WEBINAR

Mission-Aligned Investing:
What New Positive Deviance Research Can Tell Us About What Moves Institutional Investors to Action

March 15, 2017

The webinar will begin momentarily...
Abigail Abrash Walton, PhD is a seasoned mission-aligned change leader, with experience at multiple scales including organizational, municipal, state, federal, and international. She serves as faculty in Antioch University New England’s Department of Environmental Studies, where she directs the Advocacy for Social Justice and Sustainability master’s degree concentration and co-directs Antioch’s Center for Climate Preparedness and Community Resilience. Her public engagement, research, and teaching focus on change leadership and translating values into effective action, particularly regarding environmental and social performance. She enjoys the spirit and practice of innovation and has played a central role in launching Antioch’s Conservation Psychology Institute and Translating Research to Inform Policy workshops and in catalyzing a national-level working group to build the capacity of scientists and researchers to engage with the public policy process.

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Abigail Abrash Walton, PhD
March 15, 2017
Change is Challenging

Knowledge ≠ Attitudes ≠ Investing Behavior

Key Factors → Investing Behavior
Transtheoretical Model of Behavior Change

Core constructs of the TTM.

Source: Abrash Walton, 2016
Fossil Fuel Divested (Actual/Pledged) Assets and the Global Stock Market

US $5 trillion

US $64 trillion

Based on data from Arabella Advisors (2016)
The Phenomenon

DIVEST from Fossil Fuels. INVEST in Climate Solutions.

Image Source: www.divestinvest.org/philanthropy/

Philanthropic Assets Pledged/Already Divested

- $12.3 billion
- $1.8 billion

$583%

January 2014 (N=17)

March 2017 (N=155)

(Data sources: Divest-Invest Philanthropy Brief, 2015; DivestInvest.org; personal correspondence, 2017)
## Interviews (N=36; n=18)

### Table 4.3 Descriptors for Participants

<table>
<thead>
<tr>
<th>Participant Identifier</th>
<th>Total institutional assets (millions)</th>
<th>Institutional role</th>
<th>Geographic Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>&lt; $10</td>
<td>President</td>
<td>West Coast</td>
</tr>
<tr>
<td>F2</td>
<td>&lt; $10</td>
<td>Trustee</td>
<td>East Coast</td>
</tr>
<tr>
<td>F3</td>
<td>&lt; $10</td>
<td>Trustee</td>
<td>East Coast</td>
</tr>
<tr>
<td>F4</td>
<td>$10-$30</td>
<td>Board Chair</td>
<td>West Coast</td>
</tr>
<tr>
<td>F5</td>
<td>$10-$30</td>
<td>Executive Director</td>
<td>West Coast</td>
</tr>
<tr>
<td>F6</td>
<td>$10-$30</td>
<td>Executive Director</td>
<td>East Coast</td>
</tr>
<tr>
<td>F7</td>
<td>$10-$30</td>
<td>President</td>
<td>Mountain/Midwest</td>
</tr>
<tr>
<td>F8</td>
<td>$10-$30</td>
<td>President</td>
<td>East Coast</td>
</tr>
<tr>
<td>F9</td>
<td>$10-$30</td>
<td>Trustee</td>
<td>East Coast</td>
</tr>
<tr>
<td>F10</td>
<td>$30-100</td>
<td>Executive Director</td>
<td>Mountain/Midwest</td>
</tr>
<tr>
<td>F11</td>
<td>$30-100</td>
<td>Executive Director</td>
<td>East Coast</td>
</tr>
<tr>
<td>F12</td>
<td>$30-100</td>
<td>Executive Director</td>
<td>West Coast</td>
</tr>
<tr>
<td>F13</td>
<td>&gt; $100</td>
<td>Executive Director</td>
<td>West Coast</td>
</tr>
<tr>
<td>F14</td>
<td>&gt; $100</td>
<td>Executive Director</td>
<td>East Coast</td>
</tr>
<tr>
<td>F15</td>
<td>&gt; $100</td>
<td>CEO</td>
<td>West Coast</td>
</tr>
<tr>
<td>F16</td>
<td>&gt; $100</td>
<td>Trustee</td>
<td>West Coast</td>
</tr>
<tr>
<td>F17</td>
<td>&gt; $100</td>
<td>Executive Director</td>
<td>East Coast</td>
</tr>
<tr>
<td>F18</td>
<td>&gt; $100</td>
<td>President</td>
<td>East Coast</td>
</tr>
</tbody>
</table>

*Source: Abrash Walton, 2016*
FINDINGS: PART ONE
Investing Behavior: Mission Alignment

Source: www.balanceduniversity.com
Levels of mission-aligned investing

Level 1: Silos
(Firewall between investing and mission/values/grant-making decisions)

Level 2: Socially Responsible Investing (passive)

Level 3: Socially Responsible Investing (active)

Level 4: Divestment (proactive)

Level 5: Mission- & program-related investing (proactive)

Level 6: 100% Mission-aligned (fully engaged)

Levels of Mission-Aligned Investing

*Figure 4.3. Conceptual model: institutional levels of mission-aligned investing.*

*Source: Abrash Walton, 2016*
FINDINGS: PART TWO
Mission-Aligned Investment Behavior
Change Process

- Contemplation
- Preparation (commitment)
- Action
- Maintenance

Source: www.journeytopenuel.com
Divestment Decision

**Easy Decision**
- Clear consensus on organizational values
- Divestment viewed as consistent with the organization's mission
- Clear decision-making process in place
- Already focused on mission-aligned investing

**Engaged Decision**
- Organization inclined, but tentative about immediate action
- Required thoughtful research regarding the impact of divestment
- Education of board
- Belief/confidence that there would be no negative impact of divestment

**Challenging Decision**
- Significant internal concern
- Divestment viewed as controversial or difficult
- Split board, with significantly differing views
- Required internal champion
- Extensive research to inform decision

*Figure 4.4. Organizational readiness to commit to divestment.*

Contemplation ➔ Preparation (commitment)

*Source: Abrash Walton, 2016*
Figure 4.5. Conceptual framework: Individual leader divestment commitment and implementation behavior change process.

Source: Abrash Walton, 2016
Table 4.6

*Divestment Commitment Decisional Balance Inventory*

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desire to align investing with mission/vision/values/grant-making</td>
<td>Time involved in researching and implementing the decision</td>
</tr>
<tr>
<td>Desire to address climate change (moral &amp; economic)</td>
<td>Potential for decreased performance of the investment portfolio</td>
</tr>
<tr>
<td>Desire to exercise leadership</td>
<td></td>
</tr>
<tr>
<td>Efficacy and feasibility of divestment, based on personal, past activist experience</td>
<td></td>
</tr>
<tr>
<td>View of divestment as an investment opportunity that would send market signal to catalyze new investment services and products and influence public policy</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Abrash Walton, 2016*
Factors Affecting Sense of Self-Efficacy

- Ability to identify fossil fuel holdings
- Availability of alternative (i.e., non-fossil fuel) investment vehicles
- **Changing investment advisors**
- Clear definitions of what constitutes divestment
- Effective support from investment advisor/s
- Existence of pro-socially responsible investing institutional investment policy statement
- Familiarity with/prior engagement in socially responsible investing
- Not owning a high percentage of fossil fuel holdings, to begin with
- Resources provided by movement organizers and think tanks (personnel and decision-support tools)

Source: Abrash Walton, 2016
### Table 4.8
Processes of Change, New Terms for Processes of Change, and Evidence of Leader Experience

<table>
<thead>
<tr>
<th>Process of Change</th>
<th>New Term for Process of Change</th>
<th>Evidence of Leader Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consciousness Raising</td>
<td>Recognizing</td>
<td>Motivation to divest, based on their understanding of climate change and the consequent need to end the use of fossil fuels</td>
</tr>
<tr>
<td>Dramatic Relief</td>
<td>Reacting</td>
<td>Strong emotions about climate change; Positive emotions about committing to divestment; regret at not acting sooner</td>
</tr>
<tr>
<td>Environmental Re-evaluation</td>
<td>Re-evaluating (other)</td>
<td>Recognition of the problematic impacts of fossil fuels on human and ecological systems</td>
</tr>
<tr>
<td>Self Re-evaluation</td>
<td>Re-evaluating (self)</td>
<td>Desire to align investments with mission, vision, values, and/or grant-making; reflection on leaders’ own identity as environmentalists and activists, including prior experience with South African divestment and other forms of socially responsible investing</td>
</tr>
<tr>
<td>Social Liberation</td>
<td>Realizing</td>
<td>Recognition of the divestment movement and the resources movement organizers provided to support the divestment behavior change</td>
</tr>
<tr>
<td>Self-liberation</td>
<td>Committing</td>
<td>Divestment commitment</td>
</tr>
<tr>
<td>Helping Relationships</td>
<td>Reaching Out</td>
<td>Actions to engage the effective support of investment advisors; support by movement organizers</td>
</tr>
<tr>
<td>Reinforcement Management</td>
<td>Rewarding</td>
<td>Positive performance of portfolio, post-divestment; positive feedback from others about the divestment decision</td>
</tr>
<tr>
<td>Counter Conditioning</td>
<td>Replacing</td>
<td>Reinvestment of institutional assets into “climate solutions”</td>
</tr>
<tr>
<td>Stimulus Control</td>
<td>Restructuring</td>
<td>Actions to include fossil fuel divestment in the foundation’s investment policy statement</td>
</tr>
</tbody>
</table>

**Source:** Abrash Walton, 2016
FINDINGS: PART THREE
Mission-aligned investing leadership: Positive deviance outcomes

- Personal
- Organizational
- Sectoral

Image source: http://positivedeviantperformance.com/about-us/
If people just know or care enough, they’ll change.

**Ready**

- Pros outweigh cons
- Feel confident about ability to change

**Use 10 proven techniques for facilitating change**
Selected References


Source: Abrash Walton, 2016
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Questions

Q&A

Please enter your questions in the GoToWebinar text box
Thank you!

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