



Intentional
Endowments
Network

Investing in Racial Equity

A Primer for College & University Endowments

IEN IS AN INITIATIVE OF THE CRANE INSTITUTE OF SUSTAINABILITY, A TAX-EXEMPT 501(C)(3) NON-PROFIT.

Investing in Racial Equity

A Primer for College & University Endowments

Table of Contents

Executive Summary	4
Introduction	6
Setting the Stage.....	8
What Racial Equity Investing Looks Like in Practice	16
What Institutional Investor Peers Are Doing	23
Conclusion	27
Appendix A: Investment Policy Statement Examples.....	29
Appendix B: Additional Examples of What Peers are Doing	33
Appendix C: Other Key Resources	36

Executive Summary

Widening wealth inequality is the defining challenge of our time. Studies of rampant wealth inequality have associated it with slowing growth, declining macroeconomic fundamentals, eroded social cohesion and increased political polarization. The uncertainty surrounding geopolitical and socioeconomic futures in countries across the globe has made an understanding of systemic inequality and its potential effects on investments and the economy all the more relevant.

When one considers the unique interaction of race and wealth in the U.S., the economic risk becomes even more salient. Increasingly, investors have begun to understand the extent to which socioeconomic inequalities are informed by racial stratification in virtually every sector of society. The racial disparities in homeownership, workplace advancement, health, and returns to education illustrate that race is a key driving factor of social and economic outcomes. By 2032, the majority of the working class and labor force will be people of color. As demographic trends continue along this path, these disparities may increasingly drive the socioeconomic health of the average American family. In an economy where consumer spending typically accounts for 80% of GDP growth, racial wealth inequality could significantly impact future spending habits, fiscal policy and social stability. Economic projections typically underestimate the risk this trend poses to society.

Closing the racial wealth gap has the potential to add over a trillion dollars to the U.S. economy, adding to consumer spending and tax revenues as the nation becomes increasingly diverse. Racial equity investing both mitigates systemic risks in the economy and provides a financial return to investors.

Racial equity investing also offers higher education leaders an opportunity to go beyond educating students of color, to investing in them, their futures, their communities, and a societal system that is more equitable. A clear commitment to diversity, equity and inclusion from Trustees, Boards and Presidents, across all sectors of the university including endowment management will lead to institutional resilience and relevance, as these issues directly affecting the lives of the majority of high school aged students today will affect the endowment performance and the business model of higher education tomorrow.

In light of the first Black History and International Women's Month of the decade earlier this year and the current national reckoning with racial injustice, this Primer is intended to be a catalyst for conversation and action on racial equity for fiduciaries of university endowments who are looking to learn more about the current state of racial inequity in the U.S. as it relates to the long-term sustainability of the economy; the unique, underappreciated opportunity available to college and university endowments in racial equity investing; and the variety of tools, products, partners and best practices available.¹ University fiduciaries can begin to address racial equity in their roles by taking the actions below:

¹ The Primer will focus on Black and Latinx Americans who constitute the majority of people of color in the U.S.

CALL TO ACTION



LEARN

- **Commit to discussing racial equity at investment committee meetings** to have conversations necessary to assess how your investments provide solutions to or perpetuate racial inequality.
- **Conduct bias training** as perceptions of race can inform both business and investment operations through hiring and retention, manager selection and risk assessment.
- **Diversify the Board and the Investment Committee** to bring in new insights, spur new approaches and expand networks.

BUILD CONSENSUS

- **Build consensus** about your racial equity goals, investment strategies and next steps.

UPDATE & EVALUATE

- **Update your Investment Policy Statement** to reflect your diversity and inclusion priorities (See Appendix for examples).

INVEST & ENGAGE

- **Engage with consultants and ask your asset managers** about their approach to internal diversity and inclusion, BIPOC (Black, Indigenous and other people of color) ownership of the firm, how firms owned by BIPOC are included in searches and how race and social identity is factored into the investment processes and economic projections.
- **Allocate to racially diverse consultants and asset management firms** to diversify talent and deal flow and improve the investment's risk and return profile.

- **Allocate to funds with a racial equity investment thesis or businesses that produce products and services that address key issues for communities of color.** For example, Community Development Financial Institutions (CDFIs) offer stable cash or fixed income like investment returns while providing financial services to help low-income, low-wealth, and other disadvantaged people in their communities.
- **Engage with companies** as a shareholder on issues that relate directly to diversity, equity and inclusion such as those requesting that companies connect executive pay to diversity and inclusion related outcomes. If you invest in commingled funds, require transparency from your external managers as to how they engage with companies on these issues.
- **Use investor voice in partnership with organizations focused on racial justice to advance anti-racist public policy** through investor statements, pledges and public comments to spur collective action.
- **Offer internships** in the Investment Office for underrepresented students to aid in diversifying the field, or **create a student-managed fund** focused on diversity of the team as well as a racial equity investment strategy.

ITERATE & SHARE

- **Disclose information** on your diversity and inclusion strategy and progress to encourage transparency and accountability.

Introduction

What is racial equity investing?

Investing in racial equity involves developing and committing to business practices that proactively identify and counteract racial inequities within a company or an organization, and allocating capital to intentionally and measurably address systematic racial inequities in social, environmental and economic outcomes.

While institutional racial equity investing can take on myriad forms, sustainable investors have primarily focused on strategies that work to close the racial wealth gap. Such strategies include:

1. Allocate to racially diverse consultants and managers and/or those that back diverse founders and management teams
2. Seek managers across asset classes that invest in businesses with diverse founders as well as products and services that benefit and empower communities of color such as improving the availability and accessibility of affordable housing
3. Engage with portfolio companies to improve their practices across their business lines related to social and racial equity risks

Financial benefits to endowments include diversification of investment thought and process and access to the potential of untapped markets. In addition, using investment capital to address these inequities via racial equity investing should lead to workplaces, products and services that are inclusive of people from a diverse range of backgrounds and capable of supporting them long-term.

Why does racial equity require the attention of university endowment fiduciaries?

Endowment fiduciaries are concerned with four key responsibilities. (1) Duty of Obedience, (2) Duty of Loyalty, (3) Duty of Prudence and (4) Duty of Impartiality. The Duty of Obedience calls on the

fiduciary to act in line with the university's mission which includes working to ensure all people have the opportunity to realize their full potential. Both the Duty of Loyalty and The Duty of Prudence (which is encapsulated in the Uniform Prudent Management of Institutional Funds Act for institutional investors), requires fiduciaries to act in the financial interest of the university by managing risk and diversifying their portfolios. Finally, both the Duty of Impartiality and the Duty of Loyalty call on fiduciaries to consider their duty to future beneficiaries which calls for a focus on intergenerational equity and for investing with a long time horizon.

Investing for the long term requires that racial inequality risks be considered in the investment process as social stratification and wealth inequality pose a risk to economic growth that is currently unpriced in the markets. It is estimated that by 2032, the majority of the working class and labor force will be people of color. Consumer spending which typically accounts for 80% of GDP growth, could be significantly impacted by racial wealth inequality. With consumer and investment trends increasingly driven by the preferences of young people— and therefore, people of color— investors who consider race as it relates to the macroeconomy and their portfolios may find themselves better positioned than those who do not.

Diversifying portfolios in order to mitigate risk calls not only for asset class and sector diversification but also diversification of investment philosophy. This means fiduciaries should consider asset managers with differing educational and cultural backgrounds and to include managers that might be best positioned to understand changes to the economy as demographics change.

Rising postsecondary education costs and diminishing wealth in the pool of potential students may increase the need for colleges and universities to rely on

endowment funds to subsidize the cost of education. At the same time, declining educational outcomes - should racial disparities in health, education, and the environment continue - may increase student reliance on additional support services, which already accounts for the bulk of endowment spending. Racial equity investing provides an opportunity for endowments to maintain institutional relevance, resilience and sustainability by addressing the issues directly affecting the lives of the majority of high school aged students today.

Movements like Harvard Forward, Freedom Campus and others also demonstrate that students and alumni are looking for ways to engage with endowments and are increasingly demanding that they reflect their values and those of their alma maters. Faculty and staff have also begun to express their desire for endowments to reflect institutional values, as reflected by a near unanimous vote of Harvard faculty calling for the divestment of fossil fuels.

Moreover, in recent years, higher education institutions have begun to admit their historical ties to slavery and the benefits received from the slavery economy. In 2019, two Protestant seminaries - Virginia Theological Seminary and the Princeton Theological Seminary - created a reparations fund to repair the legacy of slavery the institutions have inherited. Shortly after, Georgetown undergraduates voted to pay extra per semester towards a “Reconciliation Contribution” which funds projects in communities that are home to descendants of enslaved people who were sold to pay off the school’s debts in the 1800s. The acknowledgement of the advantages institutions received from the slavery economy could be a starting point for addressing racial equity and what needs to be done to make sure that these inequities are not being perpetuated through current actions.



Setting the Stage

"A study of economic inequality that ignores racial patterning misses a central causal pathway in our understanding of inequality...."

—*The Misperception of Racial Economic Inequality* by Yale University's School of Management, Department of Psychology, and Institution for Social and Policy Studies.

Complex, Compounding, and Overlapping Issues

What is the current state of inequity in the United States?

Consistent new highs in stock market indices are often conflated with the health of the broader economy, or that of the average U.S. consumer. Unfortunately, this view obscures vast racial and gendered disparities not just in wealth, but also in sectors that have traditionally been integral to wealth generation. A recent analysis by the Brookings Institute found that 44% of all workers had median earnings of approximately \$18,000

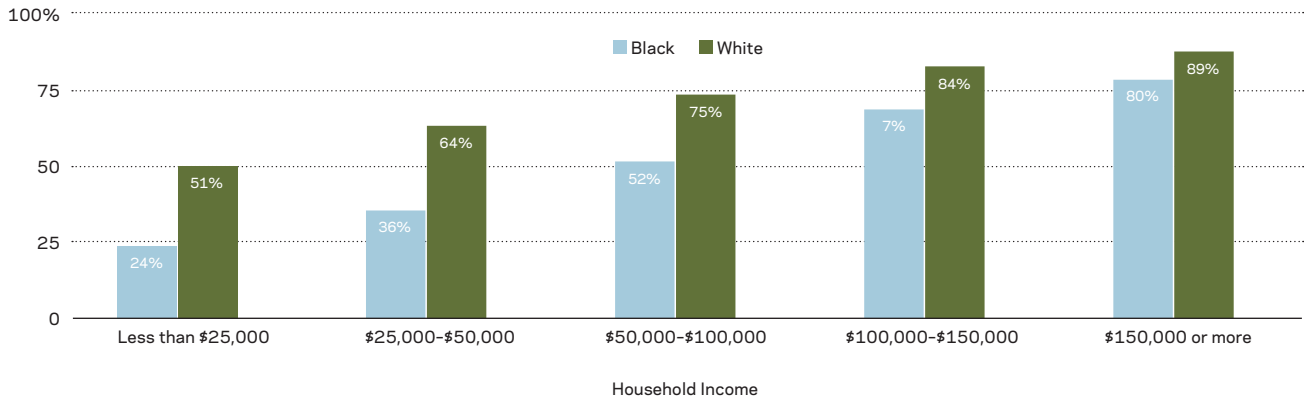
per year and that more than half of these workers, disproportionately women of color working more than one job, are in their prime working years. In 2017, a full 78% of the U.S. population, and 81% of women, say they are living paycheck to paycheck.²

Increasingly, sustainable investors and economists have begun to understand the extent to which socioeconomic inequalities are informed by racial stratification in virtually every sector of society.³ A history and present day pattern of systemic and structural racism in the U.S. has meant that race is a key driving factor of outcomes in the thematic areas of interest to most investors focused on social equity:

-
- ² "Living Paycheck to Paycheck is a Way of Life for Majority of U.S. Workers, According to New CareerBuilder Survey," CareerBuilder, August 2017; Martha Ross, Nicole Bateman, "Low-wage work is more pervasive than you think, and there aren't enough 'good jobs' to go around," Brookings Institute, November 21, 2019.
 - ³ Racial stratification refers to the process by which laws, institutions, policies and norms are enforced such that dominant racial groups maintain and improve their positions relative to other groups; Kyle K. Moore, "Linking racial stratification and poor health outcomes to economic inequality in the United States," Washington Center for Equitable Growth, March 2019.

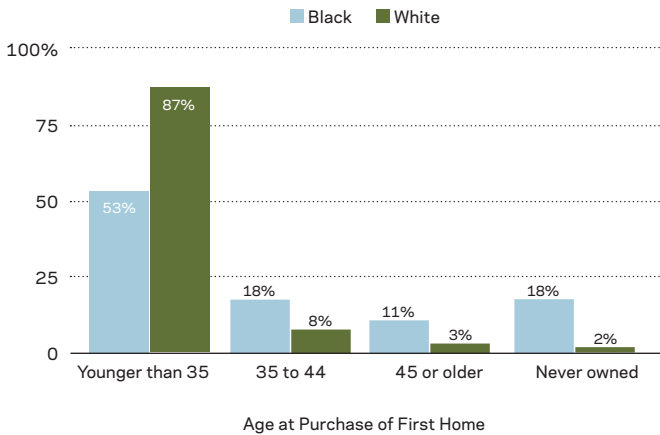
HOUSING: Homeownership has traditionally been seen as a pathway to wealth-building. However, Black homeownership rates are lower at every income level, and across age groups; by age 60, housing wealth disparities are tens of thousands of dollars.

Figure 1: Homeownership rates by household income.
For any given income level, white households are more likely to own a home.



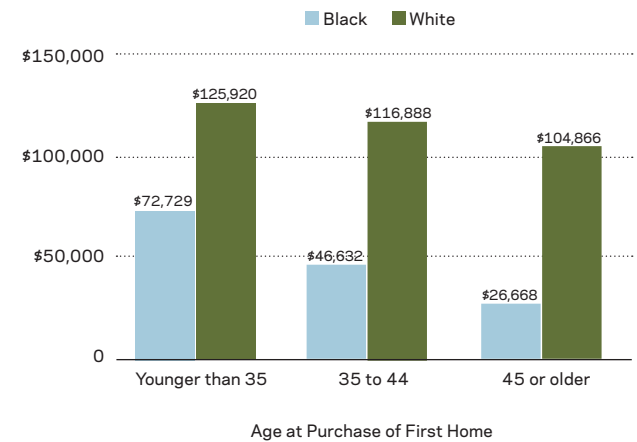
Source: Urban Institute using 2017 American Community Survey.

Figure 2: Age at Purchase of First Home. White people are more likely to purchase their first home at a younger age.



Source: Urban Institute calculation using the Panel Study of Income Dynamics.

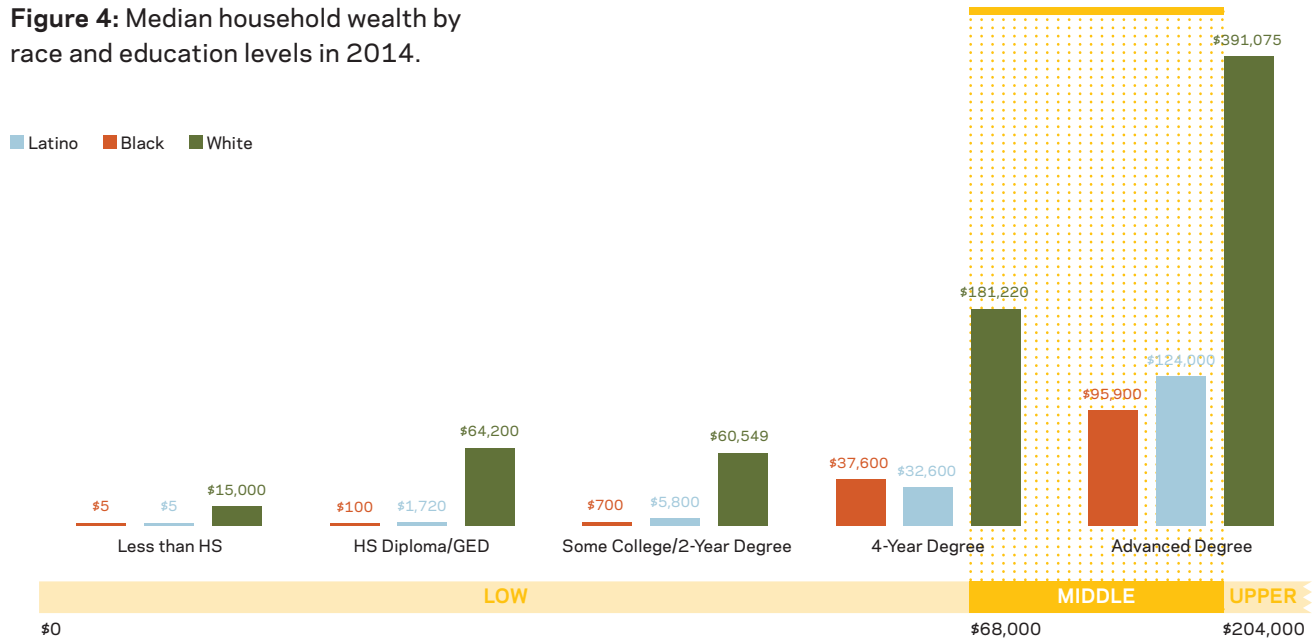
Figure 3: Average housing wealth at age 60, based on age at purchase of first home. Even among people who purchase their first home at the same age, white homeowners amass more housing wealth by the time they retire.



Source: Urban Institute calculation using the Panel Study of Income Dynamics.

EDUCATION: Education has traditionally been seen as a pathway to higher incomes, wealth-building, and economic growth. However, a college education does not guarantee middle class wealth for Black and Latinx families and does little to close the racial wealth gap.⁴

Figure 4: Median household wealth by race and education levels in 2014.



Source: Prosperity Now using U.S. Census Bureau, Survey of Income and Program Participation, 2014. Wealth figures depicted above exclude durable goods.

HIRING, INCOME & WORKPLACE ADVANCEMENT: Dramatic racial gaps persist in employment and income. White men with criminal records receive job offers at nearly the same rate as Black men without criminal records; the wage gap is largest for Black and Latinx women; white women, and men of color have made the most progress in attaining Fortune 500 board seats—though limited.

Figure 5: Race, criminal background and employment.⁵

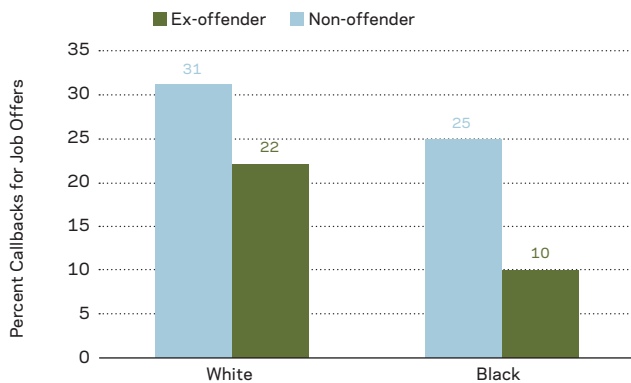
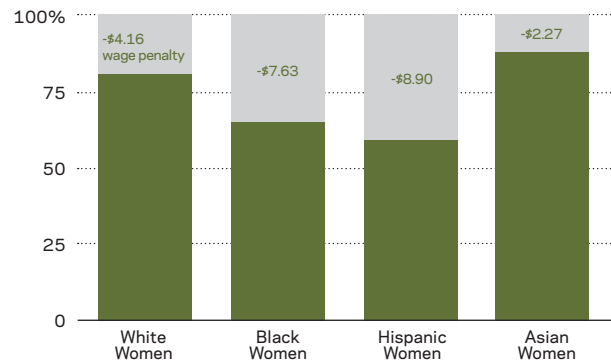


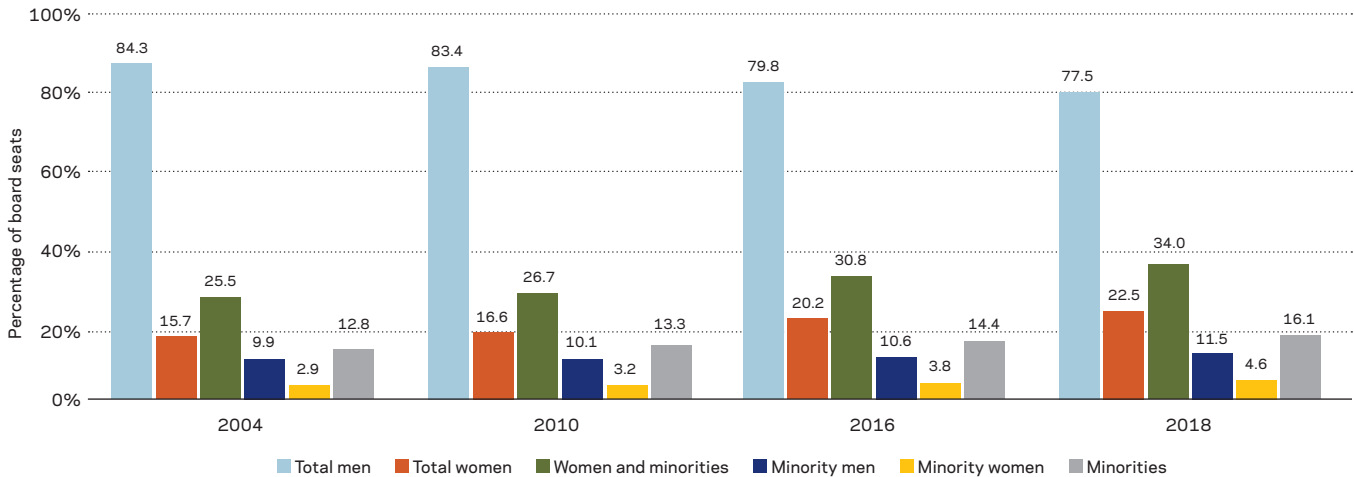
Figure 6: Women’s hourly wages as share of white men’s.



Note: Values displayed above columns represent the difference between women’s median hourly wages and median hourly wages of white men. Source: EPI analysis of Current Population Survey microdata, 2016

4 Middle class is defined as households owning \$68,000 to \$204,000 in wealth; “The Road to Zero Wealth: How the Racial Wealth Divide is Hollowing Out America’s Middle Class,” Prosperity Now and Institute for Policy Studies, Sep 2017.
 5 Devah Pager et al, “Sequencing Disadvantage: Barriers to Employment Facing Young Black and White Men with Criminal Records,” Ann Am Acad Pol Soc Sci vol 623, no.1 (2009): 195-213.

Figure 7: Percentage of Fortune 500 board seats by gender and racial identity⁶



HEALTH: Racial disparities lead to greater health risks in communities of color, both imposing high healthcare costs and negatively impacting earnings. As just one example, hospital admissions and deaths related to asthma, the leading chronic disease in children, are around three times higher for Black Americans (per 100,000). This is due to a number of racial and socioeconomic factors including 1) increased exposure to residential pollution 2) poor access to routine medical care 3) the degree of violence and stress that accumulate over the life course.

Figure 8: Hospital admissions rate for asthma in adults age 18 to 39.

Black	White	Black/White Ratio
127.5	39.3	3.2

Source: CDC 2016. National Healthcare Quality and Disparities Reports. Table 5_5_1_7_1.2a. <http://nhqrnet.ahrq.gov/inhqrdr/data/query>

Figure 9: Deaths per 100,000 where asthma was the underlying cause.

Black	White	Black/White Ratio
2.5	0.9	2.8

Source: CDC 2016. Deaths: Final Data for 2014. Table 17. http://www.cdc.gov/nchs/data/nvsr63/nvsr65_04.pdf

Altogether the effects of disparities in homeownership, workplace advancement, health, and returns to education are perhaps best encapsulated by the gender and racial wealth gap:

Figure 10: Median wealth of Black and white women by age, marriage status and college education in 2013.⁷

AGE	NO BACHELOR'S DEGREE				WITH BACHELOR'S DEGREE			
	MARRIED		SINGLE		MARRIED		SINGLE	
	BLACK	WHITE	BLACK	WHITE	BLACK	WHITE	BLACK	WHITE
20-29	\$4,000	\$13,000	\$0	\$2,000	\$770	\$18,700	-\$11,000	\$3,400
30-39	\$12,000	\$33,450	\$0	\$0	-\$20,500	\$97,000	\$0	\$7,500
40-49	\$22,500	\$60,000	\$1,000	\$3,000	\$12,000	\$195,000	\$6,000	\$25,000
50-59	\$38,000	\$155,000	\$2,000	\$8,200	\$198,000	\$430,000	\$9,500	\$117,000
60+	\$89,500	\$344,700	\$12,000	\$60,000	\$424,000	\$778,000	\$11,000	\$384,400

6 “Missing Pieces Report: The 2018 Board Diversity Census of Women and Minorities on Fortune 500 Boards,” Harvard Law School Forum on Corporate Governance, Feb 2019.

7 Khaing Zaw, Jhumpa Bhattacharya, Anne Price, Darrick Hamilton, and William Darity, Jr, “Women, Race & Wealth,” January 2017.

"Inequality, especially that which excludes people of color, could threaten the very foundation of economic growth."

—International Monetary Fund

Despite such stark differences, the American public remains largely unaware of the extent of racial inequity in the U.S., underestimating racial wealth gap. Public perception is that Black families own \$90 for every \$100 in wealth owned by white families. In reality, however, Black families own only \$10 or less for every \$100 in wealth owned by a white family.⁸

Hundreds of years of beneficial political, financial and cultural institutional and individual practices that excluded and/or harmed Americans of color have continuously compounded for white families. For example, 20% of white families can trace the origins of their wealth back to the Homestead Act of 1863.⁹ More recently, redlining, a practice that awarded 98% of federally insured mortgage loans to white families and was banned by the Fair Housing Act in 1968, remains the primary cause of the "Black-white" gap in homeownership and property values we see today.

"The Unpriced Risk": Social Inequality and Sustainability

How does inequality relate to sustainability, investors and the economy?

Although the term "sustainability" is often equated with environmentalism, economists have long considered social equality to be a prerequisite for

sustainability, as is reflected by the UN Sustainable Development Goals and statements by the World Economic Forum (WEF). Others have identified the economy, society and the environment as "essential subsystems" for long term sustainability.¹⁰ In his 2011 book on violent conflict and climate disasters, Christian Parenti labeled the combination of social, political, economic, and environmental issues he observed a "catastrophic convergence,"¹¹ where "problems compound and amplify each other, one expressing itself through another."

Inequality has been identified as a leading domestic and global economic risk:

- Wealth, income and healthcare inequality were identified as the top risks to U.S. investors in 2020 by Deutsche Bank's Chief Economist—particularly their likely effect on fiscal policy and consumer spending.¹²
- Oxfam identified gendered inequality as a global risk, highlighting that the wealth of the 22 richest men in the world is more than that of all women in Africa, combined.¹³
- According to research by the International Monetary Fund, inequality, especially that which excludes people of color—the majority of whom are women—could threaten "the very foundation of economic growth."¹⁴

8 "The Misperception of Racial Economic Inequality", Yale University, School of Management, Department of Psychology, and Institution for Social and Policy Studies.

9 Lipsitz, George. *The Possessive Investment in Whiteness: How White People Profit from Identity Politics*. Pennsylvania, pg 107

10 Related UN SDGs include: (1) No Poverty, (8) Decent Work and Economic Growth, and (10) Reduced Inequalities. The WEF has treated equality as a foundational condition of socioeconomic prosperity since the 1970s; Cambridge Handbook of Institutional Investment and Fiduciary Duty. Cambridge University Press, 2014.

11 *Tropic of Chaos: Climate Change and the New Geography of Violence*, pg 7-16

12 "Inequality tops risks to markets in 2020," Deutsche Bank Research, November 2019.

13 "World's 22 richest men have more wealth than all the women in Africa," OXFAM, January 2020.

14 "Inequality is so bad it's threatening the very foundation of economic growth," WEF, October 2017.

RACE, HEALTH AND THE ENVIRONMENT

Race and environmental factors have a particularly harmful impact on health, childhood development and earnings potential:

Pollution

71% of Black families live in counties violating federal air pollution standards compared to 58% of white families.¹ Toxic waste facilities, fracking plants, and chemical processing plants have historically targeted communities of color with limited political power over zoning. Black and Latinx Americans have the highest exposure to pollution particulates, including chlorine and lead, which have been linked to lower educational achievement.

Black and Latinx Americans experience higher rates of disabilities, diseases, and mortality associated with common pollutants, but are least likely to receive adequate, timely medical care. Respiratory diseases are especially common in these communities, but over 95% of participants in medical research studies on such conditions are white.²

Infant and Maternal Mortality

Black mothers are two to six times more likely than white mothers to die during childbirth and report the highest rates of chronic stress at all income levels. Maternal stress is a major factor in low birth weight, the second leading cause of infant death in the U.S. and which is known to complicate cognitive development. Low birth weight and infant mortality rates for Black infants are double those of white infants.³

Environmentally Vulnerable Neighborhoods

Formerly redlined communities today have half as many trees as highly rated predominantly white neighborhoods do, leading to temperature differences of as much as 20 degrees and higher levels of heat exposure, which can often prove deadly for residents. Low-income Black and Latinx families have a higher likelihood of living in areas most damaged by climate disasters, but have limited access to affordable insurance, the means for recovery or relocation.⁴

Environmental disparities as outlined above are more strongly correlated with race than with socioeconomic level, leading the EPA to find in its 2018 study that a “focus on poverty to the exclusion of race may be insufficient to meet the needs of all burdened populations.”⁵ They concluded that pollution in communities of color is disproportionate to the number of polluters, and suggested that business and regulatory judgements were likely discriminatory, based in part on the presence of people of color.

1 “Air of Injustice: African American’s and Power Plant Pollution,” October 2002

2 “Asthma and African Americans,” U.S. Department of Health and Human Services, 2017

3 Esther Gross, Victoria Efetevia, Alexandria Wilkins, “Racism and sexism against black women may contribute to high rates of black infant mortality,” *Child Trends*, April 2019; Mary Beth Flanders-Stepans, “Birthing Briefs: Alarming Racial Differences in Maternal Mortality,” *Journal of Perinatal Education* 9, no. 2 (2000): 50-51; Legewie, Joscha. “Police Violence and the Health of Black Infants.” *Science Advances* 5, no. 12 (2019).

4 Christopher Ingraham, “Air pollution is getting worse, and data show more people are dying,” *Washington Post*, Oct 2019; Daniel Cusick, “Past Racist ‘Redlining’ Practices Increased Climate Burden on Minority Neighborhoods,” *E&E News in Scientific American*, Jan 2020; Oliver Laughland, “Louisiana greenlights huge pollution-causing plastics facility in ‘Cancer Alley,’” *The Guardian*, Jan 2020.

5 “Trump’s EPA Concludes Environmental Racism Is Real,” *The Atlantic*, February 2018.

Widening wealth inequality is the defining challenge of our time. Studies of rampant wealth inequality have associated it with slowing growth, declining macroeconomic fundamentals, eroded social cohesion and increased political polarization.

When one considers the unique interaction of race and wealth in the U.S., the economic risk becomes even more salient. Children of color are already the majority of the population under 15. By 2032, the majority of the working class and labor force will be people of color. As demographic trends continue along this path, race may increasingly drive the socioeconomic health of the average American family.¹⁵ In an economy where consumer spending typically accounts for 80% of GDP growth, racial wealth inequality is already significantly impacting future spending habits, fiscal policy and social stability.

Instead of mitigating that risk, the U.S. economy has magnified it. Between 1980 and 2013, the median net worth of Black and Latinx families fell by 75% and 50%, respectively, this compares to 14% growth for white families; a rate of increase that has not made up for the decimation of Black and Latinx wealth. Instead, the median net worth in the U.S. overall declined by 18%. The median wealth of Black and Latinx families is projected to fall to *zero or less* over the next two decades, versus a median wealth of \$147,000 for white families.¹⁶ Economic projections typically underestimate the risk this trend poses to companies or their investors.

“The Underestimated Opportunity”: Racial Equity and Capital Markets

What is racial equity and how can it improve an organization or Investment Office?

Racial equity refers to the condition where one’s origin,

racial or ethnic identity has no influence on one’s quality of life, and therefore, such disproportionate inequities as are the norm in the U.S. no longer exist. It implies just and fair inclusion in society such that all people are able to fully participate, prosper and reach their full potential regardless of their backgrounds.

While the term “diversity” refers to the various differences in social identity that exist within a heterogeneous group, the concept of “racial equity” acknowledges that spaces lacking in diversity are not natural, but rather, are the result of institutional and individual processes and practices. Equity is a prerequisite for an inclusive environment - one where historically marginalized individuals feel a shared sense of belonging, and thus diversity can thrive. When those with disparate experiences of social identity feel empowered to equally participate, they inspire innovation, and help to counter the cultural “groupthink” that can otherwise exist in homogeneous spaces. An overwhelming body of evidence shows how equity and inclusion for diverse teams benefit companies and investors:

- **Firms innovate:** Boston Consulting Group found in 2018 that firms with “above-average” diverse leadership teams reported “innovation revenue,” revenues from products and services launched in the last three years, as 45% of total revenues, compared to only 26% for firms with below average diversity on their leadership teams.¹⁷
- **Firms grow their market share:** Harvard Business Review found in 2013 that firms with diverse employees were 45% more likely to report growth in market share over the prior year, and 70% more likely to report capturing a new market.¹⁸
- **Firms attract high-performing talent:** In 2019 Harvard Business Review found that diversity helps in finding and retaining talent, improving employee

15 “Less than half of US children under 15 are white, census shows,” Brookings Institute, June 2019; “People of color a majority of the American working class in 2032,” Economic Policy Institute, June 2016.

16 Black: \$6,800 to \$1,700, Latino: \$4,000 to \$2000; White: \$102K to \$116K; Median: \$78k to \$64k; “The Road to Zero Wealth,” Sep 2017.

17 “How Diverse Leadership Teams Boost Innovation,” Boston Consulting Group, January 2018.

18 Sylvia Ann Hewlett, et al, “How Diversity Can Drive Innovation,” Harvard Business Review, Dec 2013.

engagement, increasing innovation and improving financial performance.¹⁹

How might racial equity benefit the economy and society more broadly?

Closing racial disparities creates an opportunity to boost the economy through GDP, GDP growth, and tax revenues. McKinsey estimates that by 2028, closing the racial wealth gap would add between \$1 and 1.5 trillion, or 4 to 6% of projected 2028 GDP, to the U.S. economy. The W.K. Kellogg Foundation found that by 2050, closing racial disparities for Black and Latinx Americans in the following sectors would generate:

- **Education:** \$2.3 Trillion in projected economic gain.
- **Employment:** \$550 Billion in additional annual federal, state and local tax revenues, and \$800 Billion in additional consumer spending.

- **Healthcare:** 3.5 Million lost life years saved, and \$230 billion in projected economic gain.

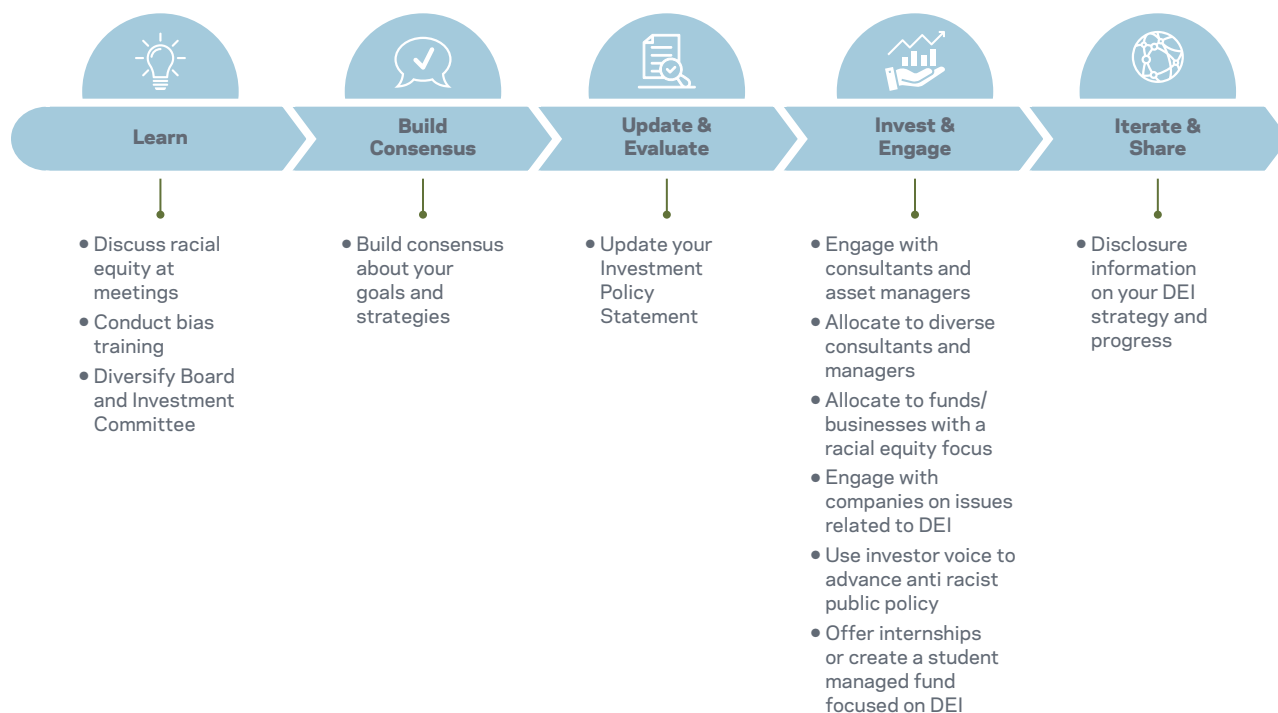
- **Policing:** \$50 Billion in saved state and federal prison costs.

Undoing the legacy of structural racism would not only generate return while addressing what is increasingly becoming a systemic risk to the future health of the future U.S. economy, but would allow individuals to fully participate in society and the economy, unlocking the full potential of talents and innovation in a way that has never before been possible in the country.

19 Ani Turner, “The Economic Impact of Closing the Racial Wealth Gap,” Mckinsey & Company, Aug 2019; “The Business Case for Racial Equity: A Strategy for Growth,” W.K. Kellogg Foundation, Apr 2018.

What Racial Equity Investing Looks Like in Practice

How can a fiduciary begin to incorporate racial equity into their investment approach?



LEARN

The complex and sensitive nature of race makes learning an especially important first step in the racial equity investing process. To make learning an ongoing process, **fiduciaries must first commit to discussing racial equity at investment committee meetings** to understand how your investments provide solutions to or perpetuate racial inequality. As perceptions of race can inform both business and investment operations through hiring and retention, manager selection and risk assessment, including dedicated work with experts in bias training, like Venn Diagram Partners, ReadySet, Frontline Solutions and Illumen Capital may also be a necessity. Consultants should be encouraged to engage in the learning

process as well, and setting a baseline using Implicit Bias Testing tools may also be useful. Fiduciaries of university endowments should also look to **diversify their Board and Investment Committees**. Decision makers with similar lived experiences can make investment decisions from similar perspectives which can lead to routinely overlooked opportunities.

BUILD CONSENSUS

As there are a number of approaches to racial equity, **an institution should build consensus about which investment strategies are most aligned with their unique goals or mission**. Similar to the process of aligning an endowment with environmental sustainability goals, fiduciaries may seek consensus

around taking a comprehensive racial equity strategy or a carve-out approach within each asset class; establishing a diverse manager program; negative screening of fossil fuels with their disproportionate impact on Black, Latinx and Native American communities; prioritizing investment managers who apply environmental, social and governance (ESG) analysis focused on racial equity or positive screening through the use of established racial equity principles and factors for evaluating companies; or engaging with companies to improve their diversity and inclusion practices either directly or via their external managers. Developing consensus for investment decision-making is a collaborative process that can be challenging. The Intentional Endowments Network's [Build Consensus webpage](#) hosts more information about how fiduciaries can lead a constructive conversation about investment strategies.

UPDATE AND EVALUATE

Once the strategic direction has been set, the institution can **update its Investment Policy Statement** to institutionalize the strategy and use the policy as a starting point to evaluate its current investing practices. Elements worth including in the Investment Policy Statement include institutional, societal and financial context, a clear approach to racial equity investing that allows for flexibility as the investment committee grows in its understanding of the opportunities and, where possible, goals and objectives for racial equity investing. There are a few examples of colleges and universities who consider diversity factors in their investment decisions. Investment Policy Statement language examples (Appendix A) demonstrate the range of approaches available for alignment with sustainability values. Institutions like the Warren Wilson College and the University of California amended their Investment Policy Statements to integrate Diversity, Equity and Inclusion into their investment process and perhaps are the best examples of how educational institutions can begin their own racial equity investing work.

INVEST AND ENGAGE

One of the ways in which investors can invest for racial equity is to **ask investment consultants and asset managers** about their approach to internal diversity and inclusion, BIPOC ownership of the firm, how firms owned by BIPOC are included in searches and how they factor race and social identity into their investment processes and economic projections.

Preliminary questions that fiduciaries can ask their consultants include:

- What percentage of your team, executive leadership and Board are BIPOC?
- Does your firm have a statement or policy regarding diversity, equity and inclusion? If so, please share the statement or policy. Who is accountable for making sure the policy becomes practice and how are they held accountable? What changes have you seen in your firm since creating the policy?
- What percentage of your current assets under management are managed by firms where greater than 50% of the ownership is with Black, Indigenous and other people of color?
- How many diverse owned firms have you met with during the year and how many of them have you hired or recommended to your clients?
- What do you see as your responsibility in developing BIPOC talent? How is that evidenced in practice?
- What percentage of your recommended managers have greater than 50% ownership by Black, Indigenous or other people of color?
- How do you incorporate the impact of racial disparities (wealth, health and other) into your market research? Please give some examples.
- How do you integrate racial equity and social justice issues (eg. diverse ownership in supply chains, equitable compensation, etc) into your investment philosophy and ultimately your manager/security selection?²⁰

20 Adapted from Grid 202 Partners, GRID 202 Partners on Combating Systemic Racism, June 2, 2020 <<https://grid202partners.com/blog/grid-202-partners-on-combating-systemic-racism>>

Starting with questions and demanding and evaluating the quality of the answers is a good way to educate consultants and the investment committee. It will also provide endowments with baseline data to assess their exposure (if cash is custodied at a bank involved in private prison lending, whether debt funds are charging equitable interest rates or are invested in municipalities burdened by repeated settlements for police brutality, for example) with a focus on opportunities to encourage improvements. Another area of exploration with external managers is which “S” or “social” factors they integrate into their investment decision making, how and when. Additionally fiduciaries can ask managers and consultants about how the risks posed by racial inequality might play out in the portfolio and how that factors into their investment thesis.

Allocating to asset management firms owned by people of color is particularly important in order to diversify talent and deal flow and improve investment’s risk and return profile.

Benefit #1: Diversification

Endowment fiduciaries rightly prioritize diversification as a way to mitigate risk and dampen volatility. Historically, this diversification has focused on asset class, investment strategy, sector and company diversification. Diversification of manager backgrounds and thus perspectives has often gone unexplored. A good question to investigate with the investment com-

mittee and consultant might be “have you ever been exposed to a company whose stock value is sliding and found that that same company was held in more than one asset class and by more than one manager in your portfolio? How might diversification of manager background and perspective have changed that scenario?”

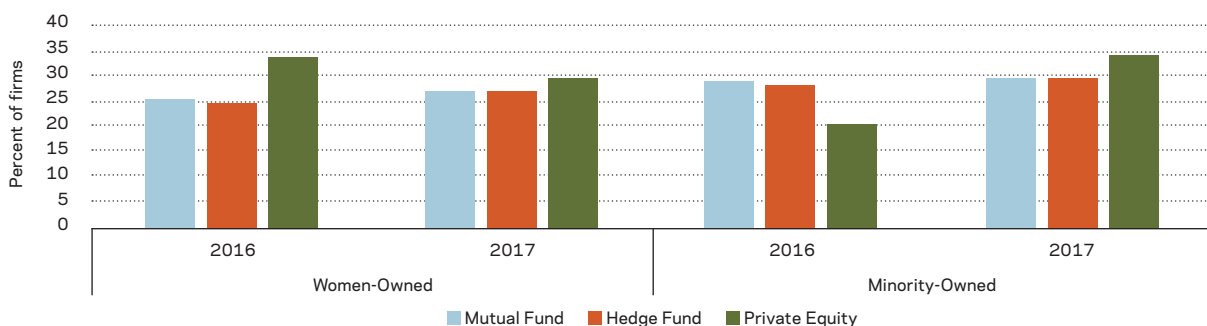
Fiduciaries have a responsibility to source the best talent and fund managers. Embracing racial equity allows one to consider the whole field of options, and opens up a new pool of qualified employees, investment funds and portfolio companies. Managers of color offer access to differentiated deal flow, and many prioritize products and services built for severely underserved communities that are not currently represented in most investment portfolios. Asset managers of color bring new perspectives with their approach to investing in companies and managing portfolios, often grounded in a respect for diversity of experiences, cultures, and philosophies.

Benefit #2: Strong Financial Performance

There’s evidence that managers of color would perform in line with or potentially outperform their white-owned peers.

- A 2019 report by the Knight Foundation found that, despite making up only 1.3% of the total AUM of the asset management industry, firms

Figure 11: Percent of Diverse Owned Firms that Performed in the Top Quartile.



Source: Diversifying Investments: A Study of Ownership Diversity and Performance in the Asset Management Industry, Knight Foundation, Bella Research Group & Harvard Business School, January 2019.

owned by women and people of color performed in line with their white-owned peers and were overrepresented among top quartile performers for their asset classes.

- A 2018 McKinsey Study found that companies in the top quartile for ethnic and cultural diversity were rewarded with a more than 33% higher likelihood of outperforming on EBIT margin. In comparison, companies in the bottom quartile were penalized with a 29% higher likelihood of under-performing.

Current Landscape of Diverse Ownership

There is a stark lack of diversity in the asset management industry. The 2017 research by FundFire and the Money Management Institute highlighted that people of color are significantly underrepresented in the workforce of the investment management industry across junior and senior levels. In terms of diversity in ownership, the 2019 report by the Knight Foundation found that asset management firms owned by women and people of color represented only a small fraction of the total asset management industry. In fact, they represented just 8.6 percent of the total number of firms and 1.3 percent of the total AUM in 2017. These diverse owned firms also run up against racial and behavioral bias of institutional investors and investment consultants in obtaining assets to manage.

RACE AND BEHAVIORAL INVESTMENT BIAS

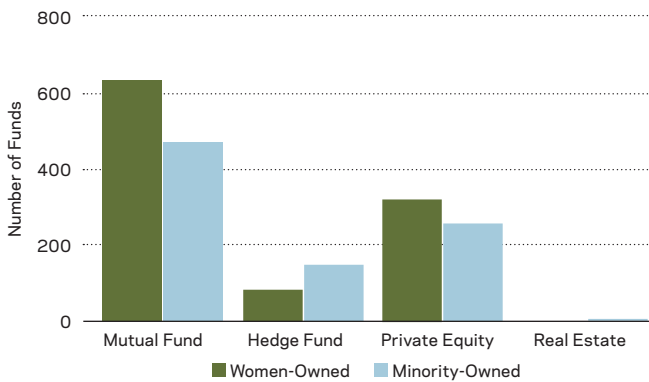
A 2019 study out of Stanford University in partnership with Illumen Capital concluded that white investors often struggle to differentiate between high and low performing fund managers of color.¹ A history of white investors selecting poor performing Black-led funds over high-performing ones could help explain the misperception that Black-led teams are inherently riskier than white-led teams. The data indicate that “top-performing managers of color may be most harmed by racial bias. Even when funds led by people of color possess identical, strong credentials as White-male-led funds, they are judged more harshly.”

Bias is often excused due to these misconceptions surrounding the risks and returns to investing in racial equity. Moreover, the systemic nature of structural racism, results in biased outcomes that are consistently produced and perpetuated without the need for human intent. Both require intentional intervention and have far-reaching consequences for the increasing reliance on artificial intelligence by investment professionals, with its basis in interpretation of historical and present-day data that excludes or does not accurately reflect people of color: bias is essentially baked into algorithms trained on faulty data sets.²

- 1 Sarah Lyons-Padilla, Hazel Rose Markus, Ashby Monk, Sid Radhakrishna, Radhika Shah, Norris A. “Daryn” Dodson IV, and Jennifer L. Eberhardt, “Race influences professional investors’ financial judgments,” Proceedings of the National Academy of Science of the United States of America, August 2019.
- 2 “Rise of the racist robots – how AI is learning all our worst impulses,” The Guardian, August 2017.

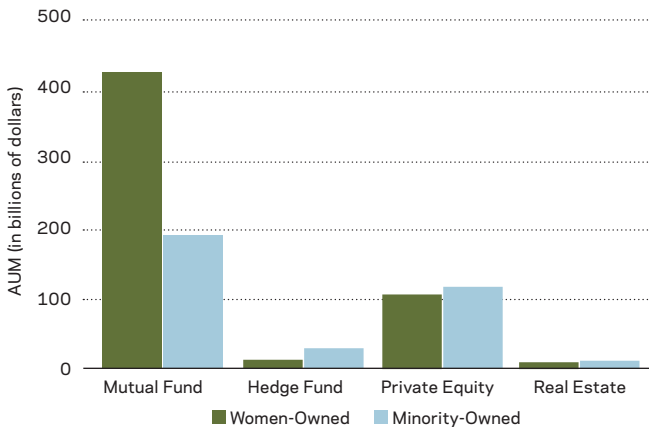
Despite these challenges, representation of diverse owned asset management firms has generally increased from 2011 to 2017 in terms of the number of diverse firms as well as the amount of AUM. The breakdown of the market in 2017 for women and minority owned (majority and substantial ownership) funds by asset class is as follows:

Figure 12: Number of Diverse Owned Funds.



Source: *Diversifying Investments: A Study of Ownership Diversity and Performance in the Asset Management Industry*, Knight Foundation, Bella Research Group & Harvard Business School, January 2019.

Figure 13: Total AUM Managed by Diverse Owned Funds.



Source: *Diversifying Investments: A Study of Ownership Diversity and Performance in the Asset Management Industry*, Knight Foundation, Bella Research Group & Harvard Business School, January 2019.

Although there continues to be a need for improvement in the institutional investment consultant field in order to provide a pathway rather than a roadblock to diverse owned asset management firms, recently consultants like Cornerstone Capital Group, NEPC, Colonial Consulting and Cambridge Associates have

highlighted the potential for racial equity investing to maximize social impact while yielding a market-rate, or higher, return. Asset managers who actively promote racial equity in their management teams and/or investment processes, like Xponance Asset Management, Boston Common Asset Management, and Reinventure Capital have shared similar conclusions based on their own investment histories and results. From Julianne Zimmerman of Reinventure:

“An increasing number of investors are recognizing untapped and high-potential founders and managers who have been overlooked and capital-starved... on the basis of established evidence, and in the interest of prudent and disciplined fiduciary responsibility, we strongly encourage venture and LP investors alike to embrace resilience. We urge all capital allocators of all categories to proactively revise existing processes and practices to abandon those which have obstructed them from deploying capital behind people of color and women, and intentionally seek out and capture advantageous impact and return potential presented by gender, racial, and other social equity investing strategies.”

In addition to allocating to managers of color, there are other **opportunities to allocate to funds with a racial equity investment thesis or businesses that produce products and services that address key issues for communities of color.** Banking with, or lending to, Community Development Financial Institutions (CDFI) is a ready alternative to cash or fixed income like investments. CDFIs, particularly those led by people of color, provide financial services to low-income, low-wealth, disadvantaged people and their communities and their hands on relationship with clients results in loans that are especially resilient during economic downturns. Organizations like Actinvest are working to advance racial equity in bond portfolios, with a focus on municipalities paying out significant sums for

police misconduct settlements. The NAACP offers a screened public equity fund, and many other firms offer customizable separate accounts which have comparable minimums and fees to commingled alternatives, especially in U.S. equities. In alternative assets, funds like the Boston Impact Initiative Fund and Founders First Capital Partners, have addressed the community's wealth divide by providing capital to enterprises focused on restoring the productive capacity of communities of color. In Real Estate, the founders of 5 Stone Green Capital have a history of investing in green, urban, mixed-use, affordable housing, essential retail and light industrial real estate. and the Jonathan Rose Family of Funds has a long history in affordable housing.

University endowments can also become active owners by engaging with their portfolio companies on diversity, equity and inclusion issues through filing shareholder resolutions, proxy voting or signing on to investor statements. If the endowment invests through external managers, they can demand support for diversity and inclusion related resolutions through the managers' proxy voting and ask each year for the managers' proxy voting records. If the endowment is invested in commingled funds, investors can require transparency from their external managers as to how the managers engage with companies on these issues.

There are also many opportunities to **engage with companies on issues** that relate directly to diversity, equity and inclusion. Company engagement areas can include:

- Board and executive leadership diversity
- Workforce diversity
- Racial and gender pay gap
- Tying D&I goals to financial compensation for senior management
- Living wages

- Human rights risk assessment
- Worker rights and safety
- Prison or forced labor in company supply chains²¹

Companies' reputations are increasingly being impacted by their relationships with people of color. Two recent examples of companies' fortunes rising or falling based on their racial awareness illustrate the potential impact to a company's bottom line. The recent popularity of the Popeyes Chicken Sandwich, driven in large part by promotion by the Black community on Twitter, generated \$65 million in equivalent media value for the firm in just a few days, as well as drawing in new customers. Starbucks on the other hand, which closed 150 stores for racial bias training after a video of the arrest of Black men who attempted to use the bathroom in a store went viral, lost \$12.4 million from store closure alone, with additional costs incurred from paid time off and lost sales over the incident.

Investors can also direct specific attention to companies that are complicit in state violence, criminalization, and wealth extraction such as those connected to the prison, military, immigration industrial complex, or predatory lending. The Interfaith Center for Corporate Responsibility encourages investors to establish time bound goals to either engage with or divest from companies/issuers with practices or business relationships that further systemic racism or white supremacy. A strategic and intentional approach will become increasingly important as companies like these face increasing regulatory scrutiny, mirroring growing attention from impact investors. The two largest private prison operators, CoreCivic and GEO Group have lost much of their value as banks respond to shareholder engagement campaigns to end lending to the industry. Since its last high in February 2017, CoreCivic stock has lost over 70%

21 Know the Chain is a resource for companies and investors to address forced labor in global supply chains <<https://knowthechain.org/>>

of its value, falling from \$35 per share to just over \$9, and continues to fall. Similarly, GEO Group has lost over 60% of its market value since it's last peak in April 2017 when the stock was \$32 per share. It now trades at just under \$12. The Racial Justice Exclusion list put together by Robasciotti & Philipson, a Black-owned investment firm, has a comprehensive racial justice screen for publicly traded companies and could be a good place to start for engagement or divestment.²²

In addition, endowments **can use their voice as investors to advance anti-racist public policy** in partnership with organizations focused on racial justice through investor statements and pledges, public comments and collective action. Another option is to help diversify the talent pipeline in the finance industry or promote education on racial equity investing by **offering internships** in the Investment Office for underrepresented students or **creating a student-managed fund** focused on diversity and inclusion of the team as well as investment strategy such as those in the SIILK Network.²³

ITERATE AND SHARE

With the racial equity field rapidly evolving and expanding as it is, and the national conversation along with it, regularly assessing the portfolio and being prepared for an iterative process are key. As new strategies, partners and peers become available, opportunities to adjust the portfolio to meet financial performance and alignment goals should grow as well.

Sharing publicly on D&I strategy and disclosing progress can signal to alumni, donors, students and faculty that the school fully embraces its mission, encourage transparency and accountability, and contribute to ongoing education in this field. Higher education endowments also have a unique opportunity to lead on encouraging transparency in the financial industry and advancing racial equity investing as they engage students and other stakeholders in a continuous learning process. Learning opportunities can also be tied back to the classroom, engaging students and faculty in carrying out research on real-world topics for endowment managers or running student-managed funds.

22 Robasciotti & Philipson, Racial Justice Exclusion List, <<https://robasciotti.com/2020/06/05/stop-funding-systemic-racism/>>

23 SIILK Network <<http://siilknetwork.org/>>

What Institutional Investor Peers Are Doing

Higher education endowments are increasingly examining how their investments align with their institutional mission, values, and sustainability goals. Below are some examples of how institutional investors have committed to diversity, equity, and inclusion in their investment processes.



In 2015, Warren Wilson College's endowment fund undertook steps to be more intentional in the management of its investments and administration. Under the leadership of the Investment Committee, and in conjunction with the move and goal to divest the portfolio of carbon (a student led initiative), the endowment fund management launched a comprehensive approach and created a Responsible Investment Policy to guide the endowment fund, its consultant and underlying asset managers. A core part of the Responsible Investment Policy is the endowment fund's commitment to diversity, equity and inclusion (see Appendix A for the policy).

Additionally, Warren Wilson College's Responsible Investment Policy statement highlights that the Investment Committee and their Investment Consultant "seek to utilize a diverse group of investment managers including minority- and women-owned investment management firms." The college has sixteen investment management firms across various asset classes. Of the sixteen the college invests with, three are managers of color; two managers are woman-owned; and another manager's collective firm ownership is majority people of color and women. The way Warren Wilson College goes about choosing diverse managers is by expanding the pool by which it searches for managers. The endowment fund does not rely on just its consultant but utilizes professional and social networks of investment firms of color, relationships and subject

matter experts to assist. Further, Warren Wilson College looks for investment firms of color in all asset classes. An example of one of Warren Wilson College's asset managers is 5 Stone Green Capital, an African American owned green real estate fund that invests in the intersection of communities of color and utilization of green technologies, design and sustainable infrastructure.

Over the course of the next several years, the College's endowment fund is looking to:

- Add additional asset management firms of color to its endowment fund management, particularly African American and Latinx owned asset managers;
- Engage with every asset manager that manages money for Warren Wilson on incorporating racial equity D&I principles and factors into their respective investment management processes when evaluating the underlying companies for investment;
- Ramp up the endowment's shareholder engagement and proxy voting efforts to support racial equity D&I issues with the asset managers and underlying companies the endowment fund has a stake in;
- Look to amend the College's Responsible Investment Policy to uniquely highlight the importance of Racial Equity as focus for the endowment fund and its sustainability.



Diversity is one of the pillars of the University of California Office of the Chief Investment Office's Framework for Sustainable Investing adopted in 2015. The endowment office has strengthened their commitment to diversity within their own team, engaged in dialogue with their investment partners around their diversity and inclusion policies and has

sought to increase their access to top performing firms owned by women, African Americans and Latinx. Beginning in 2020, they have published an annual report on their diversity and inclusion (“D&I”) strategy and progress to share with the University of California Board of Regents and the public.

- *Executive Leadership, Team Diversity and Metrics:* Recognizing that strong executive leadership is essential for successful D&I efforts, they have strengthened the commitment of the executive leadership in this area by adding D&I to the CIO’s performance goals, creating a senior professional level position to develop D&I programs and forming a diversity advisory committee. They also recognize that cognitive diversity that comes with diverse backgrounds and experiences is a competitive advantage and took steps to become more systematic and to incorporate best practices in recruiting and hiring. To increase accountability for their progress, they are tracking and reporting UC Investments’ employee demographics trends annually.
- *Partner Firms:* UC Investments engages with existing investment partners around D&I to communicate the importance of diversity and inclusion through a demographics survey of their partner firms in every asset class. The survey helped to establish a baseline and will be used to track the results over time as an indicator of progress.
- *Learning:* The UC Investments team participated in “emerging managers” conferences organized by third parties, including GCM Grosvenor, Texas Teachers Retirement System and the Hispanic Heritage Foundation. UC Investments also established formal relationships with associations of minority investment professionals such as the NAIC, New America Alliance and Asian American Association of Investment Managers.
- *“Diversified Returns” Program:* UC Investments

launched this program in 2020 in order to access the superior returns often associated with firms owned or led by women and people of color. Diversified Returns consist of three pillars:

- *First pillar*—Ensure a diverse pool of qualified potential partners in all of their searches for investment partners.
- *Second pillar*—Track and report the demographics of their investment partners and compare it to the baseline
- *Third pillar*—Identify and address cognitive racial and gender biases in their investment processes and train the teams of institutional investors “to overcome their biases by revamping their investment criteria and strategies and ensuring they are knowledgeable about the success of firms led by people of color.”²⁴



At Howard University, a private Historically Black College in Washington DC, the endowment has approximately 65 continuing money managers on its roster. As of June 30, 2020, minority firms managed 14.9% of Howard’s endowment assets and 16.6% of total pools managed by the investment office.

Howard University's investment policy statement outlines the university's commitment to promote diversity and actively search for diverse owned asset managers and service providers. The investment office seeks to identify minority-owned money managers "with the pedigree and capabilities to meet (its investment goals) in alignment with fund objectives" and believes that “minority managers have added value to the program and the investment office and its Consultants will continue to seek such managers throughout the investment process.” In their search for diverse talent, the investment office has

24 Office of the Chief Investment Officer Diversity Report, University of California <<https://static1.squarespace.com/static/5d35efa6690f4000010e09f2/t/5e5ec12f223e402cf6eb36fa/1583268146509/UC-CIO+Diversity+Report.pdf>>

also participated in seeding new diverse managers through one of their investments and have worked with diverse broker dealers to execute trades with the underlying investments. Howard University plans to continue their search for more diverse managers to include in their roster, monitor and report on their progress, and strengthen institutional buy-in by engaging the Board for supporting these managers.



In 2008, The University of Chicago launched efforts to increase the racial and gender diversity of the investment managers who manage its endowment. This was a collaboration between the University's Office of Business Diversity, Office of Investments (led by the endowment's Chief Investment Officer), and key supporters from the Board of Trustees.

Recognizing that the University, like many endowments, did not know a wide range of diverse managers, the University first dedicated a section of the University's Business Diversity Professional Services Symposium to diverse investment managers specifically. The Symposium is an annual gathering of diverse-owned businesses that the University hosts to increase its supplier diversity. Through the Symposium, the University connected with diverse managers across asset classes. The Office of Investments then conducted due diligence on these managers and allocated capital to those who met the Office's investments criteria.

In 2010, the University had allocated \$200 million across five diverse managers. As of June 2020, the University's endowment employs 25 diverse managers and has \$1.24 billion of its endowment allocated to diverse managers, totaling 15% of its overall portfolio. The University shares that increasing the diversity of its investment managers has been

beneficial to the endowment overall. The Office of Business Diversity reports:

"Diverse investment managers bring a unique set of perspectives that increase cognitive diversity across the University's investment portfolio. This increases the opportunity set for the overall portfolio of managers, improving the chances for outperformance, but moreover, it exposes the University to investment themes and ideas that can be leveraged beyond just the mandate of the managers. For example, one of the managers in the program has a unique investment thesis, investing in 'disruptive innovation' across an array of sectors and using unique inputs. University staff are studying the thesis in depth and are looking to apply it through other thematic investments across the broader portfolio, as it aligns well with the University's long horizon and growth orientation. Exposure to such perspectives can improve decision-making and ultimately lead to superior results."²⁵



Center for Business
and Human Rights

The NYU Stern Center for Business and Human Rights has been partnering with the Diverse Asset Managers Initiative (DAMI) and RFK Human Rights to promote greater diversity among asset managers who are investing for university endowment funds.

In 2018, the Center and its partners co-hosted a convening at NYU of representatives from 13 large university endowments. The agenda focused on understanding current challenges to enhancing diversity among fund managers and tactics to overcome them. Following this meeting, the Center encouraged schools to systematically track and report on the percentage of their portfolios managed by firms owned by women and people of color.

25 University of Chicago's case study was first highlighted in Glenmede's publication, "Racial Equity Investing: Opportunities for Impact & Alpha"

To support university and college efforts to increase work with diverse-owned managers, the Center is administering a survey to gather diversity data from the 30 largest university endowments and a few other schools that have expressed interest in improving diversity among their fund managers. Once this data is collected, the Center will work with participating universities to establish standards and metrics for measuring progress.

The Center continues to facilitate cross-university collaboration to share best practices and develop strategies for identifying high-performing diverse-owned managers. Additionally, the Center brings learnings from this work to the MBA classroom to ensure that future investment professionals understand barriers to diversity in asset management, recognize how those barriers result in missed opportunity, and are armed with a toolkit for countering practices that perpetuate the underrepresentation of women and people of color in investment.



RBF's statement of commitment to diverse investment managers states that "Advancing diversity in our asset management upholds our fiduciary duty to preserve our endowment in perpetuity. Research shows that investment return performance, in general, is statistically indistinguishable between funds owned by women and people of color and funds owned by white men. Despite this, racially diverse and female-owned firms account for only 1.3 percent of the financial industry's \$69.1 trillion assets under management. Theories suggest that investors underestimate the value of funds managed by people of color and women, a dynamic that may be contributing to the allocation disparities."²⁶ In 2014, RBF selected Agility as its Outsourced CIO to implement mission aligned investing across its

total portfolio. Over the course of about 20 months, Agility worked with the foundation to develop the endowment's gender and racial/ethnic equity lens (or the "GREL" framework). As of December 31, 2019, the Fund had invested \$155.8 million, representing 12.3 percent of its endowment assets, with firms that are majority owned by women and/or people of color. Going forward, the Fund will work with their outsourced chief investment officer to identify prospective firms owned by women and/or people of color and seek firms that qualify under a range of metrics including:

- *Metric #1/Ownership:* Women/People of Color hold "Majority Ownership" of the firm (defined as 51% or more)
- *Metric #2/Leadership:* Women/People of Color are voting members of the Investment Committee and/or Portfolio Manager for the fund/strategy
- *Metric #3/Next Generation Pipeline:* Firm makes intentional efforts to transition Women/People of Color to more senior roles
- *Metric #4/Diverse-Led Portfolio Companies:* Venture Capital & Private Equity fund commits to a minimum of 30% portfolio companies led by Women/People of Color

A number of Investment Consultants have also adopted D&I practices in their hiring and manager selection process. See Appendix B for more examples.

26 Aligning Investments with Our Mission: Diversifying Investment Managers, Rockefeller Brothers Fund
<https://www.rbf.org/sites/default/files/investment_manager_diversity-rbf_board_commitment-2020_03.pdf>

Conclusion

As public benefit institutions, colleges and universities are expected to benefit the society at large and society looks to higher education to identify solutions to major problems and model approaches that will enable progress. The collective action of university endowments would be instrumental in demonstrating the value of racial equity investing to institutional investors. Now more than ever, as the nation faces the life or death consequences of racial injustice on health and the economy, the fiduciary implications of diversity, equity and inclusion

are harder to dismiss. Racial equity is a systemic issue that affects capital markets and is essential for investors to address within their portfolios. Universities also have an opportunity to help mainstream racial equity investing as a uniquely impactful opportunity with underappreciated potential for outsized risk-adjusted returns and position higher education institutions as leaders in creating an equitable future, where every student can thrive.²⁷



27 There is data supporting a conclusion that racial equity investing may have an outsized, positive impact on the economy and investment portfolios, but more robust study of the causal relationships are necessary. Additionally, the focus on Black and Latino Americans in this paper—though informed by their particularly devastating experiences of racial stratification—is also reflective of the limited or complete lack of similar data for Native, Asian and other American demographic groups. Wherever possible the information available on Native populations has been discussed. The diversity of the Asian American community and disparity between outcomes for majority low-income ethnic groups, such as Vietnamese or Filipino Americans, and higher earners, like Chinese Americans, make such generalizations less feasible.

CALL TO ACTION



LEARN

- **Commit to discussing racial equity at investment committee meetings** to have conversations necessary to assess how your investments provide solutions to or perpetuate racial inequality.
- **Conduct bias training** as perceptions of race can inform both business and investment operations through hiring and retention, manager selection and risk assessment.
- **Diversify the Board and the Investment Committee** to bring in new insights, spur new approaches and expand networks.

BUILD CONSENSUS

- **Build consensus** about your racial equity goals, investment strategies and next steps.

UPDATE & EVALUATE

- **Update your Investment Policy Statement** to reflect your diversity and inclusion priorities (See Appendix for examples).

INVEST & ENGAGE

- **Engage with consultants and ask your asset managers** about their approach to internal diversity and inclusion, BIPOC (Black, Indigenous and other people of color) ownership of the firm, how firms owned by BIPOC are included in searches and how race and social identity is factored into the investment processes and economic projections.
- **Allocate to racially diverse consultants and asset management firms** to diversify talent and deal flow and improve the investment's risk and return profile.

- **Allocate to funds with a racial equity investment thesis or businesses that produce products and services that address key issues for communities of color.** For example, Community Development Financial Institutions (CDFIs) offer stable cash or fixed income like investment returns while providing financial services to help low-income, low-wealth, and other disadvantaged people in their communities.
- **Engage with companies** as a shareholder on issues that relate directly to diversity, equity and inclusion such as those requesting that companies connect executive pay to diversity and inclusion related outcomes. If you invest in commingled funds, require transparency from your external managers as to how they engage with companies on these issues.
- **Use investor voice in partnership with organizations focused on racial justice to advance anti-racist public policy** through investor statements, pledges and public comments to spur collective action.
- **Offer internships** in the Investment Office for underrepresented students to aid in diversifying the field, or **create a student-managed fund** focused on diversity of the team as well as a racial equity investment strategy.

ITERATE & SHARE

- **Disclose information** on your diversity and inclusion strategy and progress to encourage transparency and accountability.

Appendix A

Examples of Investment Policy Statements for Institutional Investors

Institution	IPS Language
<p>Haverford College: Integrating diversity and sustainability into the existing investment research process.</p>	<p>The inclusion of sustainability and diversity factors as part of the criteria on which investment managers are evaluated provides a means to align the College's values with fiduciary responsibility. The College believes that:</p> <ul style="list-style-type: none"> ▪ Sustainability factors can introduce long-term risks to the portfolio, such as those posed by climate change. ▪ Diversity in background, experience, and perspective expands creative insight and mitigates risk in group analysis and decision-making. <p>Thus, through the investment research process, the extent to which investment managers consider sustainability and diversity factors in their investment processes should be understood and considered as part of the criteria on which Haverford evaluates investment managers. All else being equal, investment managers who thoughtfully consider sustainability and diversity factors in their investment process should be favored over those who ignore such factors. The Board of Managers and the Investment Committee recognize that inclusion of sustainability and diversity factors in the investment process is not intended to result in the exclusion of specific investments on the basis of these factors alone.</p>
<p>Seattle University: Including sustainability as a consideration in investment decisions and screening fossil fuels.</p>	<p>Sustainability: Consistent with the University's Jesuit Catholic values, the Committee will consider the University's commitment to ethics and social responsibility in making investment decisions. While the Committee remains committed to its fiduciary duty to the University's long-term financial growth and sustainability, it also recognizes the value of non-traditional investment opportunities in providing a reasonable return as well as furthering the University's mission and values.</p> <p>Specific Constraints: The Endowment Fund may not own any direct investments in any fossil fuel companies listed on the "Carbon Tracker 200" or the "Filthy 15".</p>
<p>St. Olaf College: Including diversity as an ESG factor that may have direct or indirect impacts on a company's profitability and long-term performance; staying current on ESG issues and committing to peer learning.</p>	<p>The Committee recognizes that ESG factors, in addition to many other factors, may have an impact on investment performance over the long term. As a result, the Committee actively takes many factors into consideration, including ESG factors, in determining how the endowment assets of the College are invested.</p> <p>ESG factors include, but are not limited to, such issues as energy consumption, greenhouse gas emissions, climate change... employee productivity, diversity and non-discrimination... human rights (including respect for worker rights), and effective board oversight. The degree to which ESG factors are relevant and material to an investment depends on the company or asset, the industry in which it operates and the type of investment strategy. For instance, ESG factors may have a direct impact on a company's profitability through increased regulation, such as changes to environmental laws or governance codes, which can lead to rising operating costs, or an indirect impact by affecting a company's long-term performance, such as its ability to attract talented employees, retain customer loyalty and protect its reputation and brand.</p> <p>The Investment Committee, on behalf of St. Olaf and the Board of Regents, will endeavor to remain current on responsible investing issues and the impact of ESG factors on the College's endowment. The Committee, both directly and through the OCIO, will remain in conversation with other institutional investors and industry associations to discuss such issues.</p>

<p>Earlham College: Sustainability as an additional level of oversight, opportunity for engagement and divestment; including students as active stakeholders.</p>	<p>The Socially Responsible Investment Advisory Committee is a committee that is accountable to both the Earlham Board of Trustees and the Earlham Foundation Board of Directors. The SRIAC is charged with the responsibility for proxy voting on corporate governance and social responsibility issues, for monitoring securities held by investment managers in separately managed accounts, for maintaining a list of excluded companies, for engaging corporations in order to change corporate behavior and improve society, and for engaging its constituent communities in education and consultation.</p> <p>The SRIAC has nine members. The nominations for membership should take into account the desire both for continuity and for diversity on the SRIAC: 3 Trustees/ Directors appointed by the Earlham Board of Trustees and the Earlham Foundation Board of Directors with at least one representative from each body... 2 Earlham Students appointed by Earlham Student Government... 2 Earlham Faculty (Teaching or Administrative) appointed by the Faculty Nominating Committee. The Chief Financial Officer of the College. The Chief Investment Officer will be an ex-officio member of the SRIAC and will be encouraged to attend all meetings.</p>
<p>Warren Wilson College: Including commitment to working with asset management firms owned by people of color and women and positive screening for companies that consider environment and social issues and engaging companies on ESG issues.</p>	<p>The Investment Committee and the Investment Consultant will seek to utilize a diverse group of investment managers including minority- and women-owned investment management firms.</p> <p>Responsible Investment Strategies to be Employed</p> <p>Positive Screens: Investment managers who are investing in companies involved in the industries and promotion of renewable energy, organic food, local food, sustainable agriculture, community development, diversity, and generally, invest in companies and investments that demonstrate commitment to:</p> <ol style="list-style-type: none"> 1. environmental sustainability, including reducing greenhouse gas emissions and sustainable forestry; 2. community / economic development and/or investment, particularly in communities with minority or low-income residents; 3. social diversity in hiring, executives and boards with respect to race, ethnicity, gender, sexual orientation; 4. transparency and accountability in corporate governance. <p>Negative Screens: To the extent possible while not exposing the Endowment to excessive costs and maintaining adequate diversification, investments in companies involved in the production and distribution of oil, gas, and other fossil fuel sources will be avoided</p> <p>Proxy voting. The IC along with the endowment fund's Investment Consultant shall monitor the voting of corporate proxies. The IC and the endowment fund's Investment Consultant meets formally three times a year and during those committee meetings will decide the direction for voting on anticipated proxy issues and to determine the delegation, if any, to the underlying investment managers. The proxy actions will be in a manner consistent with the long-term interests, objectives, and philosophy of the Responsible Investment Policy Statement. If proxy voting is delegated by the IC and the Investment Consultant to investment managers, then each manager shall keep detailed records of proxy voting.</p> <p>Shareholder advocacy. In cases in which there are concerns about issues of corporate responsibility, then the IC, acting on its own behalf or in concert with other investors, may engage corporations to change that behavior. An example of such engagement is the sponsoring of shareholder resolutions. The IC may participate with organizations such as the Interfaith Center for Corporate Responsibility (ICCR) or Friends Fiduciary Corporation.</p>

University of California: Including a sustainability framework that inform the decisions and assist in the process of investment evaluation.

The world is changing and investors must keep abreast of how growing awareness of environmental, social and governance (ESG) risks spreads rapidly via social and other media to influence markets. At the Office of the Chief Investment Officer of the Regents (OCIO) we believe ESG risks can present opportunities and that addressing these factors is in line with our fiduciary duty.

There are key ESG risks that are driving new economic and financial trends and that can guide our investment decisions and fund manager selection and monitoring. This list is not intended to be static, but represents important core universal principles we keep in mind as we aim to ensure the best return on investments for our university and its many stakeholders.

These principles include the following trends and considerations:

- **Climate Change:** Continued emissions of greenhouse gases will cause further warming and changes in all components of the climate system. A transition to a lower carbon economy, including low carbon sources of energy, is necessary to ensure the health and well-being of future generations. Given the scale of existing infrastructure and the challenge of quickly shifting the transportation sector to low carbon fuel sources, this transition requires a multi-generational effort.
- **Inequality:** Addressing inequality is not only a responsibility but also an opportunity. Solving inequality of opportunity can create new demographics that can contribute to economic progress and widen the market for goods and services, thereby creating a more profitable and sustainable business climate.
- **Human Rights:** Businesses whose profits are derived from direct harm to public safety, the unlawful deprivation of human dignity, or the exploitation of children or other vulnerable workers undermine universally approved United Nations principles and create a serious threat to the conditions needed for a well-functioning, market-based global system.
- **Food and Water Security:** Global climate change, population growth and rapid urbanization are intensifying the strain on global water and agricultural systems. Human well-being is inexorably linked to water and food security, and failure to adequately ensure these basic needs for future generations will undermine global economic welfare, human security and political stability.
- **Diversity:** Diversity enhances economic, social and environmental outcomes for business and society.
- **Ageing Population:** Rapid aging of populations will be a transformational force affecting society and the global economy, requiring new approaches to health systems, workforce organization, intergenerational relations and public finance.
- **Circular Economy:** The “take, make, dispose” pattern of growth is an unsustainable economic paradigm. We must transition to a more circular economy in which intelligent design allows us to decouple economic growth and development from consumption of finite resources.
- **Ethics and Governance:** Our market economy system relies on trust as a fundamental cornerstone. Good corporate governance and proportionate, transparent and responsible regulation are vital to well-functioning and sustainable financial markets. As long-term investors, we seek the sustained returns associated with strong governance, rather than the rapid gains that can vanish quickly if they are rooted in corruption, fraud or falsification. Recent financial crises highlight how destructive such fraud and corruption can be to the proper functioning of credit markets and the preservation of personal and corporate wealth.

<p>Rockefeller Brothers Fund: Including a commitment to advancing diversity in their asset management</p>	<p>We seek to integrate this commitment to diversity, equity, and inclusion into our management of the Fund's endowment. Over the last decade, we have sought to align the Fund's investment capital and practices with its mission. The Fund's Mission-Aligned Investment efforts include divestment from fossil fuels; impact investments; screening for environmental, social, and governance (ESG) criteria; and leveraging shareholder voting rights. The Fund is committed to deepening the alignment of its investments with our mission by advancing opportunities for investment with firms run by women and people of color.</p> <p>Advancing diversity in our asset management upholds our fiduciary duty to preserve our endowment in perpetuity. Research shows that investment return performance, in general, is statistically indistinguishable between funds owned by women and people of color and funds owned by white men. Despite this, racially diverse and female-owned firms account for only 1.3 percent of the financial industry's \$69.1 trillion assets under management. Theories suggest that investors underestimate the value of funds managed by people of color and women, a dynamic that may be contributing to the allocation disparities.</p>
--	---

Appendix B: Additional Examples of What Peers are Doing

Cambridge Associates

Cambridge Associates (CA) is committed to increasing the firm's coverage and use of "diverse managers," where diverse means both asset managers owned or directed by women and/or people of color. Jasmine Richards, Head of Diverse Manager Research, oversees the firm's efforts to identify diverse managers who have the highest potential to outperform. Jasmine and her team, in conjunction with CA's asset class teams, work to expand the firm's networks to source more diverse manager ideas, with specific goals focused on increasing the number of diverse managers that are tracked, recommended, and ultimately selected for client investments.

Cambridge Associates does not believe that the effort to find, research and diligence these types of managers should reside solely in a siloed team. Jasmine and her team's efforts seek to facilitate the integration of these managers into our firm-wide manager research platform. CA has launched a working group composed of research professionals and investment directors within the firm to collaborate and share information about emerging managers and, specifically, women and minority managed investment strategies across asset classes. The ultimate goal is to integrate this initiative into the firm-wide manager research and due diligence process. As part of this due diligence process on all managers, the firm includes topics related to diversity, including understanding the demographics of the firm ownership, leadership, and the investment management team itself.

Cambridge Associates believes all investing is impactful, and therefore defines impact investing as increasing intentionality around positive impacts from portfolio investments. Since the inception of the firm's Sustainable and Impact Investing group in 2008, CA has worked closely with clients to

create portfolios focused on proactive impact in environmental sustainability, poverty alleviation, job creation, community economic development, public health, social justice, education, and other important causes. The aim is to establish a sound yet sufficiently flexible framework for implementation and evaluation that targets the client's specific impact investing priorities. The levers clients pull to approach certain issue areas can vary widely. Within social equity, for example, CA sees three main ways clients engage impact in their portfolios:

- **Social Equity through Economic Empowerment.** Client portfolios focus on measuring diverse ownership of firms and strategies within their portfolio.
- **Social Equity within Asset Management Industry.** Client portfolios focus on diverse leadership, management, and team compositions within their portfolios.
- **Social Equity within Society.** Client portfolios focus on investing in diverse entrepreneurs and companies creating products and services which seek to close social gaps and address unmet needs.

Colonial Consulting

In the last six years Colonial has dedicated significant time and resources to become proactive and transparent with regards to identifying and investing with diverse asset managers. In 2013, the firm found "disappointing" results after conducting a review of their diverse manager pipeline at the request of a client that was in the process of examining their investment portfolio. The client asked Colonial a question that related to the number of diverse managers they may or may not have had in their

portfolio; what is their manager selection process, and what are you doing for your other clients.

After reporting their findings to the client and much introspection, Colonial enhanced their database for tracking purposes, research and hiring processes, increased their network for sourcing diverse managers, and partnered with various trade organizations to educate themselves about the diverse manager marketplace. These new relationships and much travel allowed them to exercise the various resources to meet and vet new managers. Their internal hiring practices were further enhanced by continuously creating a path for existing employees (analysts from their portfolio performance reporting department to join the investment team). Additionally, Colonial created an internship program wherein undergraduate students would ultimately be hired full-time upon graduation in an effort to curate new and diverse talent as a trajectory to join the investment team and become mentored by senior members as well as the CIO.

In 2017, Colonial hired a dedicated person with a diversity and inclusion and corporate training background as head of diverse manager equity, Angela Matheny. At the time, Colonial had been meeting with an average of only 50 diverse managers but the total number of meetings with managers shot up dramatically to more than 500 managers by 2019; 188 of which were with diverse asset managers.

Colonial's process extends beyond mere number of meetings. With each manager, Angela takes the time to provide critical feedback as to why Colonial will recommend them to their clients or not, providing the manager with essential information about how to improve their process or pitch. When the manager is simply not a fit for Colonial's investment philosophy, Angela has been known to refer them to other capital allocators. This process has extended across the team as best practices as many became aware of the challenges Colonial began to see industry wide due to the many inquiries Colonial received. Building networks to access and discover diverse talent

became integral to Colonial's sourcing efforts. The advice and critical feedback offered helped to prep managers for future meetings and/or productive meetings with other investors.

Colonial also expanded opportunities for diverse managers to pitch their product to potential investors through their Breakfast Connections Series hosted with Seizing Every Opportunity (SEO). Through these efforts, to date, the firm is north of \$4 billion in assets allocated to diverse managers. According to Colonial CIO Michael Miller, the firm's efforts in the diverse manager space are built off the belief that having a portfolio with managers from different backgrounds, experiences and viewpoints is "simply better." Miller also makes clear that there is no pipeline problem. He believes that getting to this place requires introspection, changes to the investment process and an aggressive outreach effort that requires are nothing more than commitment, tracking and persistence which can be easily replicated elsewhere.

Currently, just under 86% of Colonial clients have allocated to at least one diverse manager. As of year-end 2019, capital allocated to diverse managers represented approximately 10% of the capital that Colonial advises. Angela Matheny commented "there is no finish line to this effort until our pipeline of managers reflects the diversity we see in America. We will continue to source differentiated talent as a path to building better portfolios as we also create opportunities for equity and inclusion."

NEPC

NEPC's Diversity & Inclusion Board is the central group behind NEPC's push for firm and industry-wide considerations of D&I. The firm is particularly committed to closing the diversity gap in their asset managers and have created a Diverse Managers Policy with targets including:

- **Responsiveness Target:** Seeks to respond with preliminary feedback within 3 months after initial contact

- **Accountability Target:** include manager diversity objectives in annual evaluation process of Research
- **Search Inclusion Target:** include a diverse manager in searches where an appropriate manager is available
- **Transparency Target:** publish annual progress towards Diverse Manager Policy targets

NEPC has also created multiple pathways to engage diverse managers in addition to reforming their standard due diligence process including a Discovery Platform which allows NEPC to connect with managers that are early in their life cycle or cover niche asset classes and a client directed search for managers. The firm also plans to continue its work in improving their research methodology in evaluating all managers on how they view and are progressing toward enhancing diversity and host regional diverse manager events to facilitate more personal interactions with managers around the US.

Prime Buchholz

Prime Buchholz's Mission-Aligned Investment Committee develops policies and procedures for evaluating and recommending investment managers and vehicles that meet client mission-oriented considerations—including gender and racial equity. Examples of how Prime Buchholz approaches D&I investing fall into three main categories:

- Identifying firms that seek women and minority representation at the board and executive levels of their underlying investments.
- Surveying (annually) all Prime Buchholz-recommended managers on woman/minority ownership and representation in management and on investment teams.
- Based on client needs, seeking firms that advance women and minorities in leadership, provide access to capital, and/or provide beneficial products/services to underrepresented communities.

Appendix C: Other Key Resources

American Friends Service Committee. “Investigate. A Project of the American Friends Service Committee: Prisons.”

The project maps the main publicly-traded companies involved in various aspects of the private prison industry, including facility management, financing and services, youth and family detention, prison labor, and bail bonds; recommendations for divestment are included.

Cambridge Associates. “Racial Equity Investing: The Time is Now.”

The paper discusses the renewed sense of urgency around racial equity investing and how many asset managers are trying to determine how they can activate their investment portfolios to help reduce some of the imbalances that permeate throughout the asset management industry and society at large. It puts forward three actions investors can take to address the inequities inherent in our society : 1) make racial equity an investment priority and codify it in the investment policy; (2) start allocating capital to racial equity investments; and (3) put racial equity at the center of the investment selection process. Another publication that touches on this theme is the report, Social Equity Investing: Righting Institutional Wrongs, reviewing the state of social equity investing with a focus on racial equity investing.

Confluence Philanthropy. “It’s About Time: Impact Investors Confront Lack of Diversity in the Field.”

The report outlines the key takeaways, particularly for investors, and recommends ways investors can embrace racial equity in the investment process.

Cornerstone Capital Group, Investing to Advance Racial Equity

The report analyzes how wealth inequality in the United States has resulted from structural racism dating back to the beginning of the republic—and provides solutions for addressing economic inequality through targeted investments.

Glenmede. “Racial Equity Investing: Opportunities for Impact & Alpha”

The paper reports on the state of the racial equity investing market in the U.S. with a specific focus on investments that aim to provide competitive, market-rate returns.

Knight Foundation, “Diversifying Investments A Study Of Ownership Diversity And Performance In The Asset Management Industry.”

The research contributes a new perspective by analyzing the diversity of ownership of asset management firms as well as any performance differences between diverse-owned and non-diverse owned asset managers.

Mission Investors Exchange, Racial Equity & Impact Investing

This library of resources is intended to help investors at different stages of practice begin to explore the many ways they can grow and deepen their commitments to racial equity in their investing practices.

Nia Impact Capital, An Investors' Guide to Investing for Racial Equity

This Guide offers 8 steps to incorporate a racial justice lens when making investment decisions and ways to consider a commitment to racial equity within the Investor Policy Statement.

U.S. House of Representatives Committee on Financial Services. “Diversity and Inclusion: Holding America’s Large Banks Accountable.”

The assessment of the country's largest banks investigates the lack of diversity within the workforce and investment in diverse asset managers, among other issues, concluding with a number of recommendations that may be useful for institutional investors; both for their own Investment Offices, and as they engage with their banks.

Whistle Stop Capital, You Can’t Divest from Discrimination: An Investors’ Primer on Encouraging Improved Workplace Equity Practices within their Holdings

In this primer, Whistle Stop Capital, a consulting firm focused on building shareholder engagement strategies linked to strengthened share value within existing portfolio holdings, details the rationale for engaged ownership, links investor actions to workplace discrimination, and presents effective strategies for investors to apply to catalyze improvements within their investments.

About IEN

The Intentional Endowments Network is a peer learning network of colleges, universities, and other mission-driven institutional investors working together to achieve their risk and return objectives through investment actions that create a thriving, sustainable economy. As of January 2020, IEN has nearly 160 network members including endowments, asset managers, investment consultants, nonprofit partners and individuals. This broad-based, collaborative network focuses on creating intentionally designed endowments, aligned with institutional mission, that will become the norm in higher education and other tax-exempt organizations.

Acknowledgements

Primary Author:

Jochebed Bogunjoko, Founder & CEO, J Aduke Consulting

Contributors:

Sam Austin, Partner, NEPC

Frank Bello, Chief Investment Officer,
Howard University

Essma Bengabsia, Senior Associate, Glenmede

Meredith Benton, Principal, Whistle Stop Capital

Keith Beverly, Founder, Grid 202 Partners

Valentina Dingle, Principal, Prime Buchholz

Alice DonnaSelva, Managing Director, IEN

Caroline Greer, Managing Director, Commonfund

Keon Holmes, Managing Director,
Cambridge Associates

Kristin Hull, Founder, CEO, Nia Impact Capital

Kaede Kawauchi, Program Manager, IEN

Tamara Larsen, Executive Director, Agility

Angela Matheny, Head of Diverse Manager Equity,
Colonial Consulting

Kerin K. McCauley, Senior Associate Director, NYU
Stern Center for Business and Human Rights

Tiffany McGhee, CEO & Co-CIO, Momentum Advisors

Dorien Nuñez, Director of Research, OMNI Research

Nadia M. Quarles, Assistant Vice President for Business
Diversity, Office of Business Diversity,
The University of Chicago

Jasmine Richards, Head of Diverse Manager Research,
Cambridge Associates

Anthony Rust, Trustee, Warren Wilson College

Randy Strickland, Director, Cornerstone Capital Group

George Suttles, Director of Research,
Commonfund Institute

Brian Swain, Deputy Chief Investment Officer,
Howard University

Geraldine Watson, Executive Vice President for
Finance and Operations, Rockefeller Brothers Fund

Justin Wilson, Director, Diverse Asset Managers
Initiative (DAMI)

Julianne Zimmerman, Managing Director,
Reinventure Capital

Sponsors of this report





WWW.INTENTIONALENDOWMENTS.ORG