), [https://www.veriswp.com/wp-content/uploads/2018/10/GLI\\_Bending\\_the\\_Arc2018-web.pdf](https://www.veriswp.com/wp-content/uploads/2018/10/GLI_Bending_the_Arc2018-web.pdf).
42. "Gender Equity," Calvert Impact Capital, Accessed July 18, 2019. <https://www.calvertimpactcapital.org/initiatives/gender>
43. Root Capital, *Women in Agriculture Initiative: Annual Report 2018* (2018), 1. <https://rootcapital.org/resources/women-in-agriculture-initiative-2018-annual-report/>
44. Welsh, Heidi and Michael Passoff, ProxyPreview, *ProxyPreview 2019*, (Proxy Preview, As You Sow, Sustainable Investments Institute, and Proxy Impact, 2019), 62, Accessed July 18, 2019. <https://static1.squarespace.com/static/59f0ef404c326d3b5a4cf6a0/t/5cf59ad1c0080d0001ad04de/1559599845734/AYS-ProxyPreview20190603+Final.pdf>.



US | SIF  
FOUNDATION

1660 L Street NW | Suite 306 | Washington, DC | 20036 | (202) 872.5361 | [info@ussif.org](mailto:info@ussif.org) | [www.ussif.org](http://www.ussif.org)