# ­­International Women’s Day ⎪ Gender Lens Impact Investing Factsheet 2018

*We’ve seen an increasing number of investors interested in opportunities that address issues of global gender inequality. Impact investing can be leveraged to both meet the interests of investors and help achieve equality for women and girls. International Women’s Day is a good reminder that investment capital can—and should—be a part of the solution.*

*Amit Bouri, GIIN CEO*

## WHAT IS GENDER LENS INVESTING?

The [Global Impact Investing Network (GIIN)](#_ABOUT_THE_GIIN) defines [gender lens investing](https://thegiin.org/gender-lens-investing-initiative) as investment strategies applied to an allocation or to the entirety of an investment portfolio, which 1) seek to intentionally and measurably address gender disparities and/or 2) examine gender dynamics to better inform investment decisions.

## ACHIEVING GENDER EQUALITY

* **USD 2.5 trillion** is needed annually to achieve the SDGs by 2030. Progress on gender equality, SDG 5, will require integrating gender equality across other SDGs – like SDG 1, No Poverty, SDG 3, Good Health and Well-Being, and SDG 4, Quality Education:
  + SDG 1: 122 women (age 25-32) live in extreme poverty for every 100 men of the same age.
  + SDG 3: Globally, 303,000 women died from pregnancy-related causes in 2015.
  + SDG 4: 15 million girls of primary-school age will never get the chance to learn to read or write in primary school compared to 10 million boys.[[1]](#endnote-1)
* If women participate in the economy identically to men, as much as **USD 28 trillion, or 26 percent,** could be added to annual global GDP in 2025.[[2]](#endnote-2)
* Women are expected to **control 75%** of discretionary spending globally by 2028.[[3]](#endnote-3)

## DATA ON THE STATE OF GENDER LENS INVESTING

* According to *The State of Impact Measurement and Management Practice*, **one-fifth (24 out of 124)** of respondents allocate capital to address gender equality.[[4]](#endnote-4)
* According to the *2015 Annual Impact Investor Survey*, about **one-third of respondents explicitly target gender equality as an impact theme** (n = 158). Among those who do, the most common approach to achieving this goal is by seeking portfolio companies that target women/girls as beneficiaries, followed by seeking companies with good internal gender policies, and companies led or owned by women.[[5]](#endnote-5)
* Total assets in gender lens investing strategies invested in **public market** securities has **risen 41% to $910 million** in the 12 months ending June 30, 2017.[[6]](#endnote-6)
* Funds listed in Project Sage, a global scan of **private equity funds** **with a gender lens**, have raised and are deploying almost **USD 1.3 billion in capital** with a gender lens.Project Sage only includes funds that explicitly assert a gender lens approach. **Many more funds in the market are deploying capital towards women**, but are not talking about it.[[7]](#endnote-7)

## INVESTOR PROFILES

These investor profiles highlight investment strategies specifically targeting the advancement of women and girls.

## U.S. TRUST | BANK OF AMERICA MERRILL LYNCH

*In 2012, U.S. Trust and the Women’s Foundation of California collaborated to develop an approach that would integrate the foundation’s values and beliefs with its investments. The goal was to produce a portfolio driven by the thesis that more inclusive and diverse companies represent good long-term investments.*

**U.S. Trust Spokesperson**

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Surina Khan, CEO, Women Foundation of California

*Women Foundation California is a client of U.S. Trust.*

* The Women and Girls Equality Strategy (WGES) was originally developed specifically for the Women’s Foundation of CA but is **now available to all U.S. Trust and Merrill Lynch clients**.
* The investment strategy gives women-focused endowments and foundations the opportunity to align core exposures in their portfolios with their stated missions and economic views.
* It utilizes a **two-part due diligence framework** to identify industry leaders with respect to equality and empowerment:

1. It looks for thoughtful, proactive corporate policies relating to women as employees, and for a commitment to use business practices to change the global landscape of rights and equality for women and girls.
2. It considers a company’s track record and performance on quantifiable factors to ensure that policy decisions produce the intended outcomes.

For example, the investment process evaluates a company’s policies on family leave and other benefits such as childcare and flexible work arrangements; commitments to pay equity for women; track records in hiring, retaining and promoting women; the composition of their workforce, from new hires through the Board of Directors; and career-advancement opportunities for women. The criteria also examines a company’s human rights policies governing its supply chain and subcontractor relationships and whether policies specifically address the protection of women domestically and abroad to conform to international labor standards. Companies whose goods and services benefit women and girls are also favored.

## CALVERT IMPACT CAPITAL

*Calvert Impact Capital is an investment firm dedicated to providing capital to communities left behind by traditional markets. Calvert Impact Capital has invested in women since it was founded 30 years ago, helping to grow microfinance and community development financial industries, which are important sources of capital for female entrepreneurs. In 2012, Calvert Impact Capital adopted a more formal approach to investing in women, screening potential deals for gender impact and inclusiveness and creating specific metrics to track progress. After experimenting with a sector-diverse, global portfolio, Calvert Impact Capital shifted their strategy in 2014 to a sector and region-focused approach, feeling they needed a* *more focused approach to understand gender impact over time.*

**Calvert Impact Capital Interview Candidate**

Najada Kumbuli, Director, Investments

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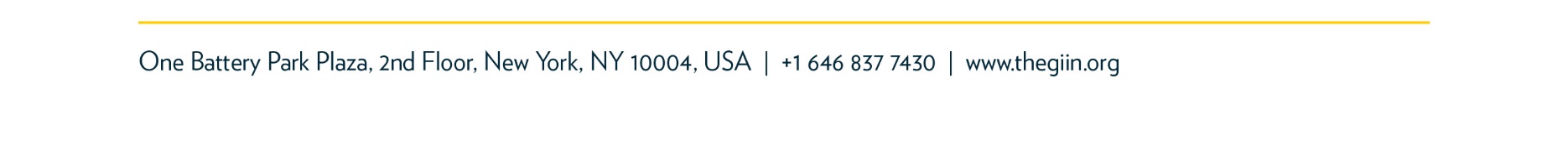
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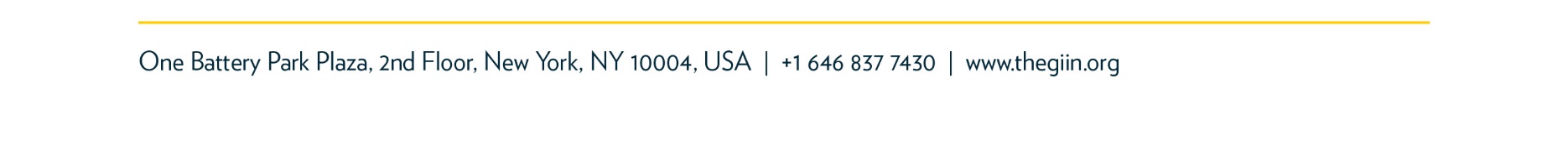
* Renewable Energy is the first sector Calvert Impact Capital has explored deeply with a gender lens due to its level of maturation, need for patient debt capital to scale, and the outsized impact that access to clean energy has on women.
* Women make up **50% of the global population**, but account for almost **75% of the energy poor**.[[8]](#endnote-8)
* Access to clean energy can improve women’s health by reducing indoor air pollution and improve women’s economic situation by allowing more time in the evenings for productive activities like education and managing businesses.

A house in Tanzania powered by solar panels distributed through Off-Grid Electric’s Million Solar Homes Fund.

* Calvert’s committed portfolio focused on the intersection of gender equity and renewable energy stands at **$35 million** to **nine** borrowers. In 2016 the investments helped **949,984** **women** gain improved access to clean energy through solar panels or clean cookstoves.
* Calvert Impact Capital invests private debt in funds and intermediaries that strategically incorporate gender equity into their mission, leadership, and/or value chains, e.g.:
* **Sunfunder**, an intermediary that provides financing for solar businesses serving off-grid communities in East Africa, and
* **Off-Grid Electric’s Million Solar Homes Fund**, a financing vehicle for distributed solar and battery storage for African households and small businesses.

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## ABOUT THE GIIN

The GIIN is dedicated to increasing the scale and effectiveness of impact investing around the world**. Impact investments are investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return.** The GIIN builds critical infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry. For more information, see [www.thegiin.org](http://www.thegiin.org). ­­

## ABOUT THE GIIN’S GENDER LENS INVESTING INITIATIVE

[GIIN Gender Lens Investing Initiative](https://thegiin.org/gender-lens-investing-initiative) is a two-year initiative to explore the opportunities and challenges in catalyzing and scaling gender lens investing within the impact investing sector. By working with member organizations, the GIIN’s Gender Lens Investing Initiative aims to continue to build a compelling case for gender lens investing, and ultimately, to increase investor adoption of effective gender lens strategies in deploying investment capital.

# References

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