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Investing with Impact

Transforming the World
Through Intentional Investments
and a Jewish Faith Lens



Jewish Foundations: Restorative Economics in Investing

- Judaism has no concept of unlimited private property; the Sages of the Talmud messaged the value of *yishuvo shel olam* – sustainable global development
- Part of our wealth is granted to us by G-d to assist others, execute justice, and protect the environment
- The Talmud allows for investment profit but teaches balance with equitable sharing of risk
- Business ethics in Judaism: Over 100 of the 613 commandments focus on ethical business practices (compared to 28 for kosher food)



Your Role: Understanding the Power of Investment Capital

- Investment capital has the potential to transform the world, for better or worse
- It is a powerful tool for financing and scaling solutions to global problems, more powerful even than the money we spend as consumers and the money we earn as workers
- Embracing our agency and power in finance is crucial
- Consider how your investments align with your personal values and goals and with those of our community (Climate Action Plan and more)



Examining Tools for Impact: Where Are You a Stakeholder?

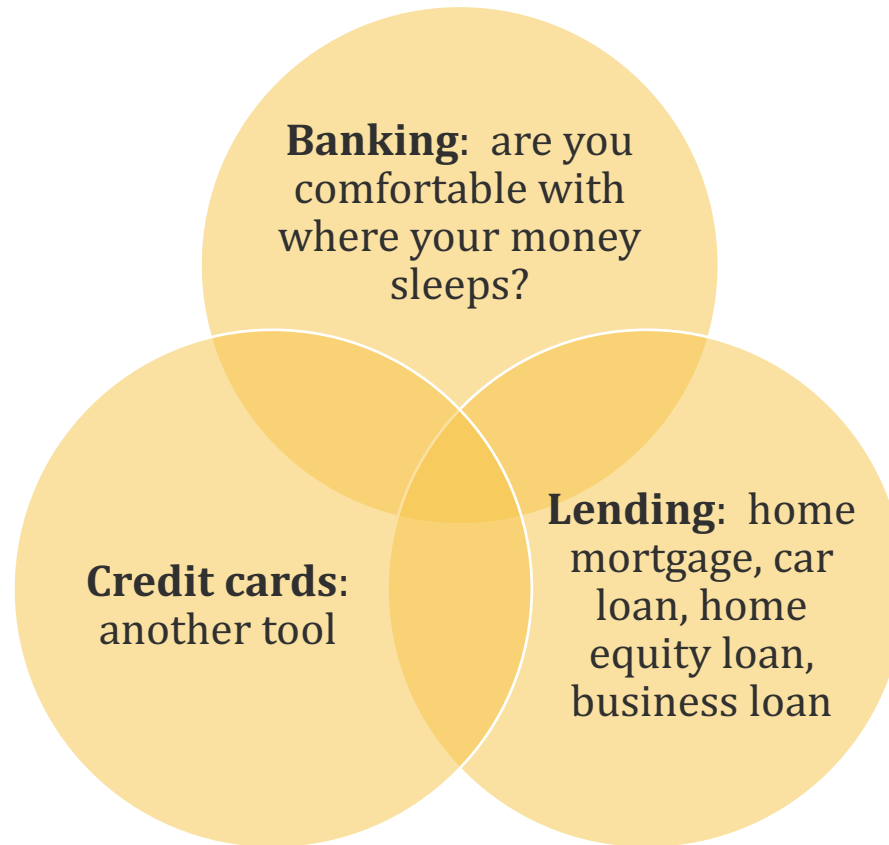
Personal investment power

- Savings
- Credit cards
- Financial advisors
- Negative screens
- Shareholder advocacy
- Place-based (local) investing
- Issues-based investing

Areas of influential power

- Work
- Neighborhood
- Where you spend
- In your volunteer spaces
- Your political representatives
- Your social media voice

Taking Action: Banking and Lending



See resources at the end of this presentation

Taking Action: Public Markets

Jewish wisdom holds that how we make money is as important as how we give it away

Negative screens

- Fully 40% of the S&P500 is owned by seven companies
- Earliest faith-based efforts to align values with investments were negative screens – what not to invest in

ESG

- Environmental, Social, and Governance matters – and they do matter, to financial performance and broader impact
- Socially Responsible Investing, UN Principles of Responsible Investing

Shareholder advocacy

- Proactive screens – what to invest in, which companies to support
- Using shareholder voice to advocate for change or improvements

Financial advisors

- Do they understand and can they address your desires for impact?
- Do they represent the diverse perspectives closest to the challenges you wish to address?

Taking Action: Climate Change

Did you know...

1/3 of all human-generated fossil fuel emissions have been released since 1990, and a full 1/3 since 2005?

Over half the world's single-use plastic waste comes from just 20 companies?

The Middle East is the place on Earth that is the most sensitive to climate change after Antarctica?

The four largest US banks are also four of the world's largest financiers of fossil fuels?





Taking Action: Climate Change

You do have power to confront this crisis

- See our Climate Action Plan – for example
 - ✓ Recycling, composting, consuming less, driving less, carpooling more
 - ✓ Green your real estate assets and encourage others to do so
- Same investment tools as before: shareholder advocacy, negative screens, investing in companies fighting climate change, divesting from those that aren't or are making it worse
- Dayenu 2022 report, *All Our Might*, provides a six-step process for organizations to screen out investment dollars invested in fossil fuels; Carbon Collective is another resource -- <https://www.carboncollective.co/>
- Same influence tools as before, including: ask your companies about their corporate lobbying practices; let them know it matters to you



Taking Action: Climate Change

Solar is an encouraging local model

- Our very own Baltimore The Associated installed a rooftop solar farm
- It powers the equivalent of 50% of the electricity consumed in its buildings and 100% of Adamah's electricity for the Pearlstone campus
- These solar panels save The Federation \$100k/year
- We can do the same! Learn more at the Tu B'Shevat (raindate) celebration on March 9th about
 - Our partnership with Neighborhood Sun
 - EmPOWER Maryland - <https://energy.maryland.gov/pages/facts/empower.aspx>

Taking Action: Investing in Local Communities

Local investing is a deep and ancient Jewish value

We are first responsible for ourselves and our own family, then our community, then our society, then the whole world.

Small businesses generate **half the GDP** of the United States

Small businesses create **three out of every four jobs**; they are net job creators, while large companies are net job destroyers

\$1 spent at a locally-owned business generates 3x more economic activity **in your local community** than \$1 spent at a big corporate entity

Small Businesses are Foundational



Investing in Local Communities:

unfortunately not as easy as we'd like

- Costs, resources, regulations built after the Great Depression
- Crowdfunding is common among minority affinity groups and secular and religious mutual aid societies like the Hebrew Free Loan Society
- Some community-led initiatives in Baltimore, for example:
 - ✓ Crowdfund Baltimore (March 21st: <https://thesupercrowd.com/supercrowdbaltimore>)
 - ✓ The Mulberry
 - ✓ Innovation Works
 - ✓ Invest York Road
- Advocates working to make community investment more accessible



Beyond Investing: Leveraging Philanthropy for Impact

- Ask whether the organization has aligned its investments with its mission and values
- Explore alternative philanthropic tools beyond traditional grants
 - ✓ Program-related investments (as part of the grant pool)
 - ✓ Mission-related investments (from the investment pool)
 - ✓ Impact investments
- Another local exemplar: The Abell Foundation
<https://abell.org/how-we-fund/>



Targeted Investment Area: Investing in Israel

Examples for Accredited Investors

- Hebrew Free Loan Society in NY – invest with zero percent interest
- Leviticus Fund, a CDFI named on the verses that describe the *shmita* year; now has over \$140M in capital and individuals can invest as little as \$1k and select whether they want to receive 2% interest or make the loans available interest-free
- <https://marylandisrael.org/home/programs-and-services/funding-programs/>
- Investination, a crowdfunding platform for early-stage Israeli start-ups with \$10k minimums but only open to accredited investors

Taking Collective Action:

A closing thought from Put Your Money Where Your Soul Is



Our faith insists that actions always make a difference. On the one hand, it has always been too late to act to prevent people from dying from societal injustice.

On the other hand, it is never too late to change or mitigate the conditions that might perpetuate human suffering in the future.

We need to take that action together, and our investment portfolios are a particularly powerful and vital tool [with which] to join the fray.

The best antidote to despair is action – especially action taken together.

Want to Know More?

Resources for Further Exploration and Engagement

Basics:

- Put Your Money Where Your Soul Is by Rabbi Jacob Siegel
- The U.S. Sustainable Investment Forum foundational info
<https://www.ussif.org/sribasics> and
https://www.ussif.org/courses_individualinvestors
- As You Sow “Invest Your Values” info
<https://www.asyousow.org/invest-your-values>

Banking

- Green America’s Get a Better Bank website
- Mighty Deposits
- Bank for Good

Financial Advisors

- Interfaith Center on Corporate Responsibility
- WSJ’s “How to Find a Socially Responsible Investment Adviser”
- Values Advisor
- Resource Generation’s list
- Ceres

Overview Articles (written by Karyn Polak)

- <https://100women.org/news/unleashing-the-power-of-impact-investing/>
- <https://impactentrepreneur.com/two-pocket-thinking-is-dead-or-it-should-be/>



Thank you!

Want to chat further?

- ✓ Local impact opportunities
- ✓ Company and philanthropy values-alignment
- ✓ Lawyers, accountants, financial advisors seeking greater impact

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