

# Women Investing in Women: Pioneers in the Catholic Impact Investing Space

## *Catholic Impact Investing Collaborative (CIIC)*

### *March Community Forum*



## Wednesday, March 29th, 2023 at 10 AM CST

CIIC is excited to announce our **March Community Forum**, part of an ongoing series of webinars focused on specific issues for CIIC community members to engage in open dialogue, exchange resources, and identify opportunities for mutual learning and collaboration.

Women religious congregations have long been leaders in making direct, community-centered investments, decades before the definition of "impact investing" existed. This panel discussion will showcase women in the Catholic impact investing space - both asset owners and asset managers - who have been champions in gender equity and gender lens investing and highlight how female leadership contributes to social impact and strong investment performance.

This webinar was originally broadcast on Wednesday, March 29th and [you can find a recording here](#).

Our Panelists will be:

- **Sr. Teresa George**, Provincial Councillor/Provincial Treasurer, Daughters of Charity, Province of St. Louise
- **Sarah Smith**, Director, Mercy Partnership Fund, Mercy Investment Services
- **Sonia Kowal**, President, Zevin Asset Management (ZAM)
- **Moderator: Jessica Cook**, Managing Director, Ascension Investment Management

### WHO WE ARE

By sharing our experience and celebrating our Catholic faith & values, we seek to expand the use of wealth in service to people & planet.

The **Catholic Impact Investing Collaborative** (aka CIIC - pronounced "seek") was established in November 2014 as an informal "neutral space" for people to come together, share a meal and stories, and build relationships based on their spiritual as well as financial commitment to Impact Investing. Our goals are to share stories, build relationships, foster collaboration, and grow the Catholic Impact community, while leaving room for the Holy Spirit.



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**Sr. Teresa George**

*Provincial Councillor/Provincial Treasurer, Daughters of Charity,  
Province of St. Louise*

[Daughters of Charity](#) is an international community in 68 countries and 98 provinces around the world. Our sisters work directly with women around the world suffering from poverty and have seen firsthand how gender biases and discrimination impact women. We've committed to advance and empower women not only through our grassroots service work, but also through microfinance, CDFIs, loan vehicles and other investments. I became Provincial Treasurer in 2015 and shortly thereafter attended the [2016 Vatican Impact Investing Conference](#). At the conference, I became captivated by the idea that we could use our assets to take care of the needs of our sisters and also to invest in making a difference in the lives of the people we were serving at the grassroots level.

We decided to participate in the first impact investing fund launched by [Ascension Investment Management \(AIM\)](#) in 2014. When I learned that 99% of venture capital was going to white men, I wanted to know what we could do to advance access to capital to women and other minorities. AIM presented three options: investing money into women who need microloans, investing in women-owned businesses OR investing with female investment managers. We wanted to do all three - provide access to capital for women managing the funds, women who are business owners, and women at the grassroots.

We also discovered that AIM was screening out first time fund managers because those investments were considered risky. This meant that money would keep going to the same people, who as we learned are majority white men. When we challenged this screening, AIM found other ways to manage the risk which allowed us to take on first time managers. Another thing we've focused on is developing an environmental justice screen. We have invested in various impact opportunities that create access to alternative fuels (solar and wind) but we wanted to challenge ourselves to divest from fossil fuels. At first, we screened out companies not adhering to the Paris Accords or EPA Guidelines, or those not meeting other environmental reporting requirements. We evolved from that blunt negative screen to continue to invest in fossil fuel companies genuinely committed to developing alternative, clean energy solutions. It took four years to develop this screen and we're still evolving, but in the next few years we'll have completely taken out fossil fuel exposure in our investment portfolio. AIM proudly helped us develop this screen and now offers it to all of their clients.

AIM is now on its fourth impact fund and their partnership has allowed us to make a difference for women and people living in poverty. Impact investing is one of the most exciting things we do, but we have to be deliberate about it. It's not going to happen naturally, so we all need to be courageous and bold with our investments.

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**Sarah Smith**

*Director, Mercy Partnership Fund, Mercy Investment Services*

The [Sisters of Mercy of the Americas](#) is a religious community of women serving throughout the world that has been using financial resources as a catalyst for change for decades. They have thoughtfully sought ways to align investments with their mission including care of the earth, immigration, racism, non-violence, and caring for the economically poor, specifically women and children. Ministries today include education, healthcare, housing, spiritual care and social services, as well as socially responsible investing. Along with other women religious communities, the Sisters were often a first or early investor providing low interest loans to affordable housing efforts and community loan funds. They established [Mercy Investment Services](#) as their socially responsible investing program. [Mercy Partnership Fund](#) is one part of Mercy Investment Services' socially responsible investing program, which also includes screens, shareholder advocacy and proxy voting in addition to impact investing.

Mercy Partnership Fund provides below market rate investments to mission driven organizations that align with impact objectives which include reducing economic poverty, supporting economic, health and educational opportunities, and protecting the environment. Since the funds we lend are from the pool of funds the sisters have saved for their retirement, we need to be paid back but have flexibility in the terms that we can provide. We work with 60 investee partners benefiting individuals in 67 countries and all 50 states. Concern for women is a throughline in all our community investment decisions. When we look at opportunities, we consider the gender diversity of the governing board, management team, staff and beneficiaries, how concerns for women are incorporated into mission, strategies and stakeholder engagement, and whether the services or products have a positive effect on women and their families.

A few examples of our community investments that address the needs of women include the [Keyway Center for Diversion and Reentry](#), which provides transitional housing, basic necessities and support services for women re-entering the St. Louis community from prison. A loan from Mercy helped Keyway purchase a residential building and former novitiate for use as a safe, substance-free, coliving home. A loan to [Michigan Women Forward](#) helped grow its small microlending program; we deferred interest payments during COVID-19 so the organization could provide flexibility to their borrowers as they recovered from pandemic challenges. We also support the work of [Friendship Bridge](#), a nonprofit social enterprise providing microcredit and financial education programs to more than 30,000 Guatemalan women each year, the majority of whom are indigenous and live in rural areas of the country. Lastly, we recently invested in a new impact-first fund providing growth capital for small and medium enterprises and microfinance institutions in sectors that address climate change and benefit women and youth called [West Africa Bright Future Fund](#).

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**Sonia Kowal**  
President, Zevin Asset Management (ZAM)

[Zevin Asset Management](#), a majority women-owned and led asset management firm, has been helping faith investors, nonprofits and individuals grow their assets while seeking justice, equality and a healthy planet for over 25 years. We're a B Corps that manages multi-asset and public equity strategies and use our voice as investors to contribute to social and environmental change through the behavior of public companies.

We see many "gender lens" strategies framing women as an economic instrument, which can lead to a reliance on counting women rather than valuing them. We try to think about how we can get beyond diversity and focus on inclusion. Looking at gender can't happen in a vacuum - gender patterns are complicated by race, class, caste and other identities and we see a complex interplay between race and gender especially. These things should be looked at together when making investment decisions.

We believe that having a more diverse, equitable and inclusive workforce will help us capitalize on market opportunities, help with innovation and improve our resiliency, and we hope to see evidence of similar attitudes in the companies we invest in. When we decide whether to invest in a company, one of the areas we look at is pay equity. Pay gaps are typically driven by either explicit or implicit discrimination, so the first step is for companies to own that and then do something about it. We also encourage companies to set goals and report back on the hiring and retention of women and other diverse groups, and track which companies have mandatory arbitration clauses allowing workplace harassment to persist and ask them to stop.

### Using a Gender Lens in Investing

#### Screening

- Avoid investment in companies with a record of sexual harassment
- Avoid investment in companies with discriminatory recruitment practices

#### ESG

- Gender diversity of board and senior management
- Commitment to a fair wage/pay equity
- Thoughtful diversity, equity and inclusion strategy that includes attraction, retention, and promotion of women

#### Proxy Voting

- Vote against board directors at companies that lack gender diversity
- Support proposals that ask firms to improve workforce diversity
- Support proposals ending mandatory arbitration

#### Shareholder Engagement

- Request for gender pay gap reviews, goal-setting to promote women
- Linking executive compensation to diversity, equity and inclusion goals
- Improved paid sick leave and family leave
- Addressing working conditions for low wage workers, who are disproportionately women of color

Zevin Asset Management | [www.zevin.com](http://www.zevin.com) | 617-742-6666 | [invest@zevin.com](mailto:invest@zevin.com)

We've had success in our shareholder advocacy efforts in these areas, including on paid sick leave. We're part of a large coalition of investors through the [Interfaith Center of Corporate Responsibility \(ICCR\)](#) that pushed retailers like Kroger and Home Depot to make permanent their more generous, temporary paid sick leave policies for front-line workers during COVID who are largely women and/or people of color. We also worked with Paid Leave USA to identify companies in our portfolios with poor family leave practice and got some (Starbucks, CVS, Home Depot, and TJX) to improve their family leave policies for their lowest paid workers. There is huge impact to be made on promoting gender equality in public companies.