Green America's guide to

Socially Responsible Investing & Better Banking

2024

LIVE BETTER.

SAVE MORE.

INVEST WISELY.

MAKE A DIFFERENCE.

INSIDE:

- Does Social Investing Affect Performance?
- Attacks on Sustainable Investing
- Banking and Investing for Good

AND MORE!

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Your comprehensive financial planning handbook

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{GBN} Designates a certified member of Green America's Green Business Network

Investing for people and the planet

For over 40 years, Green America has been at the forefront of socially responsible investing.

Green America®

- is a leading public educator on responsible investing.
- has educated millions of people on how to align your finances with your values.
- co-founded the Forum for Sustainable and Responsible Investment (US SIF){GBN}, the national nonprofit association of investment practitioners advancing responsible investing.
- helped steer $458 billion in investments into economically disadvantaged communities. According to US SIF, consumer demand is a key reason why assets in community investing have grown.
- published the *Guide to Community Investing* and the "*Break Up with Your Mega-Bank*" toolkit to encourage people to switch their mega-bank accounts to community investing institutions.
- published our online *Guide to Fossil-Fuel Divestment & Clean-Energy Reinvestment* to steer support away from the fossil-fuel industry and toward clean-energy investments.
- co-founded Ceres{GBN} to use shareholder action to encourage major corporations to commit to environmental responsibility.

Green America regularly covers socially responsible investing in our *Green American* magazine, free with membership: greenamerica.org/membership.

What Kind of World Are You Saving For?

Cathy Cowan Becker, Responsible Finance Campaign Director

Cathy Cowan Becker

These are challenging times. Our freedom to invest our retirement and college funds in companies that align with our values is under attack. Politicians and companies funded by Big Oil are running campaigns to obstruct our ability to bring and vote on shareholder resolutions and to find out a company's carbon emissions.

Now more than ever, it's critical that we use every tool available to protect people and the planet.

We often think of using our power as activists, community-builders, voters, and as green consumers, to make change in society. We don't always think of our power as bank account holders and investors.

You might wonder, "Can my finances make a difference to struggling communities, corporate conduct, and the environment?" Yes, they can! With this guide, we want to show you how.

Strategies to vote with your dollars can be used by anyone, no matter where you fall on the spectrum of wealth. Even if you have only $50 in the bank, it can be in an account that supports the world you want to live in as a Green American.

If you have a checking account, savings account, certificate of deposit, mortgage or other basic banking products, you don't have to use a conventional megabank. Instead, you could meet your financial needs through either a community development financial institution (CDFI) or a local community bank or credit union.

CDFIs are dedicated to the economic uplift of low-to-moderate income communities. A community bank or credit union can be a good choice if you want to bank locally and have your money support your community. Banks owned by, and serving, people of color and financial institutions certified by Green America are also great options.

Megabanks like JPMorgan Chase, Wells Fargo, Bank of America, and Citi continue to invest at record levels in fossil fuels. Just $62,000 deposited at one of the Big 4 megabanks produces as much carbon as all the heating, driving, flying, cooling, and cooking an average American does in six months.

If you have a retirement or college savings account, you can invest in funds that screen their holdings with attention to social, environmental, and corporate governance issues. Studies show that responsible investing does not harm one's portfolio—and may even increase returns over time.

If you own company stock directly, be sure to vote your proxy ballots on labor, diversity, human rights, climate change, and environmental resolutions. Using a proxy voting app can help.

Whether our political processes are working optimally or not—you can vote with your dollars and make a positive difference today!

For a green economy,

Cathy Cowan Becker
Responsible Finance Campaign Director

OUR FREEDOM TO INVEST RESPONSIBLY IS UNDER ATTACK

Use your investments and banking choices to fight back

By Cathy Cowan Becker

The Norfolk Southern train derailment disaster in East Palestine, Ohio, in February 2023 illustrates why socially responsible investing is so important.

Norfolk Southern, owned 63% by institutional investors including Wall Street banks, ranks poorly on corporate Environmental, Social, and Governance (ESG) guidelines, and the company's conduct leading up to and after the disaster show why:

- It cleared the tracks after the derailment by burning over 1 million pounds of toxic chemicals, killing 44,000 fish, amphibians, and reptiles.
- It laid off a third of their workforce while multiplying stock buybacks to boost profits.
- It has long fought rail safety regulations such as labeling flammable chemicals hazardous and upgrading train brakes.

Does Norfolk Southern sound like a company you'd like to invest your retirement funds in? Me neither. Through socially responsible investing (SRI), investors can screen companies like Norfolk Southern out of our portfolios.

Incredibly, responsible investing is now in the crosshairs of political attacks on both the federal and state levels from a network of culture war groups funded in part by Big Oil.

A climate 'risk wall'

As Sens. Sheldon Whitehouse (D-RI), Brian Schatz (D-HI), and Martin Heinrich (D-NM) explained in an op ed on CNBC, the financial risks of the climate crisis are now so apparent that the fossil fuel industry is trying to hide the risk, just as they denied the science for decades.

"The underlying problem is that the fossil fuel industry is running up against a 'risk wall,'" the senators wrote. "Rather than reduce their emissions, or face up to the risks that they cause, the fossil fuel industry is trying to break and remake traditional risk reporting to selectively remove reporting of climate-related risks."

Congress targets socially responsible investing

In January 2023, a new Department of Labor (DOL) rule went into effect, allowing—but not mandating—retirement plan managers to take ESG considerations into account in their investment decisions.

Almost 7,000 Green America members signed a petition in support of the DOL rule, which reversed two previous Trump administration rules that had required retirement plans to invest solely based on "pecuniary factors" and made it difficult for shareholders to vote on ESG-related resolutions.

Through the Congressional Review Act, Congress can repeal a rule within 60 days of it going into effect. The House and Senate both voted to repeal the DOL rule, squashing the ability of retirement fund managers to invest using ESG principles.

In March, President Biden issued the first veto of his administration, upholding the DOL rule that protects investors' freedom to invest responsibly.

Since then, House committees have held several hearings to "investigate" ESG practices, full of talking points about "woke" investing. The hearings, featuring witnesses with long track records of climate denial, have been characterized as "off the rails" and "seriously weird."

Some politicians admit all this is messaging to motivate their base in pursuit of their right-wing political goals. "It's not going to drive much policy, because the president will veto anything he doesn't like," Sen. Kevin Cramer (R-ND) said. "It's largely politics."

Battle in the states for freedom to invest responsibly

Although anti-ESG action on the federal level is more smoke than fire, actual policy has been enacted in some states. As of June 2023, 156 bills and nine resolutions were proposed in 37 states. Of those proposals, 18 laws have passed in 11 states, six resolutions in three states, and six bills await governor action.

These proposals are primarily of two types: bills that target public worker pension programs and bills that target state contracting authority. Both types reflect a right-wing political agenda:

Pension bills usually require financial officers or pension boards to focus solely on factors that have a material effect on risk or return, based on the false premise that climate, labor, and other ESG considerations don't have an effect.

One model bill from the American Legislative Exchange Council (ALEC) forbids considering "events in the distant future or that are systemic"—a clear reference to climate change. Another model bill from the Heritage Foundation forbids consideration of greenhouse gas emissions or diversity among corporate boards or employees. Other bills forbid

For nine years until 2021, Sen. Sheldon Whitehouse (D-RI) gave 279 weekly "Time to Wake Up" speeches on the need for climate action.

investing in companies that limit or boycott fossil fuels, firearms, agriculture, timber, animal products, or that provide abortion access and transgender health services.

Contract bills usually prohibit states from doing business with financial service companies that limit or boycott fossil fuels—even though financial companies typically use screening, not boycotting, as a tactic. Some bills prohibit state contracts with any company that limits a list of favored industries including fossil fuels, timber, mining, agriculture, firearms, and more. Many bills require state treasurers or comptrollers to create a blacklist of companies the state is not allowed to do business with.

Fortunately, while 28 anti-ESG state laws and resolutions have passed, many more have been defeated. As of August 2023, 88 anti-ESG bills have died, including all in 18 states: Alaska, Colorado, Georgia, Iowa, Maine, Minnesota, Missouri, Mississippi, Nebraska, Nevada, New York, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Virginia, and Wyoming. Pleiades Strategy keeps a running tracker on these bills.

Backlash to the backlash

Contributing to the defeat of state anti-ESG bills were local bankers and business owners. As Rick Clayburgh of the North Dakota Bankers Association testified, anti-ESG legislation is "not solving any problem except putting a burden onto a single industry in this state—the state-chartered financial institution—that aren't the problem … and yet we're going to bear this burden so that the North

"The underlying problem is that the fossil fuel industry is running up against a 'risk wall,' … Rather than reduce their emissions, or face up to the risks that they cause, the fossil fuel industry is trying to break and remake traditional risk reporting to selectively remove reporting of climate-related risks."

—From an op ed by Sens. Sheldon Whitehouse (D-RI), Brian Schatz (D-HI), and Martin Heinrich (D-NM)

Dakota legislature can send a message to national and global financiers and insurance companies."

Multiple studies have found that refusing to do business with companies that use ESG in decision making—which includes most major corporations—costs a lot of money.

- A study from University of Pennsylvania found that two 2021 Texas laws banning cities from contracting with banks that have ESG policies cost an extra $303 million to $532 million in higher municipal bond interest rates.
- A report by Econsult Solutions found that taxpayers in Florida, Kentucky, Louisiana, Missouri, Oklahoma, and West Virgina could owe up to $708 million in additional interest charges on municipal bonds due to anti-ESG laws and proposals.
- A Bloomberg report found that Florida pays interest rates on municipal bonds almost half a percentage point higher than California, even though Florida has a better credit rating, because Florida blacklisted major municipal bond underwriters due to their support of ESG.

Where is this coming from?

These attacks on our freedom to invest responsibly at the federal and state levels didn't arise out of nowhere. It's important to understand where they come from—and why.

In April 2020, a Chicago electronics magnate named Barre Seid gave the largest known political donation in US history—$1.6 billion—to Leonard Leo. If Leo's name sounds familiar, that's because for years he led the Federalist Society, which is widely credited with putting a majority of far right-wing justices on the Supreme Court.

With this, Leo launched a network of organizations aimed at reshaping American society—taking direct aim at sustainable investing.

"The ESG movement is polluting our culture and assaulting the dignity and worth of people," Leo told The Wall Street Journal. "Our enterprise stands with a growing group of Americans who are fighting to crush leftist dominance in this arena."

Anti-ESG groups benefiting from Leo's largesse include:

President Joe Biden vetoed a Congressional resolution that would have repealed a Department of Labor rule allowing retirement plan managers to consider environmental, social, and governance factors in investment decisions.

- **Consumers Research:** Founded in 1929 to test consumer products, CR split from Consumer Reports in 1981 to become a watchdog of liberal causes. With funding from Leo, CR has spent $10 million on anti-ESG campaigns, attacking BlackRock Chair and CEO Larry Fink and pushing Vanguard to drop out of the Net Zero Asset Managers Alliance. They also issue "woke alerts" on brands such as Target and Bud Light.
- **State Financial Officers Foundation (SFOF):** Based in Kansas, SFOF once pulled together state treasurers to discuss issues like borrowing costs, but recently emerged as a key player in using state treasurers to blacklist companies that employ ESG practices. In response to the Inflation Reduction Act, SFOF worked to combat climate action by opposing federal appointments and sponsoring an anti-ESG website.
- **Republican Attorneys General Association:** Also funded by Koch Industries, Chevron, and Exxon, this group of state attorneys general sued to stop the DOL rule allowing ESG investing, told 53 top asset managers that ESG investing may violate antitrust law, and motioned to stop BlackRock, a major asset management firm, from voting shares in utilities that adopt ESG practices.

These and other anti-ESG groups are networking with longtime

> *"85% of investment managers and 96% of S&P 500 companies use ESG to mitigate risk, find opportunities, and build profits…Among US institutional investors, 81% plan to increase ESG allocations, boosting more sustainable assets under management 84% by 2026."*
>
> *—Peter McKillop, CEO of Climate & Capital Media*

purveyors of climate denial, including:

- **Heritage Foundation:** A prominent conservative think tank funded by the Koch brothers, Heritage produces articles, podcasts, and a website attacking ESG as a threat to the American way of life, and, absurdly, funded an ad portraying an oil driller denied a bank loan because he doesn't identify as nonbinary.
- **American Legislative Exchange Council:** A longtime corporate bill mill funded in part by the Koch brothers, ALEC provided much of the model anti-ESG legislation that targets public pensions and state contracts. Although the model bill requiring states to create a blacklist of companies that use ESG was not formally endorsed, the legislation was proposed in 40 states and passed in five.
- **Heartland Institute:** Another climate denial think tank, Heartland has also turned its attention to ESG. Its April 2023 report claims ESG threatens individual liberty, free markets, and the US economy. Heartland has long hosted an annual climate misinformation conference, now featuring anti-ESG speakers such as Utah Treasurer Marlo Oaks, who compared ESG to Nazism.

ESG train has left the station

These well-funded anti-ESG campaigns are having some effect. For example, BlackRock CEO Larry Fink has been backtracking on past climate commitments and Coca-Cola CEO James Quincey said that while the company won't stop considering sustainability, "I'm just going to stop saying 'ESG'."

Still, ESG is not going anywhere. Already $8.4 trillion—or 1 in 8 dollars under asset management—use sustainable investing strategies, according to The Forum for Sustainable and Responsible Investment

Members of the State Financial Officers Foundation. Credit: Center for Media and Democracy.

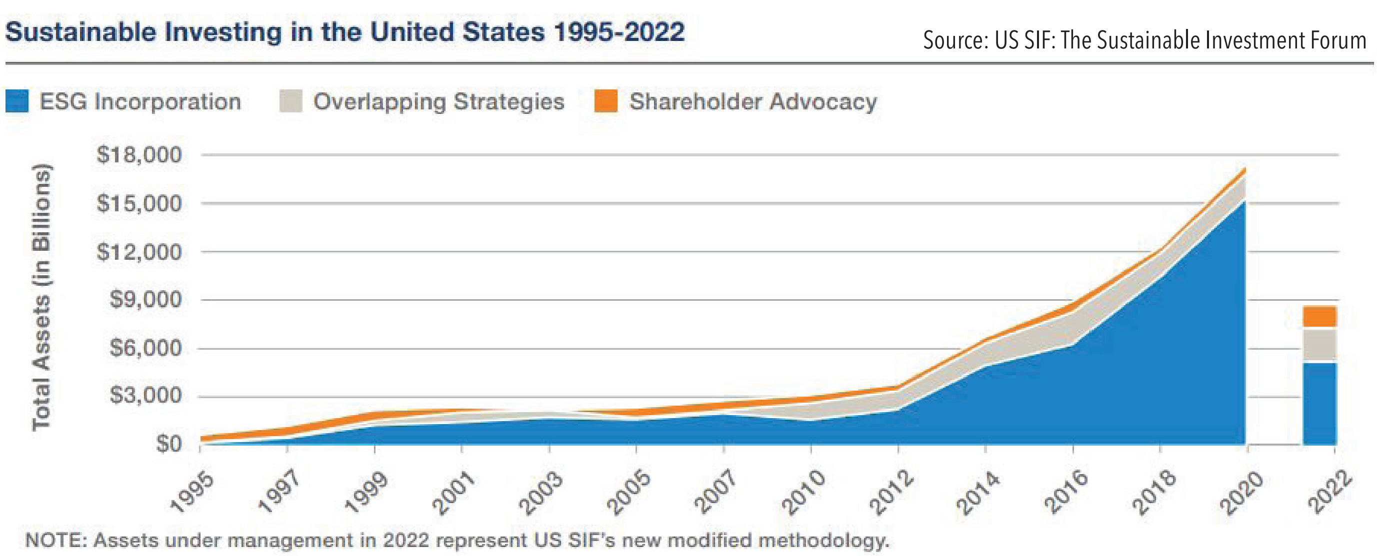
(known as US SIF). At the start of 2020, global sustainable investment reached $35.3 trillion in five major markets, a 15% increase from 2018 to 2020.

Moreover, the consensus among investment managers is that ESG works.

"85% of investment managers and 96% of S&P 500 companies use ESG to mitigate risk, find opportunities, and build profits," says Peter McKillop, CEO of Climate & Capital Media. "Among US institutional investors, 81% plan to increase ESG allocations, boosting more sustainable assets under management 84% by 2026."

That means the most effective way we can fight the anti-ESG campaign is to keep voting with our dollars. When consumers and investors work together to encourage companies to adopt climate-friendly policies and support workers and human rights, it has an impact – and makes companies more profitable over time.

Learn more about how you can fight back against climate denial and culture wars by voting with your dollars in the rest of this *Guide to Socially Responsible Investing and Better Banking*.



Urban Growers Collective, a Black- and women-led nonprofit farm in Chicago, got through the COVID-19 pandemic with a PPP loan from Self-Help Federal Credit Union.

Banking and investing for good

By Cathy Cowan Becker

These financial institutions build wealth in their communities

When coronavirus arrived in 2020, it hit the food sector hard—including Urban Growers Collective, a Black- and women-led nonprofit in Chicago working to build a more just and equitable food system.

With eight operating farms on 11 urban acres and almost 30 employees, the Urban Growers Collective needed a Paycheck Protection Program loan to survive, like many nonprofits during the pandemic.

It found that loan at Self-Help Federal Credit Union {GBN}.

"We were essential frontline workers, and the loan allowed us to deepen our community relationships and our ability to address food insecurity and bring nutritionally dense food to our communities that need it the most," says Erika Allen, founder and CEO.

Allen's experience with Self-Help was "night and day" different from working with the larger bank where her nonprofit did its daily business. "We were immediately contacted, our application was submitted, and we received relief really quickly. They really catered to our nonprofit," she says. "It helped us not lose money during the pandemic, and it helped us stabilize our staff."

> *"We were essential frontline workers, and the loan allowed us to deepen our community relationships and our ability to address food insecurity and bring nutritionally dense food to our communities that need it the most."*
>
> *—Erika Allen, founder and CEO of Urban Growers Collective in Chicago*

Allen enjoyed working with Self-Help so much that a few years later she went back as a first-time homebuyer to finance a mortgage. Again, her experience was much better than at her conventional bank.

"I have worked in not-for-profits for my whole career," Allen says. "Most of us have been underpaid for many, many years, so even the minimum 3% down, that's like a whole extra salary."

While the mortgage terms at her previous bank were "really not great," at Self-Help, Allen was able to qualify for a mortgage under the Equity Boost program.

"It provided support for my down payment and for closing costs, and because of that I was able to purchase a home—and I was able to use the money I thought I would be putting down to furnish my home," Allen says.

"It was really a godsend, one of the best programs I've ever encountered," she adds.

Self-Help's Equity Boost is one of many examples of impact banking and investing that truly helps build community—and programs like that exist all over the country.

{GBN} Designates a certified member of Green America's Green Business Network

Erika Allen is CEO of Urban Growers Collective, which manages 11 urban farms like this one in Chicago. Photo credit: Erika Allen.

Other examples include:

- The Wisdom Fund by C-Note {GBN} provides lending for women-owned small business—which receive less than 5% of total lending for small-business.
- The Community Investment Note by Calvert Impact {GBN} finances organizations creating positive social and environmental change, with investments starting as low as $20.

"Community investing allows mom and pop shops to stay open, expand, and build community. We want to keep unique diverse cities and towns thriving."
—Brady Quirk-Garvan, Natural Investments, Green America Board Member

- The Interest on Lawyer Trust Account (IOLTA) program at Beneficial State Bank {GBN} uses interest earned from bank accounts for court awards to support legal aid services.
- The Clean Energy for All program at Clean Energy Credit Union {GBN} assists families experiencing lower income, and communities of color, so they can install clean energy and join energy efficiency projects.
- Natural Investments {GBN}, a network of financial advisors, has restructured as a Public Benefit LLC, enabling its entire team—60% women and 30% people of color—to share power and profit equally in perpetuity.

Why bank and invest for good?

The reasons these community financial service organizations bank and invest for good are as varied as the institutions themselves.

"First and foremost, the world needs it," said Justin Conway, vice president of investment partnerships at Calvert Impact{GBN}. "Whether it's our climate, environmental crisis, or the widening inequality we see in the world, the world needs investors to care about these issues."

"Community investing allows mom and pop shops to stay open, expand, and build community," said Brady Quirk-Garvan of the Money with a Mission Team at Natural Investments {GBN}. "We want to keep unique diverse cities and towns thriving."

"We were created because we saw there was a gap in people being able to afford clean energy for their homes, whether that be solar, geothermal, or making green home improvements," said Nicole Burford, senior director of marketing and sustainability at Clean Energy Credit Union {GBN}.

Outsized impact

Even small and medium-sized banks, credit unions, and investment firms can have a large impact on local communities and people's lives. For example, in 2021, Beneficial State Bank (BSB) made $762 million in loans in areas such as affordable housing, environmental sustainability, and fair auto loans.

"A lot of auto financing either hides fees or has predatory fees or interest rates," said Monique Johnson, director of client and community partnerships at BSB. "We can actually prove that our auto loan borrowers saved an average of 8.32% in interest after refinancing with us."

Terri Nichelle Bradley used a loan financed by CNote's Wisdom Fund to create enough Brown Toy Box inventory to stock every Target store in the country. Photo credit: CNote.

CNote, a women-founded and women-led platform focused on closing the wealth gap, deployed $30 million per month for economic growth in under-resourced groups in 2022. Of that amount, 69% went to borrowers in communities of color, 72% to low-to-moderate income (LMI) communities, and 69% to women-led businesses, creating 1,819 jobs.

"Clients are seeking greater transparency around where their dollars sleep at night and want tangible stories on how those dollars are impacting communities."
—Danielle Burns, CNote, Green America Board Member

Among the borrowers helped by CNote were Terri-Nichelle Bradley, who started Brown Toy Box, an educational play-kit company that makes toys to get Black children excited about a career in science, arts, and engineering. When Bradley got a sudden opportunity to stock Brown Toy Box in every Target store in the country, CNote partnered with Access to Capital for Entrepreneurs,

Clean Energy Credit Union helps families experiencing low income, and communities of color, to finance solar panels, electric vehicles and other green upgrades to their homes.

a community development financial institution in Georgia, to provide a loan to create quick inventory.

Overcoming obstacles to housing equity

Home ownership is the biggest investment most families make—yet only 44% of Black Americans own their homes, compared to 50.6% of Hispanic Americans, 62.8% of Asian Americans, and 72.7% of white Americans, according to the National Association of Realtors. "One of the biggest things we are seeing is a lot of borrowers looking to purchase homes, but a lot of different obstacles interfering with their ability," said Daniel Martinez, director of mortgage origination at Self-Help. "So we took a look at it to see how we as a company can lend responsibly but still get individuals into homes."

> ***"It's not just about being in the community but looking at community needs and developing programs that are actually going to benefit people in the community."***
> ***—Daniel Martinez, Self-Help Federal Credit Union***

Key barriers Self-Help found to home ownership, especially in Black and brown communities, include a low credit score, lack of lump-sum cash for the downpayment, and student loan debt.

To help boost credit scores, Self-Help offers the Fresh Start loan, a small loan of $500 to $2,000 that borrowers can pay off over six months to two years. The money goes into a savings account that earns interest, and when the loan is paid off, the borrower gets both the principal and interest.

Self-Help's Equity Boost mortgage approves people with credit scores as low as 580. The program folds up to 5% of closing costs into the mortgage, so borrowers may have no down payment. It does not count student loan payments against borrowers on income-based repayment plans. Borrowers with up to 80% of area median income (AMI), or first-generation home buyers up to 120%, can qualify.

Along with Equity Boost, many Self-Help mortgage borrowers enroll in the Savings Account For Emergencies (SAFE) program. Homeowners commit to depositing at least $25 per month into a savings account, and at the end of three years Self-Help gives them $2,000 more.

"It's not just about being in the community but looking at community needs and developing programs that are actually going to benefit people in the community," Martinez said. "The big thing about home ownership is building generational wealth."

Environmental impacts

Equity issues related to renewable energy access also need to be addressed. Among solar adopters, only 15% have incomes less than $50,000 per year. Most solar adopters make over $100,000 annually, according to Berkeley Labs.

"We looked at that and said, we've got to change this," said Nicole Burford of Clean Energy Credit Union.

To address this, CECU launched the Clean Energy for All program, offering a 0.5% interest rate discount on loans for households experiencing low-income, and households of color, with a credit score of 680 and above, and even steeper discounts for those with credit scores of less than 680. Over time, these lower interest rates save borrowers a lot of money.

CECU is also adding new options for its solar loans. Previously the loan had two parts: a long-term loan for 70% of the cost, and a short-term loan for 30% that borrowers could repay when they received their 30% tax credit through the Inflation Reduction Act.

> ***"We were created because we saw there was a gap in people being able to afford clean energy for their homes, whether that be solar, geothermal, or making green home improvements."***
> ***—Nicole Burford, Clean Energy Credit Union***

The problem for borrowers with low income is that they did not make enough to pay taxes, and so did not get the tax credit. "And then they were stuck with a 30% loan that's due in 18 months," Burford said. So CECU is designing a 100% long-term solar loan for its low-to-moderate income borrowers.

Calvert Impact has also launched a new product to fight climate change: the Cut Carbon Note, which will generate $400 million in financing for sustainability upgrades in office, industrial, and multi-family residential buildings—a top source of greenhouse gas emissions.

"We are pretty far off our climate

goals, so we need some big solutions," said Justin Conway of Calvert Impact. "Through these green bonds, we are trying to change the way we build to a new low carbon standard."

So far, the program has saved $21.5 million in energy costs and 82,856 metric tons of carbon emissions through efficiency upgrades at the Coliseum Building in Minneapolis, apartment buildings in Cleveland, Cincinnati, Milwaukee, and San Antonio; and

> *"A lot of auto financing either hides fees or has predatory fees or interest rates. We can actually prove that our auto loan borrowers saved an average of 8.32% in interest after refinancing with us."*
> *—Monique Johnson, Beneficial State Bank*

a solar array at an office building in Euclid, Ohio, among other projects.

Beneficial State Bank is also investing in the environment through its new location at Altasea, a unique public-private ocean institute that brings together science, business, and education at the Port of Los Angeles. The bank's commercial loan hub, literally working out of a shipping container, will provide financing for nonprofits and businesses that operate in the burgeoning "blue economy."

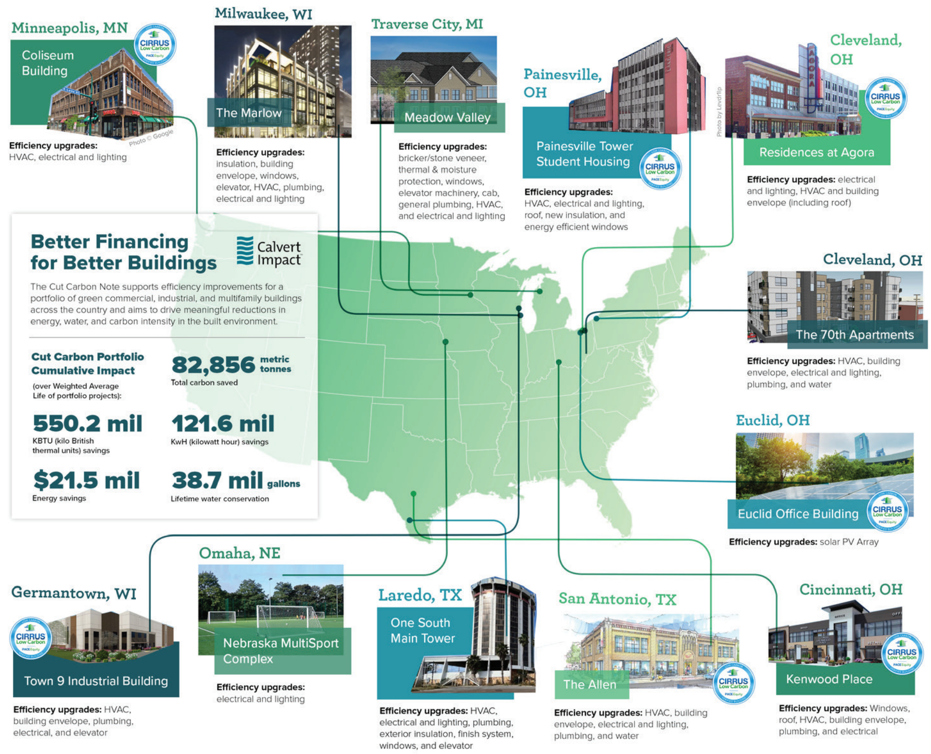
Beneficial also has loan offices at the Los Angeles Cleantech Incubator, Seattle's Bullitt Center, and Portland's PAE Living Building.

"All of these locations pick and choose their tenants, we we're thrilled to be part of that ecosystem," said Monique Johnson of Beneficial. "That's where we need to be—those are our people."

Future directions

Interest in community banking and investing has skyrocketed in recent years, especially among women and young people.

"Every two years, we do an investor survey, and we've always seen high



Calvert Impact's Cut Carbon Note has financed energy upgrades in buildings across the country. Photo credit: Calvert Impact.

interest in impact investing," said Justin Conway of Calvert Impact {GBN}. "But this year the number of investors who said they actually made an impact investment jumped from 19% in 2020 to 59% in 2022. That's almost a three-fold increase in two years."

> *"Every two years, we do an investor survey, and we've always seen high interest in impact investing… This year the number of investors who said they actually made an impact investment jumped from 19% in 2020 to 59% in 2022. That's almost a three-fold increase in two years."*
> —Justin Conway, Calvert Impact

For Daniel Martinez of Self-Help, the biggest emerging trend is young home buyers coming into the market. "They don't have $20,000 to $30,000 fresh out of college," he says, but Self-Help's Equity Boost program can help them qualify.

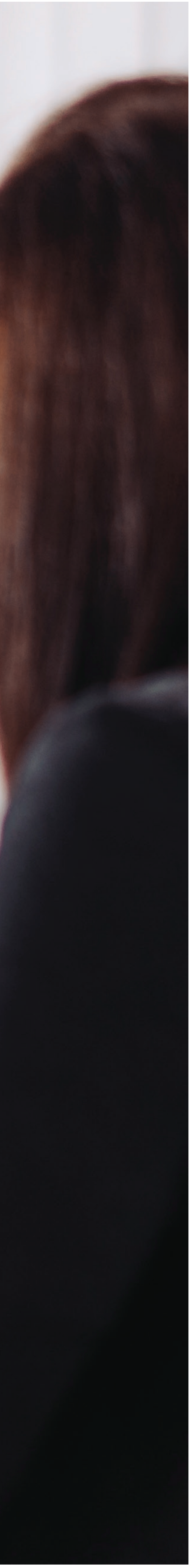
Self-Help is doing outreach at historically Black colleges and universities (HBCUs) to reach young borrowers. "We're trying to reach particularly Black and Latino young people so they can start building equity in their homes and wealth at a much younger age," Martinez said.

Danielle Burns, head of business development for CNote, and a Green America board member, also sees a higher interest in impact data measurement and reporting. "Clients are seeking greater transparency around where their dollars sleep at night and want tangible stories on how those dollars are impacting communities," Burns said.

Impact is also important on the personal level, Self-Help client Erika Allen said. She hopes to pay forward the help she got for her mortgage to her community by partnering with Self-Help to offer financial counseling and technical assistance to other first-time home buyers at a new community education center.

"I wanted to go through the process so I could help support other team members get these resources," Allen said. "It always helps me when I know I'm helping other people."

5 Ways Community Development Lenders Can Increase Racial Equity



These best practices can help CDFIs serve communities under-resourced due to systemic inequities

With roots in the civil rights, anti-poverty, and other progressive movements, the mission of Community Development Financial Institutions (CDFIs) is to create more equitable access to financial products and services, particularly for low-income neighborhoods and communities of color which have faced discriminatory financial policies. CDFIs operate within a financial system steeped in a history of racial discrimination and they work to correct injustices.

Racial inequities in lending are well documented. For example, entrepreneurs of color are more likely to be denied loans—Black borrowers are turned down 38% of the time, followed by their Latino (33%), Asian (24%), and white (20%) counterparts, according to the 2022 Small Business Credit Survey. Even when entrepreneurs of color are approved for loans, they usually don't get the full amount they sought. That has led many Black entrepreneurs not to apply for loans at all.

To help CDFIs address these patterns of injustice, the Nonprofit Finance Fund (NFF) and Capital Impact Partners studied how CDFIs in six states work with nonprofits and center communities of color in their lending and investments. The result is the Catalyzing Finance for Racial Equity Report, which explores five building blocks to advance racial equity in CDFI lending.

"Advancing racial equity requires that we listen to communities of color and constantly interrogate and improve our practices and policies," said Aisha Benson, CEO of NFF. "By sharing our experiences of what's working and what isn't, among peer CDFIs, we can speed progress toward shared equity goals."

The five building blocks and recommendations to enact them include:

COMMUNITY TRUST

Show a commitment to racial equity and communities of color by attending business events, ribbon-cuttings, local fairs, networking events, and the like. Build relationships with other organizations that have earned trust with potential borrowers. Be accountable to your own racial equity goals as well as to outside stakeholders. Building trust is not easy or fast but is foundational to everything else.

CLIENT SERVICE ORIENTATION

Know who your target clients are and have honest dialogue with them to learn what they want and need. Deliver targeted, community centric services in a respectful way that makes continued dialogue possible. Be transparent in explaining processes, provide timely decisions, and if you have to say no to a borrower, provide other resources and referrals so the person can learn how to qualify for a loan.

CUSTOMIZED TECHNICAL ASSISTANCE

Design technical assistance offerings such as business planning, marketing, or skills training based on knowledge of the communities being served. Provide in-house assistance and develop partnerships with other local providers. Don't rely on general best practices or programs that worked elsewhere. Talk with your clients to build an understanding of what they need.

FLEXIBLE SOLUTIONS

Take a "total return" approach to investing, that considers not just interest on a loan, but how clients can leverage loans for additional funding to increase social and economic impact. Constantly assess loan structures to fit client and community needs. Be flexible in loan structure and terms. Offer payment options beyond simple interest rates, such as revenue-based financing, project-based return, or other non-traditional structures. Dismantle non-race-informed lending policies to deliver more capital to communities of color.

APPROPRIATE INTEREST RATES

Too often, interest rates for CDFI loans are higher than for loans from a commercial bank. This conflicts with the CDFI mission of serving communities that have been discriminated against and economically marginalized. One way CDFIs can proactively seek to lower interest rates is by applying for grants to support special loan products or test innovative programs that may be riskier. A willingness to pursue cheaper capital demonstrates a commitment to racial equity and to communities that have been underserved and underestimated.

Learn more about the Catalyzing Finance for Racial Equity Report.

Vote with Your Dollars for a Better World

Whether your financial assets are small or large, your money makes a difference. Where you bank, what you invest your retirement and other funds in, and how you vote on shareholder ballots can all support people and the planet.

If you want to

- Get problematic industries like tobacco, fossil fuels, weapons, and others out of your portfolio.
- Invest in forward-thinking companies on the cutting edge of green technologies, like renewable energy, water purification, and responsible waste management.

Try Screening

What is it?

Screening is making the choice to include or exclude investments in your portfolio based on social and environmental criteria.

Avoidance screens mean that investments that violate your social and environmental criteria are kept out of your portfolio.

Affirmative screens seek out investments that support business practices that work to advance a more just and sustainable world.

Scale

As of December 2022, U.S. investors have put $8.4 trillion into vehicles managed with sustainable investing strategies. This represents 1 in 8 dollars of total U.S. assets under professional management, according to the Forum for Sustainable and Responsible Investing, or US SIF.

Get Started

Do research and screen your own investments or hire a socially responsible financial advisor to help you. Find one in the "Financial—Advisors & Planners" category at Green America's GreenPages.org.

"The very act of buying a portfolio that's more consistent with goals of universal human dignity and ecological sustainability changes the conversation. It expands the mission of companies. 120-plus global stock exchanges have joined the Sustainable Stock Exchanges Initiative, which means that over 60,000 companies now attempt to track their impact on people and the planet. Those things never would have happened had just Wall Street been their shareholders."

—Amy Domini,
Domini Social Investments {GBN}

A woman chooses produce at a farmers market stand. From everyday purchases like groceries to investment choices, your dollars have power. Conscious consumerism is a viable way to make an impact on social justice issues, environmental pollution, and health concerns. To make the most impact, divest from irresponsible companies, vote your shares, and put your dollars to work for community investment and growth.

If you want to

- Use your investor power to pressure irresponsible corporations to clean up their acts.

Try Shareholder Activism

What is it?

Shareholder activism/advocacy describes the actions many investors take to press corporations to improve their environmental, social, and governance (ESG) practices—using their status as part-owners of companies as leverage.

Shareholders, generally in coalition, may start out by dialoguing behind the scenes with corporate management to ask for change.

If dialogues don't work, shareholders may introduce a shareholder resolution, which is a formal request to corporate management to change company policies or procedures. All shareholders may vote on shareholder resolutions through a proxy ballot mailed or emailed to them, or in person at a company's annual meeting.

Scale

Investors controlling $3 trillion in assets filed or co-filed shareholder resolutions on ESG issues at publicly traded companies from 2020 through 2022, according to the 2022 Report on Sustainable, Responsible and Impact Investing Trends produced by US SIF. Investors have filed over 542 environmental, social, and governance resolutions the 2023 shareholder season, according to Proxy Preview, a comprehensive database published by As You Sow, Sustainable Investments Institute, and Proxy Impact.

Get Started

If you own stock, look for a shareholder ballot to arrive in the mail in the spring, and vote in favor of social and environmental proposals. Visit Green America's annual shareholder roundup on our key issues.

"Through dialogue, shareholder proposals, and other channels of communication, investors serve as an important catalyst for strengthening ESG policies, practices, and performance, as well as improving corporate social and environmental impacts."

—Jonas Kron,
Trillium Asset Management {GBN}

If you want to

- Put your money to work by helping to give people the resources they need to succeed.
- Move your money away from predatory megabanks that heavily fund fossil fuels, and toward institutions that are doing good, especially in communities that have been economically marginalized and underserved due to discriminatory policies and practices.

Try Community Investing

What is it?

The simplest method is to open accounts in a community development bank/credit union.

Community-investing vehicles maximize the social impact of your investments, providing capital to people in the US and abroad who are under-served by conventional banks.

Other options include CDs and money-market accounts in a community-investing bank or credit union, community-investing loan funds and venture capital, and mutual funds with community investments in their portfolios.

Scale

Thanks in part to Green America and US SIF's publicity campaigns, the community investing field has grown from $5 billion in 1999 to $458 billion currently, according to the US SIF 2022 Trends Report. This sector has experienced rapid growth especially in recent years, growing over 1000% in the last 12 years (from $41.7 billion in 2010).

Get Started

Find a community investing bank, credit union, or loan fund in Green America's Get a Better Bank Database.

Find more community investments in the "Financial—Community Investments" category at GreenPages.org.

> *"Mission-driven financial institutions like HOPE offer a tremendous return on investment. Over the course of nearly three decades, HOPE has generated $3.7 billion in financing that has improved conditions for more than 2.6 million people across the Deep South. When historically under-resourced people have the right tools, families and communities thrive, and the entire nation benefits."*
>
> —Bill Bynum,
> Hope Credit Union {GBN}

If you want to

- Send a message to an entire industry that it's not sustainable.

Try Divestment

What is it?

Divestment means pulling all of your money out of a particular investment or industry.

The goal is to send a market signal to a company, industry, or government that its actions are not sustainable or acceptable, and their investors and customers want them to change course.

Scale

As of April 2023, 1,560 institutions representing over $40.51 trillion in assets have made a fossil-fuel divestment commitment, according to the Stand.Earth Global Fossil Fuel Divestment Commitments Database. These include faith-based organizations, educational institutions, philanthropic foundations, pension funds, governments, for-profit corporations, and more.

Investors have divested $4.8 billion from private prisons as of 2019, according to Freedom to Thrive.

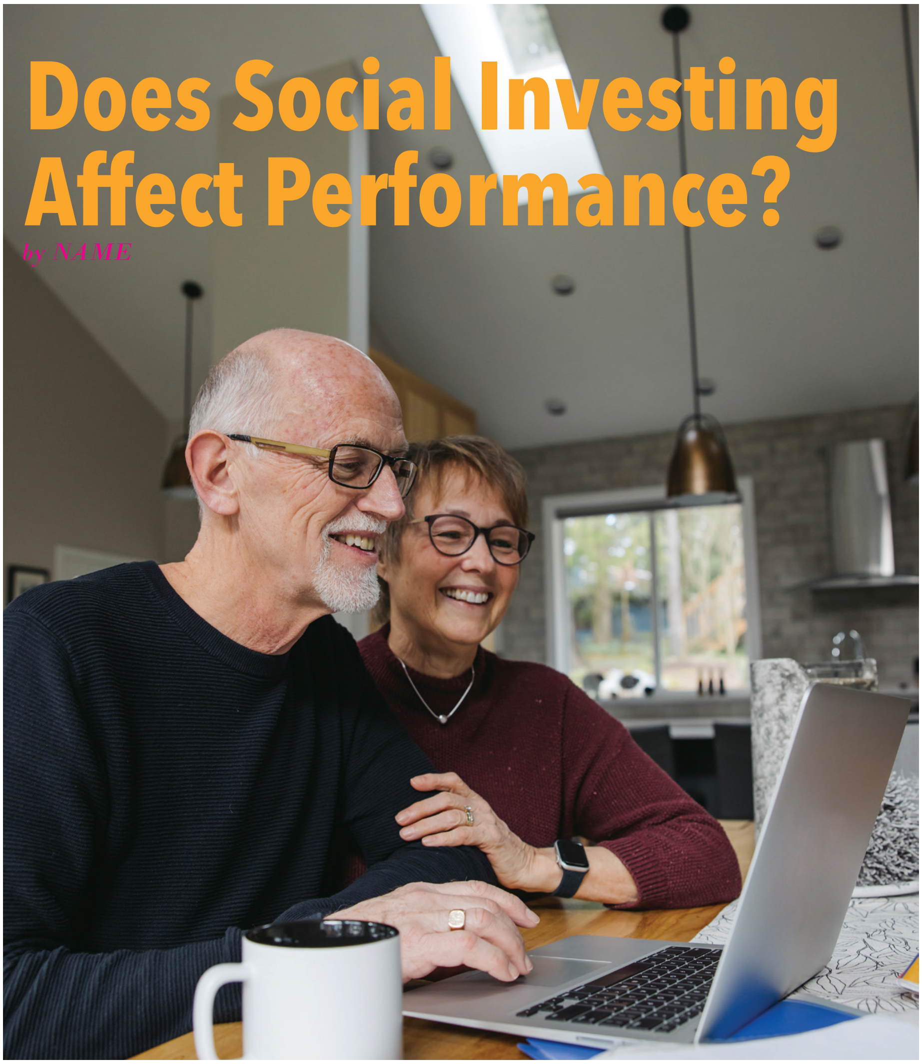
Get Started

Join the Fossil Fuel Divest/Invest campaign and pull your money out of the top 200 fossil fuel companies. A good financial planner can help. You can also check As You Sow's Invest Your Values website to find out if your mutual funds or ETFs are invested in a problematic industry, and to find top-scoring funds.

> *"Divestment is a powerful strategy, used after other strategies have not achieved the change needed. By pulling assets out of a country, industry, or company, investors declare that entity a pariah, and acutely raise the stakes for the continuation of the unacceptable conduct or policy. Divestment shines a spotlight on an issue that can no longer be ignored, intensifying the pressure for change."*
>
> —Fran Teplitz,
> Green America executive co-director 2000-2023

Does Social Investing Affect Performance?

by NAME



TERMINOLOGY

SRI… ESG… sustainable investing… we know what it is, but what do we call it?

Socially responsible investing began in the US investment industry as early as the 1950s with churches and unions that screened their investments and shareholder activism around environmental, civil rights, and weapons holdings. Centering on values, the idea was to use your assets to create a better world.

The concept is even older, if we look at biblical and Indigenous Peoples' teachings about building and stewarding wealth.

As SRI became more systematic and formalized, the term "ESG investing" came into use, with the idea of applying more measurable standards for environmental, social and corporate governance conduct.

Whether called SRI, ESG or another name, this approach to investing always centers on risks to people and the planet and on financial performance.

Whatever term you use, it's clear that responsible investing works—and is here to stay nationally and globally.

You know by now that socially responsible investing (SRI) does make a difference in the world, but perhaps you're wondering what kind of financial difference it will make in your portfolio. Will you sacrifice financial returns if you align your investments with your values?

The evidence, amassed through hundreds of studies, shows that historically SRI investments have performed as well as or better than their conventional counterparts.

For 15 years (from 2007-2022), financial studies have been confirming what green investors already know: that investing to support people and the environment makes financial sense.

For example, Morningstar's 2022 Sustainable Funds US Landscape Report found that most sustainable funds delivered stronger total and risk-adjusted returns than their conventional counterparts. "Slightly more than half of sustainable funds finished in the top half of their Morningstar Category, led by equity funds," the report said. Data for the previous five years showed even better results—the returns of 74% of sustainable funds ranked in the top half and 49% in the top quartile returns.

In 2021, a study from Morgan Stanley Institute for Sustainable Investing found that in a year marked by volatility and recession, funds that focused "on environmental, social and governance (ESG) factors, across both stocks and bonds, weathered the year better than non-ESG portfolios." The research looked at more than 3,000 mutual funds and exchange-traded funds (ETFs) and found that sustainable funds performed better than non-ESG funds in 2020 and 2019.

A meta-analysis by the NYU Stern Center for Sustainable Business of over 1,000 studies on ESG and financial performance between 2015 and 2020 found that 59% of sustainable investments showed similar or better performance compared to conventional investments, while only 14% performed worse. "ESG investing appears to provide downside protection, especially during social or economic crises," the study concluded.

Even back in 2007, a report by the United Nations Environment Programme Finance Initiative analyzed academic work and key broker studies, finding that SRI investment strategies had competitive performance with non-SRI strategies.

An additional compendium of SRI performance research is available at ussif.org/performance.

Conclusion:
You can do well by doing good with SRI.

Big Banks are Driving Climate Chaos

Rabbi Laura Bellows with the Jewish climate group Dayenu and Fran Teplitz with Green America. March 21, 2023.

BUT YOU CAN BANK BETTER

By moving from a Wall Street bank to a community bank or credit union, you can ensure your money is used for good.

by Cathy Cowan Becker

The 2015 Paris Climate Agreement was widely considered a historic breakthrough in putting the world on a trajectory to limit global warming to no more than 1.5°C, the level scientists say is required to prevent irreversible climate chaos.

Yet since then, the world's 60 largest banks have plowed $5.5 trillion into fossil-fuel financing, including expansion projects, tar sands oil, Arctic and Amazon oil and gas, offshore drilling, fracking, liquified natural gas, and coal mining, according to the 2023 Banking on Climate Chaos report. (The report is updated annually.)

Topping the list of banks at the root of climate chaos are the Big 4—JPMorgan Chase, Citi, Wells Fargo, and Bank of America—which together account for $1.37 trillion, or 25%, of all fossil-fuel financing since 2015. These four megabanks topped fossil-fuel funding in 2022 as well.

These banks are propping up corporations like ExxonMobil, Saudi Aramco, Chevron, BP, Shell, and ConocoPhillips—even as the fossil-fuel industry made a record $4 trillion in profits in 2022 due to high energy prices from the war in Ukraine.

No fossil fuel expansion

All this is happening in the shadow of the Intergovernmental Panel on Climate Change's March 2023 report, a "final warning" that the world must stop expanding fossil-fuel production if we want a chance of a livable planet. As Banking on Climate Chaos report put it: "No new oil and gas fields, no new coal mines, no new or expanded oil and gas pipelines, no new LNG terminals, no new coal-fired power plants."

The fossil fuel projects already in process—wells being drilled, gas being fracked, coal being mined—are more than enough to push the climate past 2°C of global warming, the Banking on Climate Chaos report said.

Much of current fossil fuel production, and any new projects, are stranded assets—meaning that fossil fuel reserves may be listed on a company balance sheet, but they can never be dug up and burned without causing climate catastrophe. The assets are stranded in the ground, making them a bad investment. Fossil fuel companies need to pivot to sustainable energy, which are investments that will generate returns into the future.

Green America was one of 623 organizations in 75 countries to endorse the 2023 Banking on Climate Chaos report. The report is authored by Rainforest Action Network, BankTrack, Indigenous Environmental Network, Oil Change International, Reclaim Finance, Sierra Club, and Urgewald.

Frontline and Indigenous communities

Central to 2023's Banking on Climate Chaos report are the stories of fossil fuel and climate impacts on frontline communities worldwide, from the United States and Canada to Argentina, Nigeria, Turkey, Uganda, Mozambique, Pakistan, Japan, Indonesia, the Philippines, and more.

For example, the Mountain Valley Pipeline—financed by Bank of America, JPMorgan Chase, Wells Fargo, PNC, and BNP Paribas—would carry fracked gas across 591 streams in West Virginia, Virginia, and North Carolina, through an Appalachian sacrifice zone already riddled with dirty coal and gas projects.

The participation and insights of frontline and Indigenous communities is essential to finding just, lasting solutions to the climate crisis. See "Indigenous Environmental Network outlines solutions" on the next page.

What banks must do

Not all banks are on the wrong path. Banque Postale, a public bank in France, shows change is possible. In 2021, after the International Energy Agency said worldwide investments in renewable energy need to triple, Banque Postale committed to end financing for all companies expanding oil and gas and to exit the fossil fuel sector completely by 2030. Crédit Agricole of France and Nordea Bank of Finland have made similar commitments on coal.

But other major banks, especially in the United States and Canada, lag far behind.

The Banking on Climate Chaos report makes five demands:

1. End all finance for fossil fuel expansion immediately.
2. Set emissions reduction targets for 2025 and 2030, with zero emissions by 2050 at the latest, based on absolute emissions reductions, not carbon offsets.
3. Require all fossil fuel clients to adopt robust transition plans aligned with a 1.5°C pathway.
4. Protect human rights and Indigenous People's rights, including Free, Prior, and Informed consent.
5. Scale up financing for a just and fair transition to local and distributed clean energy.

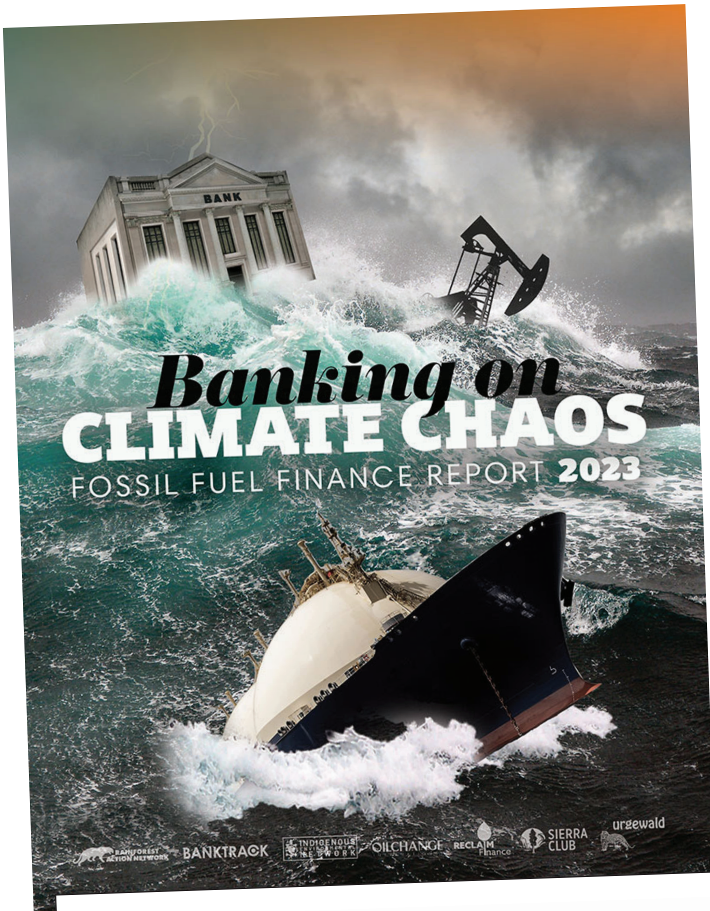
What can you do?

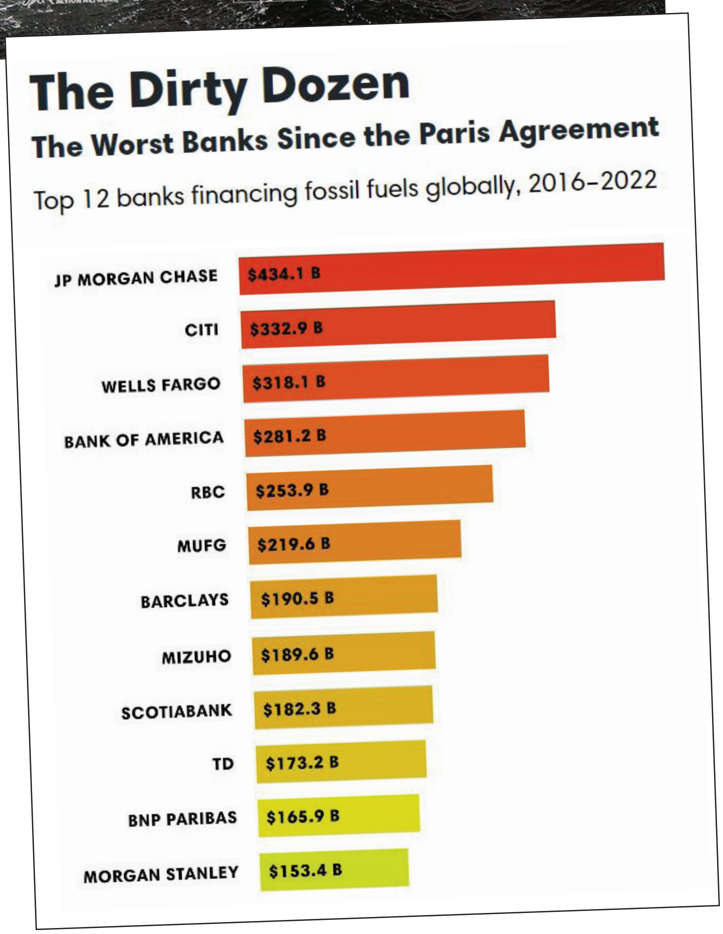
Find banks and credit unions that reflect your values at Green America's Get a Better Bank. The banks and credit unions on our map meet at least one of the following criteria:

- Federal certification by the CDFI (Community Development Financial Institution) Fund.
- Certification by Green America's Green Business Network.
- Membership in Inclusiv, which has the mission to help low- and moderate-income people and communities achieve financial independence through credit unions.
- Membership in the Global Alliance for Banking on Values (US members).
- FDIC-identified Minority Depository Institutions, meaning that the owners and/or board are members of a racial or ethnic minority and the customer base is predominantly minority.

Together, by using better banks while holding big banks accountable for fueling the climate crisis, we can build an equitable and sustainable economy based on respect for both people and planet.

> ***"The world cannot afford any fossil fuel expansion: no new oil and gas fields, no new coal mines, no new or expanded oil and gas pipelines, no new LNG terminals, no new coal-fired power plants."***
>
> *— 2023 Banking on Climate Chaos report*





Above: Banking on Climate Chaos, 2023

Indigenous Environmental Network Outlines Solutions

In a special essay for the 2023 Banking on Climate Chaos report, Tom BK Goldtooth (Mdewakanton Dakota and Diné) and Tamra Gilbertson of Indigenous Environmental Network outline what must be done to address climate chaos.

At the top of the list is a specific demand: Keep fossil fuels in the ground.

"We must restructure our social and economic systems, replacing the business-as-usual, fossil-fueled, extractive, throwaway economy with one that protects people and the environment," Goldtooth and Gilbertson write.

They point to carbon pricing, carbon offsets, carbon trading, and other market schemes as chief culprits in the continued burning of fossil fuels.

"From the United Nations (UN) to the state, 25 years of carbon games have not stopped fossil fuel extraction. Carbon accounting is in fact designed precisely so that polluters can continue extracting," they say.

Instead, Goldtooth and Gilbertson call for Indigenous peoples to lead future climate negotiations.

"We hold an estimated 80% of what remains of the Earth's land-based biodiversity in our lands and traditional territories. Without Indigenous Peoples protecting and maintaining ecosystems, climate change would have already caused widespread planetary collapse," they write.

Goldtooth and Gilbertson point to the increase in carbon offset markets under Article 6 of the Paris Agreement as especially threatening for the sovereignty and rights of Indigenous communities because it will set up the system for land grabs. "We … have serious concerns about how the UN will monitor the new carbon trading platform, what accounting system will track the market, who will control it, and what role the private sector will play," they say.

Carbon offsets are false solutions that do not reduce emissions, but instead deepen climate chaos, Goldtooth and Gilbertson write. Efforts to stop the climate crisis must be trusted to and led by Indigenous people who hold a spiritual relationship with the land, water, ecosystems, and all life. Strategies for system change must center Indigenous people's rights and keep fossil fuels in the ground.

10 STEPS TO BREAK UP WITH YOUR MEGABANK

Moving your accounts to a community development bank or credit union will ensure your money is doing no harm, and actually doing good.

Not all banks are created equal. Whichever bank you use, your money will be there when you want it. But while it's in your account, the bank can use your money how it wants, which could be aligned with your values, or not.

You can put your money to good use simply by doing your banking with a community development bank or credit union to meet all your regular banking needs, including accounts for checking, savings, certificates of deposit, loans and more.

Why are megabanks bad news?

- They may invest your money in industries you don't support, like fossil fuel projects, military development, or abusive sweatshops.
- They lent billions in predatory sub-prime mortgages that their borrowers couldn't repay, which led to the housing market crash in 2008.
- Their main objective is to make their Wall Street CEO and shareholders wealthier, too often ignoring harm to people and the planet.
- They don't treat people right. Megabanks have been ordered to repay billions of dollars wrongfully taken from consumers.
- They are bankrolling the climate crisis, as shown in Banking on Climate Chaos Report.

When choosing to have a checking or savings account at a community development bank or credit union, you are investing in a financial institution that supports communities, the environment, and your values.

Benefits can include:

- Creating good-paying local jobs.
- Supporting clean energy, fair labor, and food security in food deserts.
- Providing financial services to low-income people and investments in small business, affordable housing, and education.
- Investing in your local economy.
- More accountability to individual customer-members.

Take these steps to move your money from a megabank. The following steps will liberate you from your megabank. You can also download them as a poster if you'd like to share them widely with your community.

1 Find a new community development bank or credit union through Green America's Get a Better Bank. As you research your new financial institution, be sure to ask about fees, services, and the details about the banking products you need. Make sure to ask that the institution you select is FDIC- (for banks) or NCUA- (for credit unions) insured—which means the government will guarantee your deposits up to a certain amount, in the case of a bank failure.

2 Open your new account with a small deposit while keeping your megabank account open. Order the products you need such as checks, debit cards, and deposit slips.

3 Make a list of your direct deposits, like your paycheck, and automatic withdrawals, like your phone bill, that you want to transfer from your megabank to your new bank.

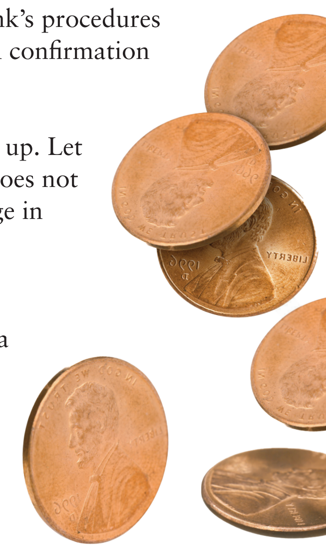
4 Move your automatic deposits to your new account. If you have direct deposit for your paycheck, ask your employer to transfer your paychecks to your new account, for which you will need your account number and routing number—which are on the bottom of personal checks or online when you log into your account, or you can call to ask. Social Security payments or other forms of income you receive automatically into your account will need the same information. Ask for the date on which the first payment to your new account will take place.

5 Move your automatic withdrawals to your new account (you will again need to provide the routing and account numbers). When you know that sufficient funds will be in your new account, transfer your automatic payments so they are now deducted from your new account. Ask for the date on which the payments from your new account will begin. It's wise to leave a small amount of cash in your megabank checking account for at least a month after you think you have shifted your deposits and withdrawals to your new bank or credit union to guard against any unforeseen circumstances like checks that hadn't yet been cashed or payments you forgot about.

6 If you only have online banking through your megabank, download bank statements and save them in a safe place or print them. Save them for your records and keep canceled checks you may later need.

7 Transfer the final funds from your mega-bank account to your new account—once you have all your automatic deposits and payments transferred and any last checks have cleared your old account. Electronic transfer of these final funds to your new account is usually the fastest and safest method to use.

8 Close your megabank account. Once the last remaining funds in your old account have transferred to your new account, follow the bank's procedures for closing accounts. Obtain written confirmation that your account is closed.



9 Inform your bank why you broke up. Let them know you chose a bank that does not invest in fossil fuel projects or engage in predatory lending practices.

10 Encourage your workplace, congregation, or alma mater to use a community development bank or credit union if they do not already do so. Also, if you are on the board of any nonprofits or live in a condo or housing co-op, encourage these organizations to switch too. For colleges and universities, and other endowed institutions, turn to the Intentional Endowments Network for information on using their investments and accounts to help communities and not hurt the planet.

BONUS STEPS!

Tell all your friends and family about your great new banking relationship and why you made the choice to switch.

Take action to put the rest of your money to work creating a greener planet by reading the rest of this *Guide to Socially Responsible Investing and Better Banking*.

Shareholder Resolution Highlights

If you have owned just one share of stock for two months, you can vote on a company's shareholder resolutions. It's a powerful way to make change.

By Jaclyn Greenberg

Shareholder action or shareholder activism, describes the efforts investors use to influence corporate behavior. Today, shareholders are more concerned than ever about how companies are being held accountable on issues such as climate change, reproductive health, political influence and human rights.

These environmental, social and governance (ESG) concerns, if not addressed properly, can create problems that harm people and the planet and that detract from shareholder value.

Investors can first share their concerns by speaking with management, but if that doesn't work, they will often introduce shareholder resolutions, or written requests to company management, that direct investors in the company (not through a mutual fund) receive and may vote upon.

Resolutions in 2023

According to the 2023 Proxy Preview, at least 542 shareholder resolutions were filed in 2023 on environmental, social and sustainable governance issues. This is on track to match or exceed 2022's unprecedented total of 627 resolutions.

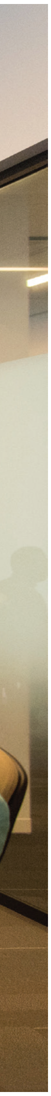
"The big thing that has changed is there is an enormous explosion of filings since 2021," says Heidi Welsh, executive direction of the Sustainable Investments Institute (Si2){GBN}, a company that conducts impartial research and publishes reports on organized efforts to influence corporate behavior on social and environmental issues, including the 2023 Proxy Preview. "Far more resolutions are going to vote than in prior years. Right now, people feel a sense of urgency. They are concerned that nothing is going to happen given the current divide in Congress."

Climate and Emissions

Of the 542 resolutions that have been filed, 122 relate to climate change and 72 are related to greenhouse gas emissions.

"Companies state that they are in alignment with the Paris Agreement, but what they say and do isn't consistent," says Tracey Rembert, shareholder

{GBN} Designates a certified member of Green America's Green Business Network



engagement specialist at Interfaith Center on Corporate Responsibility (ICCR){GBN}.

"Resolution-filers are looking for clear reporting on how the companies will be in compliance with the emission restrictions. If a company is in the news or elsewhere and inconsistencies pop up, their employees are not happy," Rembert says. "They want companies to be who they say they are. This includes LGBTQ+ support, gun safety, and any other concerns in the current policy arena."

Reproductive Rights

Another significant increase in proposals in 2023 relates to reproductive health care in response to the June 2022 US Supreme Court decision that prompted restrictions nationwide.

"The *Dobbs v. Jackson Women's Health* Supreme Court decision, which overturned *Roe v. Wade* last June, has exposed companies to a whole new world of complication and risk," says Shelley Alpern, director of corporate engagement at Rhia Ventures, a venture capital fund investing in women's reproductive and maternal health innovations.

Several proposals ask companies such as Alphabet, American Express, CVS Health, Laboratory Corp. of America and Paypal, how they will handle law enforcement queries about private health information. Some proposals request an increase in digital privacy policies, others relate to insurance coverage for reproductive health care and maternal health benefits.

Other Major Investor Concerns: Human Rights, Diversity, Lobbying

Since 2021, proposals have focused on racial justice in the US, taking inspiration from the Black Lives Matter movement. Resolutions ask for transparency in how racism affects company proceedings and request a more comprehensive assessment with how race and civil rights intersect with employment practices.

In 2021, 50 resolutions were filed related to transparency of diversity in the workplace, but these numbers are trending down, with 38 filed in 2023, partially because some companies have complied with the requests.

Another large increase in resolutions relates to political influence. Over 90 resolutions ask companies to be more accountable about their efforts to influence the political arena related to lobbying and election spending. Others relate to mismatches between corporate policies and the beneficiaries of their corporate donations and lobbying.

Aside from the large increase in ESG resolutions in the last couple of years, Wall Street is facing pressure from right-wing policymakers who are pushing laws to stop investors from considering ESG criteria during their decision making. If these continue to gain traction, it could hurt progress (see p. 4).

Despite the increase in anti-ESG policies, Welsh isn't concerned. "The anti-ESG proposals get a lot of attention, but it's a small part of the bigger picture. We need to put it in perspective."

What You Can Do

If you own stock directly: All shareholders who have held at least one share of company stock for two months or more may vote. This can be done either in person at the company's annual meeting or via a proxy ballot that is mailed or e-mailed to investors before the annual meeting. Green America has identified dozens of resolutions related to the green economy. You can either search by company or by issue of concern.

If you own mutual funds: Read online or call your mutual fund managers to better understand how your mutual funds vote on shareholder resolutions. You can contact the mutual fund company directly to say how you want it to vote. The more people who voice their views to mutual fund managers about supporting ESG resolutions, the better the chance of making change.

Other options: Write a letter to management in support of shareholder campaigns (anyone can do this). If you are an investor, attend an annual shareholder meeting and present your views. If you can't attend in person, loan your shares and have someone attend for you. This can be arranged ahead of time by writing a letter and sending a copy of proof of ownership and identification.

Finally, if you aren't comfortable having a company or certain industry sector in your portfolio, sell the shares. Divesting is another investing tool that can be powerful in making change.

> If a company is in the news or elsewhere and inconsistencies pop up, their employees are not happy. They want companies to be who they say they are.
>
> —Tracey Rembert, Interfaith Center on Corporate Responsibility{GBN}

ANATOMY OF A Proxy Ballot

Using the fictional Fizzy Cola Company, we walk you through a shareholder proxy ballot

Name of company and time/date of shareholder meeting– This information tells you when the annual meeting of the company in which you own stock will take place.

Voting instructions– In addition to marking the ballot and mailing it in, Fizzy Cola allows you to vote your shares by phone or Internet.

Your Vote– Consider and vote Directors, compensation and on each proposal. (Note that if you return an unmarked proxy ballot, your vote will default to management.)

To see if any of the proposals on the ballot are the result of a shareholder campaign, look up the proposal in the company's proxy statement.

It usually lists the sponsor (or "filer") of each resolution.

Executive compensation– Shareholder can vote on whether they agree with the compensation of the CEO and others as described in the proxy voting material.

FIZZY COLA MEETING TO BE HELD ON 5/07/2020
AT 10:00 A.M. PDT FOR HOLDERS AS OF 3/10/20
757814 136-0971

You may enter your voting instructions at 1-810-555-1212 or www.votehere.com up until 11:59 p.m. Eastern Time the day before the cut-off or meeting date.

CUSIP: 123456789 **CONTROL NO.:** 1234 4576 8910

DIRECTORS:
1–Directors recommend: a vote for election of the following nominees:
01–Joe Jones 02–Martha Brown 03–John Smith 04–Chris White

EXECUTIVE COMPENSATION:
2–To provide advisory approval of our executive compensation --->>

DIRECTORS PROPOSALS: **RECOMMEND:**
3–Shareholder proposal requesting indexed options -------w----------->> AGAINST --->>

4–Shareholder proposal requesting adoption of a safe chemicals policy ----->> AGAINST -->>

5–Shareholder proposal requesting recycled plastic target----->> AGAINST --->>

NOTE SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF.

DIRECTORS:
MARK "X" FOR ONLY ONE BOX

☐ For all nominees
☐ Against all nominees
☐ Withhold authority to vote for any individual nominee. Write numbers of the nominees below:

____

For Against Abstain
☐ ☐ ☐

PROPOSALS:
3– For Against Abstain
☐ ☐ ☐
4– For Against Abstain
☐ ☐ ☐
5– For Against Abstain
☐ ☐ ☐

Please indicate your voting selection by firmly placing an "X" in the appropriate box with blue or black ink only.

Place an "X" here if you plan to attend and vote your shares at the meeting ☐

Board-driven and shareholder proposals– Here is where you find proposed changes in company policy or operations, which come from either the board of directors or shareholders.

The first proposal is generally reserved for changes to the board of directors.

Note that board nominees are almost always board and management peers and insiders–nominees almost never come from shareholders.

Directors recommend– Here is where company managers try to sway you to vote in their favor.

They usually recommend voting AGAINST social, environmental, and other shareholder proposals.

If you plan to attend the annual shareholders' meeting, you can check this box and vote on the proposed resolutions in person, rather than voting on this proxy ballot. Be sure to check the box and send in the ballot if you plan to attend, however, and call investor relations before the meeting if you change your mind.

NEW APP MAKES ROCKING YOUR PROXY VOTES EASY

Voting on shareholder proxy ballots can be cumbersome and time consuming. Find out how a new app can streamline the process.

By Cathy Cowan Becker

If you own shares of stock in any publicly traded company, you have a voice in how that company is run.

Each year, hundreds of shareholder resolutions are filed on a wide range of environmental, social, and governance issues at companies across all sectors of our economy. Examples include asking companies to set goals to reduce greenhouse gas emissions, report on gender and racial pay disparities, disclose political influence spending, and more. (See p. 24.)

Any shareholder can vote on a company's shareholder resolutions —but the process can be cumbersome and confusing, especially if you own shares in a lot of different companies.

Now there's an app for that.

As You Vote launches

As You Sow, the nation's leading nonprofit shareholder advocacy organization, has introduced As You Vote, a program to help individual and institutional investors vote on shareholder resolutions for companies in which they own stock. Individual shareholders can cast proxy ballots through an app platform called iconik.

"Every individual shareholder can now express their voice in shareholder democracy and vote for justice and sustainability on every item of every ballot," says As You Sow's CEO Andrew Behar. "Most individual shareholders stay on the sidelines and don't vote because they are overwhelmed by complicated ballots. … Now anyone can take the field and impact corporate proposals on climate change, racial justice, political spending, and other critical issues."

Shareholder ballots—called proxy ballots because they are voted remotely by proxy rather than in person at the company's annual meeting—are emailed or postal mailed to shareholders. Anyone who owns stock in multiple companies can quickly be overwhelmed with proxy voting messages. Proxy ballots can be confusing, and it can take time to research the details of every resolution.

AUTOMATICALLY VOTE YOUR SHARES FOR CLIMATE ACTION AT ICONIK.COM/AS-YOU-SOW

As You Vote streamlines the process by setting up proxy votes in the app on a wide range of shareholder resolutions according to guidelines developed by As You Sow and Proxy Impact, a proxy voting consulting service that promotes responsible business practices. The app is informed by scorecards and ratings on topics such as racial justice, workplace equity, clean corporations, and overpaid CEOs.

When you sign up for As You Vote, it links to your email to send a copy of your shareholder ballots to the app. You retain full voting control and can change recommended votes if you like, or you can vote the slate set up in the app. You can also upgrade to the paid version of the app ($5 per month) to set up your own customized voting profile.

Individual investors can have a big impact

Individual investors hold 25% of all public equities, more than the total ownership of BlackRock, Vanguard, and State Street (three of the biggest institutional investing firms) combined. But until now, it was easier for large asset managers to vote large numbers of proxies, giving their priorities an advantage over individual shareholders in shareholder resolution votes.

As You Vote helps correct this imbalance by boosting the votes of a larger, more democratic, and more diverse group of shareholders for social justice and a stable climate–individual shareholders with values like yours.

"This new technology is fully democratizing the public markets, and there's no going back," says Behar. "A new generation of investors is demanding to be heard and we are handing them the megaphone."

As You Vote also allows institutional investors such as asset managers, endowments, and foundations to vote their values on proxy ballots through the Broadridge ProxyEdge platform.

Visit the ikonik app for more information on As You Vote individual investor platform. Third Act, a responsible finance group, also has a different version of this app.

Download the app today to be ready for the 2024 proxy season!

SOCIAL INVESTING **at Every Age**

Advice for saving your money in ways that help people and the planet— for every decade of your life.

by Eleanor Greene

If you ask multiple financial advisors for generalized advice on money matters, they'll likely tell you that every person's finances are different and ever-changing based on goals and plans. If they're advisors who specialize in socially responsible investing (SRI), they'll also agree that no matter how much money you have, you can use your money to support sustainable business practices and local economies.

That said, Green America pinned a few of them down on general financial and SRI advice for every decade of our lives, based on where the average person is at each stage. Use it as a rough guide to maximizing the power of your investments as you go through life.

In Your 20s

People in their 20s tend to have:

- Varying amounts of debt, including student loans.
- An entry-level salary in their field.
- Fewer expenses (may not have kids, etc.).
- Beginner-level knowledge and comfort level with investments.

Start saving early:
People in their 20s may feel that the need to save for retirement is less urgent, since it's 40-plus years away. However, Steve Dixon, principal and investment manager at Birchwood Financial Partners {GBN} says it's critical for young people to start saving.

"My parents, the Baby Boom generation, didn't need to figure this stuff out like younger generations will need to. Pensions were more prevalent and Social Security was viewed as more secure," Dixon says. "Nowadays, few can count on a pension and changes to Social Security seem inevitable. It's much more critical that young people save for retirement. The nice part is that there are lots of ways to do it."

Save as much as you can: Elizabeth Warren, Massachusetts senator and bankruptcy expert, coined the "50/30/20" rule of budgeting, which suggests you should keep your necessary costs to 50% of your after-tax income, spend up to 30% on "wants," and sock 20% into savings. When you're just starting out in the working world, 50/30/20 might be more of a goal than a reality, but make a point to save as much as you can until you can reach 20%.

Make saving routine:
Steve Dixon says your financial plan in your 20s should emphasize making saving for retirement part of your routine.

"It's like exercising or eating right; if you build it into a routine, it's so much easier than if you put it off," he says. "Don't wait until you have money to put away, because invariably, we never feel like we have enough money to put away."

Young women need to save even more. Not only do women make less money than men over a lifetime, but they live five to six years longer – meaning they will need more savings for their retirement.

Get involved in your workplace retirement account:
The easiest place to start saving is at work: If your employer offers a retirement savings account and will match a portion of your savings, take advantage of that—it's free money! Make sure to save at least the amount that earns you the maximum employer match. If your employer does not offer a retirement account, you can open your own IRA or Roth IRA instead.

Invest intentionally:
Julie Gorte, senior vice president for sustainable investing at Impax Asset Management {GBN}, advises investors to align their investments with their values, such as support for women's and LGBTQ+ rights. "When it comes to investors with an interest in gender lens investing, we tend to see them want to invest in companies with greater diversity in leadership or ownership and in companies creating products or services that positively impact women and girls," she says.

Considering SRI

Break up with your megabank:
The easiest thing to do to use your money for good is to switch banks. Break up with your megabank, if

{GBN} Designates a certified member of Green America's Green Business Network

you belong to one, and choose a community investing bank or credit union. The federal government provides certification for community development financial institutions. Check out Green America's Get a Better Bank database to find a community development bank or credit union near you.

Community investing banks and credit unions are known for treating customers better and generally charging lower fees than megabanks. Most allow the same convenience of online banking that a megabank would have.

Where does the socially responsible part come in? Community investing banks and credit unions have a mission to use their money to lift up low- and middle-income communities. For example, Wells Fargo lends its money to fossil-fuel projects, while many community investing banks make a point of avoiding fossil fuels, instead lending money to foster local businesses, support people trying to buy homes, and more. Community investing banks and credit unions are federally insured, which means they're just as safe as a megabank or your local bank.

Get SRI into your workplace retirement account:
Ask your employer if socially responsible funds are included in your workplace retirement account. If they aren't, ask your employer to consider adding them.

In Your 30s

People in their 30s tend to have:

- Less debt.
- A higher salary than in their 20s.
- Growing expenses, from buying a home, growing a family, etc.
- Some retirement savings.

Set aside an emergency fund:
The investment advice site Betterment.com recommends making sure you have an emergency fund by your early 30s. Most experts recommend setting aside at least six months' worth of your salary in a savings account, in case of illness or job loss, for example.

Don't cash out retirement accounts:
People with even a small amount of retirement savings shouldn't cash it out early, an article from Money Magazine warns. When you cash out a 401(k), the government takes out extra taxes, so a $5,000 balance could turn into $3,500 cash. If you leave your retirement accounts alone, you keep the money growing.

Reconsider your savings:
As you age, make a point to divert as much as you can into retirement and other savings. Increase your contribution to your workplace retirement account, which you can have your employer automatically pull from your paycheck. And have your bank or credit union automatically divert money from your checking account into savings every paycheck, as well.

Consider mutual funds:
If you didn't in your 20s, start investing some of your savings in a mix of mutual funds across asset classes in your 30s. At a younger age, you can be more tolerant to risk since you have time to absorb any losses, but by your 30s you'll need to start earning the returns needed to retire later in life. As a general rule of thumb, the higher the risk, the more potential for greater returns.

Considering SRI

SRI mutual funds:
Generally, socially responsible mutual funds do as well or outperform the general market (see p. 18), making them a great option for green-minded people in their 30s who want to get started investing outside of a retirement account.

Look for socially responsible mutual funds, such as those listed in the "Mutual Funds" category at Green America's Green Pages Online. Mutual funds offer automatic diversification, which can help minimize risk, and most types are actively managed.

A socially responsible financial advisor:
Your life is likely to go through some big changes in your 30s. You may get married and/or start a family, and you may buy your first home. Consequently, your finances will go through some big changes as well. A financial advisor can help you navigate these changes. Look for a socially responsible financial advisor, who can offer general financial advice and help you invest your money in line with your values.

Community investing:
Your 30s may be a good time to maximize the social aspect of your portfolio and move some of your money into community investments that go beyond banking. These investments help finance community-building projects in the US or elsewhere in the world. They may help people build houses, install renewable energy, start small businesses, or otherwise help lift up local communities.

Calvert Impact {GBN}, for example, offers Community Investment Notes, which put your money into a pool of community development projects across the US and around the world—from loans for women-owned small businesses in Tanzania powered by solar to loans for affordable housing in Baltimore.

"Community investing is an important part of every portfolio and can play a key role in diversification," says Cathy Cowan Becker, Green America's responsible finance campaign director.

In Your 40s

People in their 40s tend to have:

- The highest wages of their careers.
- Long-term loans from big purchases.
- Established retirement savings.
- A need to continue saving for big purchases/ children's needs, like college.

Max out your retirement savings:
Advisors at Bankrate.com recommend making the maximum annual contribution possible to your retirement savings in your 40s, if you aren't already.

For example, for the 2023 tax year, the maximum annual contribution to a 401(k) was $22,500.

Consider individual stock investments:
If you haven't already decided to invest in individual stock, your 40s could be a good time to do so. Buying individual stock has more risk than investing in mutual funds, but the rewards can be greater if the company does well.

Considering SRI

Screen your stock investments:
Research companies before buying stock in them to ensure they're socially and environmentally responsible. Purge any companies from your portfolio that you find are poor corporate citizens. A socially responsible financial advisor can screen your holdings for you.

"It is critical we start to be more intentional with our investing – because all investing makes an impact," says Julie Gorte of Impax. "We see many women and the next generation already doing this. They recognize the need to be intentional with their investments and where their capital is going and who they are investing it with."

Become an active shareholder:
If you hold stock, you'll receive a shareholder proxy ballot every spring. Vote your proxy ballot in favor of social and environmental

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shareholder resolutions (see p. 26). Mutual fund managers receive and vote the proxy ballots for their stock holdings, and they must disclose those votes on the fund website. If you disagree with how one of your mutual funds voted on a particular ballot, call the investor relations department and let them know.

In Your 50s

People in their 50s tend to have:

- Peak savings and investments.
- A short "time horizon" until retirement.
- A continued need to help children with college, plus assist aging parents with health and other issues.

Consider lessening your investment risk:
As you start to think about retirement in the next decade or so, it may be time to shift your investments to be more conservative. Bill Holliday of AIO Financial uses the term "time horizon" to talk about how much time people can keep their money in an investment before they need it back.

"We don't want to be forced to sell out of a volatile market when markets are down. If you have a short time horizon or don't tolerate much risk, you want to have a good amount in fixed, stable investments," Holliday says.

Consider your personal time horizon until retirement and check with a financial advisor to see if lessening investment risk is right for your portfolio.

Consider increasing your retirement contributions:
In 2023, the 401(k) contribution limit for employees went up to $30,000 per year for people over 50. If you weren't able to invest as much when you were younger, now is a good time to catch up.

Considering SRI

Find lower-risk socially responsible investments: Just because your investments may be getting less risky doesn't mean you have to compromise on your values. No matter what your risk tolerance and time horizon, you or a financial planner will still be able to find socially responsible alternatives that fit with your needs.

Government bonds and certificates of deposit (CDs), for example, offer fixed returns and less risk for investors. Money market funds, or pools of CDs, bonds, and certain other investments offer automatic diversification and reduced risk.

SRI At Retirement (65+)

At 65, you might be setting the date for your retirement, or be retired, and you're starting to withdraw from your savings and investment accounts. (Be sure to read up on the requirements for starting such withdrawals, to avoid fines or penalties.)

Considering SRI

Although you may want to reduce your investment in stocks, consider that you may well live 20 to 30 more years and you'll need to continue increasing your assets to meet your needs. Socially responsible funds are a good option as they tend to be less volatile and reduce risk.

Steve Dixon suggests reconsidering community investment notes, which generally have a lower level of risk, when you retire.

"If I know I'm going to need that money within 18 to 24 months, if I'm being prudent, I shouldn't be taking a lot of risk," he says. "I want it in something secure."

Community investments can deliver social impact while simultaneously being available for the near term. Many community investments allow you to choose an investment term of anywhere from one to 15 years.


Did you know that you can leave a legacy gift to Green America without updating your will?
With just a few easy steps you can name Green America as a full or partial beneficiary of your retirement plan, IRA, donor-advised fund, life insurance, or savings account.
It's an easy and effective way to support a just and sustainable future.
Contact your plan administrator, bank, or insurance company for a change-of-beneficiary form, fill out the form and select the amount or % you wish to leave to Green America, and return the signed form.
It's as easy as that!
Forms are generally available online and in many cases you can complete the entire process online!
Questions? Contact Kathy Harget, Director of Organizational Advancement:
202-872-5330;
kharget@greenamerica.org
Green America®