

# Social Justice Investment Strategies

Investing assets to align with values is an often overlooked characteristic of **social justice philanthropy**. Drawn from an analysis of foundation investment strategies, these practices and resources are intended to guide grantmakers toward investments that both reflect their missions and values and make markets more equitable over the long term.

## DIVESTMENT & MISSION-DRIVEN INVESTMENT

Divest from harmful industries (e.g. fossil fuels, tobacco, firearms). Invest in businesses aligned with foundations' social justice values

Develop and continuously review metrics that consider contextualized, and long-term, impact on social challenges and improving well-being, not just shorter-term monetary value.

## IMPACT ASSESSMENT

## ACCOUNTABILITY & TRANSPARENCY

Transparency about investments, aided by mechanisms like community advisory boards, help hold foundations accountable to mission-aligned strategies.

This work is ongoing over the long term. Foundations must consistently review and monitor investment portfolios.

## LONG-TERM STRATEGY

## INVESTMENT MANAGERS

Like minded and supportive investment managers are crucial. Foundations should vet managers based on alignment with mission, diversity, and values.

Success requires a combination of tools: impact investing, ESG, shareholder engagement, and community investment. Focus on diversification and solutions benefiting the foundation's stakeholders.

## COMPREHENSIVE INVESTMENT STRATEGY

## ALIGNMENT WITH LONG-TERM PLANS

Consider aligning investments with strategic, humanitarian, and climate development plans (e.g., Sustainable Development Goals, Agenda for Humanity, OECD's Better Policies for 2030).

To grow a movement and make markets fairer and more equitable requires collaboration with peers and grantee partners, the provision of seed funding, and transparency around investments.

## FIELD BUILDING

## KNOWLEDGE SHARING

Foundations share divestment and investment strategies, learnings, and knowledge, which also helps hold them accountable.

Community investments support projects or initiatives that directly benefit and support the people and communities that a foundation serves. Community investment might also support such efforts as infrastructure development and job creation.

## COMMUNITY INVESTMENT?

## Resources:

- ✿ The US Sustainable Investment Forum's "[Sustainable Investing: An Online Course for Individual Investors](#)" provides an introductory guide/course on ESG investment strategy.
- ✿ This 2015 report, "[Investing and Social Impact](#)," by staff members from Center for Effective Philanthropy, explores whether and how funders engage in impact investing and what is important to funders as they make investment decisions.
- ✿ For additional information about how impact investors work with grantees and stakeholders, see "[Beyond the Grant: Foundations as Impact Investors](#)" (Bridgespan).
- ✿ We recommend "[What Would a Social Justice Investment Ecosystem Look Like?](#)" (NPQ, 2023) and "[Shifting Capital and Power to Build The Regenerative Economy](#)" (Justice Funders, 2023) to better understand how to craft a social justice investment strategy.
- ✿ The burden of risk is complex and situational, but funding a more equitable future may require foundations to perceive, assume, take on, and adjust to more risk than funding the status quo might require. In "[Impact Investing: Risks for the Future We Want](#)," Surdna Foundation staff explain the importance of taking investment, social, and uncompensated risks.

## Foundation Documents Analyzed:

- ✿ [Weissberg Foundation: Investment Policy Statement](#)
- ✿ [Akonadi Foundation: No More Fake Budgets?! Exploring Equity-Based Approaches to Financial Review](#)
- ✿ [Public Welfare Foundation: Investment Policy Statement](#)
- ✿ [Jessie Smith Noyes Foundation: Investment Policy Statement](#)
- ✿ [Jessie Smith Noyes Foundation: Building Power Across the Impact Investment Field](#)
- ✿ [Ford Foundation: Investment Committee Charter](#)
- ✿ [Rockefeller Brothers Foundation: Investment Policy Statement](#)
- ✿ [Rockefeller Brothers Foundation: Mission Aligned Investing: How We Assess Our Progress](#)
- ✿ [Rockefeller Brothers Foundation: Finance and Investing](#)
- ✿ [McKnight Foundation: Impact Investing](#)
- ✿ [Surdna Foundation: Impact Investing](#)
- ✿ [Surdna Foundation: Centennial Publication: Mapping the Journey to Impact Investing](#)

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