

CRITERION INSTITUTE

A BLUEPRINT FOR WOMEN'S FUNDS

ON USING FINANCE AS A TOOL
FOR SOCIAL CHANGE

Prepared by Criterion Institute
in collaboration with Global Fund for
Women and Ms. Foundation

With support from Wallace Global Fund

Written by Joy Anderson
with Teresa Younger and Elizabeth Schaffer

April 25, 2017

TABLE OF CONTENTS

PREFACE	3
BLUEPRINT: Framing	7
BUILDING MATERIALS: Assets	12
FLOOR PLANS: Strategy	19
DIMENSIONS: Tactics and Activities	29
BUILDINGS: An Integrated Approach	35
DOORS: Getting Started	44
NEIGHBORHOOD: The Field of Gender Lens Investing	48

PREFACE

Imagine a set of leaders in the women's funding movement around a table developing solutions to violence against women. They lead institutions that have a long-term history in funding strategic approaches to the issue. One organization has amazing research about patterns of gender-based violence, one has a small endowment and a significant network of donors engaged in funding efforts to create gender equality, and one has decades of experience advocating for policy change around equitable practices in housing and infrastructure, as one of the root causes of violence against women.

Now imagine that a group of leaders in the financial sector join them. One runs a wealth advisory service, one a small private debt fund, one analyzes and trades publicly-traded stocks.

The table is set. How can this group mobilize resources to contribute to a long-term social change strategy?

The research organization brings what they know about gender-based violence and works with the public equity group to demonstrate the impact of violence against women on the public equity investments sector or industry. The debt fund begins to plan how they would mobilize resources in the form of long-term appropriate debt for women's shelters looking to expand the availability of space. The wealth management group commits to working with their donors to launch a new advocacy campaign for voting proxies to influence the practices of corporations that can curb violence against women. The ideas keep flowing.

Each of the participants at that table shares their knowledge about gender-based violence and systems of finance and together create a comprehensive approach which advances the efforts to fight violence against women using the power of financial systems. The strategy engages finance as a system of power that holds the key to new tools and trusted partnerships. The agenda incorporates the feminist voice, the academic voice, the government voice, the investment voice, the international development voice. The premise of this guide is that table would be an exciting place to be.

This is a guide for organizations and individuals actively seeking to create gender equitable social change. In particular, it equips women's funds to design strategies that use systems of finance and investments as tools to create the social change they seek. Women's funds are grant makers that work internationally, regionally and nationally to invest in solutions and build the leadership of grassroots groups that address the issues of women and girls within their context. Women's funds have created vehicles to expand the 'gender lens' in philanthropy.

As we continue to face challenges to achieving gender equality, we need to deploy all the strategies at our disposal to create the social change we seek. Finance is one strategy, along with media, policy, community activism and corporate engagement. Investing with a gender lens is an extension of gender lens philanthropy. It builds on the networks, power and experience of women's funds.

Women's funds have been one of Criterion's key partners as we have worked to shape capital markets over the past 15 years. Through a variety of projects and ventures, we have innovated our approaches and learned how to engage systems of power to be able to implement strategies that engage finance

as a tool for social change. This Blueprint is core to our mission to demystify finance and broaden the perspective of change makers to engage with and shift financial systems. We want to share the knowledge we have gained with others who can influence this complex system of power in ways that create the changes we seek.

With the support of Wallace Global Fund, Ms Foundation, Global Fund for Women and Criterion Institute came together in 2016 to engage with many women's funds, pilot a series of activities, and refine the framework presented in this Blueprint. Wallace is an appropriate funder for this work as they have provided leadership throughout the growth of the field of gender lens investing, with a particular intent to make sure the field stays connected and accountable to women's rights organizations.

WHY WOMEN'S FUNDS?

The women's philanthropy movement has had a long-term commitment to bringing a gender lens to social change and social justice philanthropy. Women's funds are already financial intermediaries, mobilizing resources for gender equitable social change. Most women's funds both raise money and make grants, and through networks and collaboration, unite money, ideas and action to create lasting change for women, girls, their families and communities. They provide a firm foundation and an organized structure with a long history of systems change strategies: advocating for policy, engaging media, endowment building, taking in gifts and cycling out strategic philanthropic investments.

Developing and providing leadership for social change approaches that engage systems of finance requires many of the same skills and knowledge. Engaging systems of finance points the leadership and capacity of the women's funds at a different system of power and potentially in collaboration with a new set of people and institutions.

Although women's funds are our key audience, we see the lessons in the Blueprint as more broadly relevant for organizations and individuals that have a commitment to issues affecting women and girls: for example, philanthropists and foundations, non-governmental organizations with gender programs and community-based social change organizations.

In addition, investment professionals, while not the primary audience, can make use of this information to think through how to collaborate effectively with gender-based organizations, leveraging their experience to design strategies that use finance to create gender equitable social change.

WHY A BLUEPRINT?

We have created a blueprint to design the future and imagine what is possible. This is a time where setting strategy and evaluating options and potential outcomes is necessary. We are still learning how to engage in a way that creates long term gender equitable social change. The Blueprint lays out the strategies that can serve as templates, but intentionally leaves room for contextualization, exploration, and innovation in design.

The Blueprint is a useful tool for those designing and building strategies for social change. In the rest of the document, we answer:

- What are the materials or assets held by women's funds that can be leveraged to influence finance?

- How do those materials come together around a specific strategy with detailed implementation activities?
- How do the strategies fit together to accomplish complex social change agendas? We explore domestic violence, gender and energy, and the wage gap as illustrative cases.
- What would a broader field look like, with multiple organizations working together in a coordinated effort toward collective impact?

AN INVITATION

What are our hopes, future and next steps? This Blueprint is the beginning of a conversation with organizations throughout the women's rights movement. In addition, it's a conversation that involves listening – learning from each other and sharing our stories.

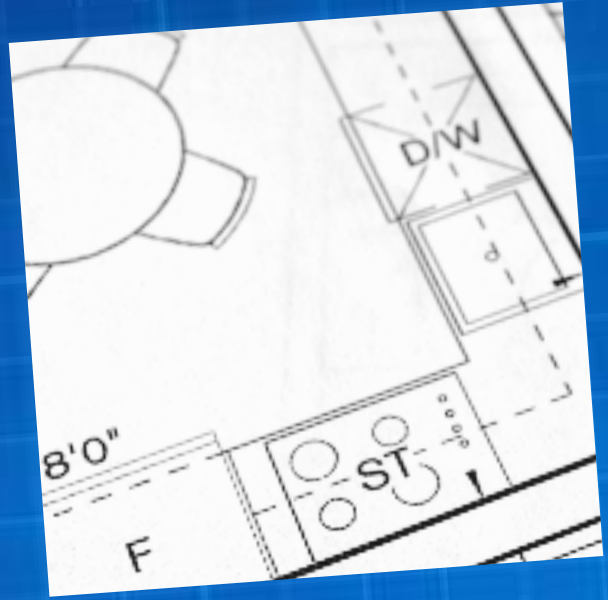
We look forward to a rich and fruitful dialogue over time and all the possibilities that will arise from that connection. We would welcome your thoughts as we build that relationship with this guide as our blueprint.

Joy Anderson

April 25th, 2017



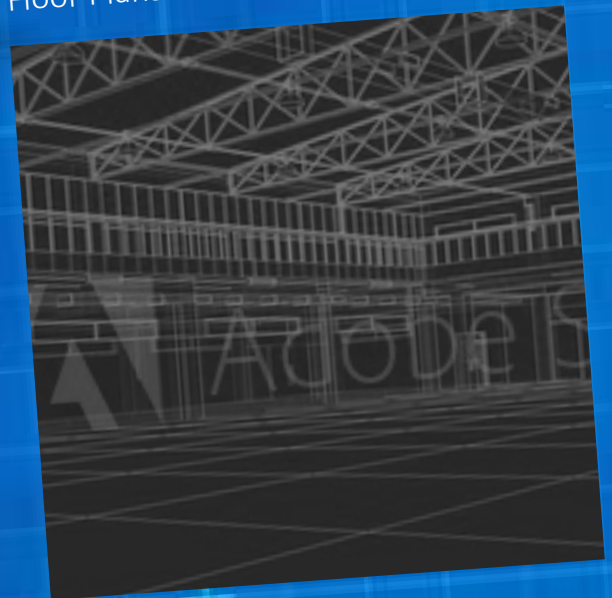
Building Materials



Floor Plans



Dimensions



Buildings



Doors



Neighborhood

FRAMING

The focus of the Blueprint is to show how philanthropic organizations committed to gender equality can use finance as a tool for social change. This is a document about social change, written for change makers.

The Blueprint functions as a model, to provide guidance. It's meant to serve as a metaphor for the technical process of developing a detailed plan or program of action. The focus is on plans, rather than on case studies. The field of gender lens investing is still learning how to do this work, and so the Blueprint presents a framework that expands the imagination of leaders in a specific context, so they can transform design into reality.

BUILDING MATERIALS: *Assets*

It begins with the building materials available. A logic model would call these inputs. They are the assets, resources or skill sets that women's funds already have, that can translate to influence in systems of investment and finance. What is the comparison between how these assets function within the context of women's funds and how they would function in the context of a change strategy within finance? The building materials addressed include:

1. **Leadership and Voice:** Individual and networks of women's funds serve as a voice of philanthropic leadership and can translate that influence to shaping the practices within systems of finance.
2. **Data and Knowledge:** Women's funds have conducted or funded extensive research on gender patterns; finance needs this knowledge to be able to effectively integrate a gender analysis into an analysis of investments.
3. **Networks and Trusted Relationships:** Women's funds engage in relationships with the philanthropic community as well as community-based or grassroots organizations. They hold and know how to build powerful relationships. Women's funds know how to build trust and that trust can translate to the ability to facilitate similar relationships in systems of finance.
4. **Capital or the Ability to Influence Capital:** Through their grant making, women's funds deploy largely philanthropic capital with a gender lens as a financial intermediary. Similar capacities would be necessary to shape how investment capital moves with a gender lens.
5. **Organizational Structures and Processes:** The intentional ways in which women's funds have designed organizations can be applied to systems of finance, intentions built into the process and practice of systems of finance.
6. **Existing Program and Social Change Strategies:** Women's funds have demonstrated the ability to analyze power and sustain systems change over a long time. This experience can be used to inform the design and the evaluation of solutions that engage capital markets towards systems change.

These building materials give social change organizations the influence or power to affect social change. The design challenge is to employ them effectively within short and long-term strategies.

FLOOR PLANS: Strategy

As we continue to face challenges to creating gender equity, we need to deploy these assets in creating the social change we seek. Engaging systems of finance is one potential set of strategies along with media, policy, community activism, or corporate engagement. The strategies named within this section either use the tools of finance or shape the rules and practices of the capital markets to be able to create gender equitable social change. They are presented as broadly applicable templates that would then need to be adapted in context.

1. **Channel Resources to Enterprises and Investment Opportunities:** Directly move capital to enterprises or intermediaries, influence or aggregate capital flows or influence design of new structures for moving capital in ways that produce gender equitable outcomes.
2. **Realign Power Through Structures and Terms:** Finance is a system of institutions and structures, codified in documents with specific terms. To create sustained systems change requires realigning structures and terms and shifting asymmetrical power dynamics.
3. **Shift What Expertise is Trusted and What Processes Are Seen as Valid:** As with any system of power, finance relies on a set of trusted, repeatable processes. Therefore, shifting the legitimacy of a particular expertise and redefining what processes are seen as valid can create room for more gender equitable approaches.
4. **Advocate for Gender Analysis in Finance:** Finance is a system that assigns value. Introducing new data about gender patterns or eliminating bias in the current approaches to analysis can shift the outcomes of the system of investments.
5. **Influence the Goal and Measure the Outcome:** Systems of accountability and measurement ensure that the claims of the system can hold up to scrutiny. This strategy becomes particularly important to prevent unintended consequences that come from a lack of focus on outcomes.

The document lays out the elements of implementing these strategies and then later ties these back into a couple of specific issue areas to present a more comprehensive approach to social change.

DIMENSIONS: Tactics and Activities

Strategies lay out the overall game plan, aligned with a goal or end game. What kinds of activities are needed to implement the strategies? This section explores the specific dimensions of the three pilots led by Criterion Institute, Global Fund for Women and Ms. Foundation over the past year.

Those pilots include:

- A campaign to use the request for proposals for a new advisor as a process of influencing shifts within investment firms
- A research agenda that expands the data and calculations around gender that would be relevant to the long-term perspective held by many pension funds
- A women's fund evaluating the potential for providing investment capital (debt or equity) to grantees.

These pilots surfaced a set of lessons about implementation, particularly for women's funds. Those lessons include:

- Be intentional in your internal and external design for the desired outcomes, specifically looking at your own processes for impact
- Create space for a design process that allows for assumptions to be challenged, exploration of multiple approaches and building trust in new relationships
- Allow time for staff and volunteers within the women's funds to engage and become comfortable with the approach and potentially step out of their comfort zone.

The individual tactics implemented across a range of organizations and supporting a clear set of strategies lead to a comprehensive approach to social change around a specific issue or goal.

BUILDINGS: Developing a Comprehensive Approach

How do these strategies fit together, complement each other, in a more comprehensive social change strategy? The intent in this section is to lay out a multipronged approach that links strategies to engage a complex social issue, through the powerful system of finance and investments. The Blueprint explores a comprehensive approach across three specific examples:

- Domestic Violence
- Gender and Climate Change
- The Wage Gap

In each of these examples, there are already efforts in play for each of the strategies named. The Blueprint depicts more theoretical or aspirational approaches rather than seeking to describe current activities being undertaken by specific organizations.

Engaging systems of finance is not a silver bullet. It requires collaboration between a collection of leaders and organization across sectors who can sustain efforts in the long term, engaging with systems of power and adjusting their strategies as needed. Whatever that long-term picture, it needs a starting place.

DOORS: Getting Started

Women's funds have voiced several barriers to their participation in the emerging gender lens investing field and investment strategies more broadly. One of the intentions of the Blueprint is to acknowledge these observations as valid, and offer some points of resolve. Those within systems of finance require the same resolve for collaboration to be most effective.

The first step for women's funds is to take a leap of faith in finance as a tool for social change. The second is to acknowledge a set of patterns that may be contributing to their hesitation to engage with finance. These can include:

- Not wanting to act on faith alone – preferring to wait until the full plan or answer is in place
- A hesitation to get started before full understanding or mastery of a subject

- A rational fear of finance that should inform risk and raise cautions but not serve as an impermeable barrier.

Bolstered with a faith in the possibilities and a recognition that gender patterns may be at work, this section outlines a variety of places to start and test if any of the objections are still present. Once opened, these doors can widen the community of people with which women's funds can collaborate for change. Imagining what is possible within this community, on all sides, allows for a transition in the field of gender lens investing, and a specific look at where women's funds fit into building that field of individuals, organizations, attitudes, and activities.

NEIGHBORHOOD: Field of Gender Lens Investing

The new neighbors are the participants and builders in the emergent field of gender lens investing. One of the most critical issues is the need to bridge gender knowledge and investment knowledge. The field needs to make a case for involvement to the long-distance runners in the women's movement, learn from expertise and together, create a new community.

This section discusses two developments in gender lens investing where this bridge is needed:

1. Most of the current investment products and strategies frame women as an economic instrument that is dismissive of women's rights and reduces their overall value. It also fails to incorporate gender patterns and leads to a reliance on counting women rather than valuing them.
2. The field is also making some of the same mistakes that the women's movement has made in the past including but not limited to the creation of universal but incorrect truths about women's behavior, questions of intersectionality and understanding around gender norms - particularly how those norms can change.

To overcome these challenges and grow as a field, the gender lens investing community needs to adopt attitudes and use frameworks and knowledge that the women's organizations hold, valuing their expertise and experience.

There are two opportunities to engage within this newly created neighborhood: women's funds can choose to participate or take a role in helping build the field. The path will be different for each organization and both choices are equally valuable. As a whole, these sections create a blueprint: a template or an outline of a plan for using finance as a tool to create gender equitable social change.

This section discusses two developments in gender lens investing where this bridge is needed:

1. Most of the current investment products and strategies frame women as an economic instrument that is dismissive of women's rights and reduces their overall value. It also fails to incorporate gender patterns and leads to a reliance on counting women rather than valuing them.
2. The field is also making some of the same mistakes that the women's movement has made in the past including but not limited to the creation of universal but incorrect truths about women's behavior, questions of intersectionality and understanding around gender norms - particularly how those norms can change.

To overcome these challenges and grow as a field, the gender lens investing community needs to adopt attitudes and use frameworks and knowledge that the women's organizations hold, valuing their expertise and experience.

There are two opportunities to engage within this newly created neighborhood: women's funds can choose to participate or take a role in helping build the field. The path will be different for each organization and both choices are equally valuable. As a whole, these sections create a blueprint: a template or an outline of a plan for using finance as a tool to create gender equitable social change.

BUILDING MATERIALS

Assets



BUILDING MATERIALS: Assets

What are the assets or building materials that women’s funds already have, that can be used to engage with finance as a tool for social change? The skills, tools and resources deployed within social change philanthropy are transferable to using finance as a tool for gender equitable social change.

Capital or access to capital is an obvious asset. Many assume that one needs to have capital, and quite a lot of it, to be able to exert influence over finance. However, capital markets are systems, and just like any other system, there are multiple points of influence that require a variety of tools to be able to move. Other assets include leadership and voice, data, knowledge, networks, and relationships and all of these ascribe influence and power in different ways. These, along with capital, organizational structures, and expertise in managing social change strategies are the building materials with which to exert influence over the financial system and ones which women’s funds are uniquely qualified to employ.

This section examines each of these materials and the resources they bring in detail. Each section will:

1. **Define** the building material in the context of women’s funds
2. **Name** how the resource can engage systems of finance in creating social change
3. **Identify** potential constraints that would inform design
4. **Outline** how each asset engages or exerts power and influence

As we proceed, it’s important to note that these resources will all be situated – and need to be understood – in context. That context creates constraints on the resources and how effectively or efficiently they can be employed beyond their current intended purpose.

LEADERSHIP AND VOICE

Women’s funds invest in philanthropic leadership within the community, building the capacity of the next line of leaders. This ranges from public speaking to grant making and various other supports. Women’s funds host seminars and webinars where the community can hear from experts and identify new experts. They work directly with donors, through donor cultivation and donor education, building confidence in their philanthropy, and creating their own identity as philanthropists.

This leadership extends to claiming a broader voice through various channels and partners. Women’s funds support grantees to do media training, or potentially maintain a list of effective spokespeople. The media calls on women’s funds for quotes on key issues facing women and girls.

Women’s funds have a voice that people hear and a brand that people trust. Perceptions and visibility matter in finance. What becomes possible if women’s funds leverage their leadership and voice to be able to shape what others trust? For example, what is the leadership and media platform that would

Many assume that one needs to have capital, and quite a lot of it, to be able to exert influence over finance. However, capital markets are systems, and just like any other system, there are multiple points of influence that require a variety of tools to be able to move.

effectively raise awareness around gender disparities in housing investments within a local community to affect both local policy and the practices of investment managers?

If leadership development is already in the fabric of the organization we could expand that to include investments and the financial industry. Support individual wealth holders to expand the role they can play in financial conversations. Move from a singular focus on philanthropic leadership to include leadership financial systems. Support leaders passionate about gender equality and women's rights to use their influence to take seats on corporate boards or on a board of a social enterprise working on critical issues. To connect with and support existing efforts to increase women's role in investment finance.

One of the core challenges in the system of finance is the gender imbalances in positions of power. Very few venture capital (VC) and private equity (PE) firms are owned or led by women and there is an obvious connection to women's access to wealth creation and what is valued in our financial systems. In the United States, [only 3 percent of the 6,517 companies](#) that received venture funding from 2011 to 2013 had female chief executives. [Only 11% of senior managers](#) in private equity are women, although there's been a 2 percent jump since 2012. [Female leadership in venture capital is slightly higher](#) but there has been a downward trend since the financial crisis.

What becomes possible if women's funds leverage their leadership and voice to be able to shape what others trust?

Women's funds support the leadership of grantees in this area, ensuring diverse sets of voices at the table. For example, exploring how an organization working on advocacy around housing rights could engage a local business school to build connections between investment approaches in the housing market and the gendered and raced experiences of the community. What is the leadership development required to support grantees in taking a more vocal role where investment strategies or financial systems touch their communities?

Women's funds are adept at using their voice and helping others to find theirs. Claiming a seat at the table is the key to unlocking women's access to wealth creation and an expanded role for women in the financial sector, but also to ensure that the issues, data and perspectives of social change philanthropy shape how we design and redesign the financial systems.

DATA AND KNOWLEDGE

Data and analysis about gender patterns and experiences in the world can increase the accuracy and effectiveness of decision-making in finance. Women's funds and organizations serving women more broadly can see gender patterns and the potential to use that knowledge to influence financial analysis. They have access to and can interpret both academic research and knowledge that comes from a connection to the grassroots. They can also understand a range of patterns collected from grantees all the way to extrapolating knowledge gained from long-term connections to leaders in a range of communities.

Organizations focused on women and girls publish and distribute all versions of knowledge to shape policies and practices of governments, media or corporations. This skill is not just about producing a good report but knowing how to frame and to position the content so it influences the system. Many women's funds put out reports or fund research on the state of women in their community, including statistics about wages, employment patterns, access to day care or gendered housing patterns.

It's possible to influence investors to use that information to make better decisions from a financial perspective but also make decisions that have the potential to produce gender equitable solutions. It's not just about identifying explicitly economic patterns. All kinds of gendered patterns matter: patterns of violence against women, sexualization of girls or shifting parenting roles for men. It even matters that our construction of gender itself is changing.

Data and research that women's funds have access to has been organized for a particular purpose, whether to inform government policy or a social change agenda. At the core is an ability to do a gender analysis: the ability to understand power relations between genders and how those dynamics shape political, economic and cultural patterns.

There is significant work necessary to have a gender analysis be taken seriously within financial systems. This work requires changes in the practices of financial analysts and asset managers. Some of this is already beginning, but there is a long way to go. In the end, what data and what interpretation (with what gaps and what biases) informs systems of finance defines how one of the most powerful systems in the world sets prices of investments, determines where capital moves, and shapes what is seen as valuable.

NETWORKS AND TRUSTED RELATIONSHIPS

Finance, like every system, relies on networks and trusted relationships. Understanding, mobilizing, and investing in these complex sets of relationships is key to engaging finance.

Women's funds have an inordinate ability to connect to one another and to a broader movement of women's philanthropy as well as to grassroots communities. They lead social change efforts, and are a trusted partner in long-term reform efforts. They may have built deep connections with grassroots leaders. They have built alliances. They are longstanding leaders in networks of NGOs working on women's right issues. They are networked into political leadership and navigate complex institutional relationships with local and national and international governmental bodies.

Women's funds differ in what relationships they hold, but they hold powerful relationships. While the organization may not have intentionally built relationships with people in finance, most are already connected or one connection away.

The connections to grassroots organization provides trusted access that is relevant to systems of finance. There is a role here for women's funds to play in connecting the financial networks with their grantees who are creating social change. The fund's trusted relationships can be translated to moving capital into communities. For example, imagine an impact investor who was interested in moving capital with a gender lens into a community that has not been reached effectively by traditional capital providers. The women's fund could play the broker.

Trust drives systems of finance. The old boys' network is real and is the constraint here: who you know determines what capital. However, new pathways of relationships can be created. For instance, women can create their own networks and the rules of engagement that surround them. Women's entrepreneur

This isn't just about moving investment capital to places not previously reached, it requires changing the terms of the capital and whose knowledge informs decision-making. It's about changing the rules of the game

networks, such as Springboard Enterprises, 10,000 Women, and Oxfam WISE have been working on this for years, and they are showing that the rules of the game can be changed.

This isn't just about moving investment capital to places not previously reached; it requires changing the terms of the capital and whose knowledge informs decision-making. It's about changing the rules of the game.

CAPITAL AND THE ABILITY TO INFLUENCE CAPITAL

Women's funds often have an endowment, or at least a reserve fund. Many women's funds have shied away from engaging their invested assets, or their endowment, as they are often a constrained resource. Rules, investment policies, and practices were set up to manage the capital and protect the investments, but also serve as a real constraint. There is a cost (in terms of both time and financial resources, but also social capital) to shifting investment approaches. In many cases, the capital of the women's fund sits within another bigger pool of capital such as a community foundation that has its own rules and requirements.

A women's fund influences other people's philanthropy, and it could use the same skills to influence other people's investments. Women's funds raise capital every year, and a similar process and approach could be taken to raise investment capital. The same skills - fundraising, relationship building, designing processes and structures - are involved.

There is the possibility, and often a necessity, to use philanthropic capital to shape the mobilization of investment capital. Building the field of microfinance required billions of dollars in philanthropic capital. Philanthropic dollars can strategically create incentives or put pressure on specific investment processes.

What is required is what women's funds already have: a strategic focus on resource mobilization, a gender lens applied to how a shift in access to capital or in the design of investment vehicles or financial services can create different outcomes for women and girls and their families and communities.

Access to capital and the ability to influence it drives many real and perceived kinds of power. Access is not enough. If you invest alone with your capital and no one sees the process, the influence is not as great. It matters how this power is exercised and how visible the actions are. Collective efforts shift power dynamics beyond the actions of an individual organization. Imagine how powerful it would be to have women's funds and those within the financial industry engage in this collective effort.

ORGANIZATIONAL STRUCTURES AND PROCESSES

Women's funds have sophisticated, often complex organizational structures designed to support philanthropists moving their capital into smart organizations. They have a 501C3, relationships with other organizations and some level of infrastructure in place. They manage finances and others trust them with capital. Grant making requires a sophisticated financial engine.

The intentionality with which women's funds have built organizations - that knowledge and practice of thinking through organizational design and development - can be applied to systems of finance. Finance is essentially a system of organizational structures that manage relationships. There may be constraints in adapting that engine for investment finance but this is an exciting opportunity to explore.

Women's funds are financial intermediaries, adept at moving capital. Most of the practices and controls around that are transferrable to finance. Financial intermediation drives much of what is possible in finance. It's too costly, too risky and too cumbersome to have all investments be direct. As a result, layers and layers of intermediation is built within capital markets to facilitate the speed and the efficiency of moving capital. These layers become opaque and lose their sense of accountability.

It's not just about having a sophisticated organization, but having thought through the power dynamics in the roles and processes. They have thought about and have visibility in the relationship between a philanthropist making a gift and the grassroots organization receiving it. Women's funds ask questions about organizational design and how to ensure the integrity of the organization in the context of broader systems of power. These organizational questions also need to be asked in finance. Even knowing that they're worth asking is important and could provide valuable practices for financial intermediaries.

EXISTING PROGRAMS AND SOCIAL CHANGE STRATEGIES

Women's funds have demonstrated the ability to analyze power and sustain systems change over a long time. They have built research agendas around key issues and collective impact strategies spanning geographies. They bring expertise on how to measure and monitor progress on an issue and how to create systems that pay attention to unintended consequences, which can inform market-based solutions.

For example, a broad based strategy on sex trafficking involves policy work, media work, community organizing. Are there ways in which finance can be a point of leverage on the policy issue? Is there a market level solution that sees an investment that disrupts trafficking? Can organizations working within these market-based solutions be part of the overall strategy?

A specific point about the connection to policy work: women's funds have a history of working in the policy environment, have passed legislation and are recognized as being influential in their state, and/or their community, or on certain social issues. The expertise required for policy work is translatable to finance.

Finance is like policy work in that it sets the agenda for other players. Changing the approach for an investor changes how they work with all of their portfolio companies. Changing what they are looking for in their investments or what questions they are asking can signal a new set of priorities to a whole industry or market. The challenge is the design of the change process. What compels investors or the investment industry to change their approaches to incorporate a gender lens? What does that advocacy process look like?

For a long while, the impact investing has pointed to foundations and said they're only using five percent of the capital when they should be engaging the other 95%. The explicit point was that the other 95% could be put to good use. In focusing on how capital moves the conversation lost focus on the powerful knowledge of how social change happens. In the end, many impact investors have sought to create social change without a deep knowledge of what is necessary. Whether or not a women's fund ever directly or

In focusing on how capital moves the conversation lost focus on the powerful knowledge of how social change happens. Many impact investors are seeking to create social change without a deep knowledge of what is necessary

indirectly moves investment capital, it has the potential to share knowledge of social change and what it takes and how to bring a gender lens to creating durable change in complex systems.

CONCLUSIONS

The categories in this section can be used to inventory what building materials are available to a women's fund. That inventory, combined with an expanded scope of what is relevant and actionable in the context of a fund, can serve as the foundation for an intentional strategy of social change, which includes using finance. The next chapter lays out a set of strategies for social change and provides a structure for designing a focused strategy using particular building materials.

The background is a light blue architectural floor plan. It features various geometric shapes representing rooms and corridors. A prominent feature is a large circular area on the left side. To the right, there are rectangular rooms, one of which contains a kitchen layout with a stove labeled 'ST' and several circular elements representing appliances or fixtures. A dimension line indicates a length of '8'0"' for a section of the plan. The letters 'D/W' are visible in a room on the right, and 'F' is visible in a room on the left. The overall style is clean and technical.

FLOOR PLANS

Strategy

FLOOR PLANS: Strategy

How do these building materials come together in an intentional strategy of social change? A floor plan arranges the rooms on a floor so that it can serve the purpose intended by the design. The floor plan assigns space for each function and represents the intentional design of the use of the space. As a parallel, strategies create the structure or form in which a set of activities can be orchestrated in service of an outcome. This section describes a core set of strategies that can be used to influence systems of finance as a tool for social change.

These strategies may not be satisfying in their ability to create direct and immediate change. Working in a complex system requires a long view and an ability to see both direct and indirect points of influence. Women's funds have had their sights on this kind of change for a long time, for example, the effort of multiple funds working together through [Prosperity Together](#) to improve the economic security of low-income women and their families in America.

The strategies are not fully detailed plans but rather a template or initial outline to spur creative thought and encourage an expanded sense of possibility. They suggest how finance could serve as a tool for gender equitable social change. They are starting places that would then require creativity and intentionality within a particular setting in service of a particular outcome. The next two chapters illustrate the specific tactics and activities and then integrates a set of strategies to demonstrate how they would work around a specific issue.

These strategies draw from Criterion Institute's work over the past decade of developing and implementing approaches to achieving social change through interventions in the financial systems and capital markets. Recently, Criterion worked to synthesize lessons learned and from that work, articulated five strategies that could be used to exert influence within systems of finance and investments to create social change.¹ The five strategies are:

- Channel resources to enterprises and investment opportunities
- Realign power in relationships through structures and terms
- Shift what expertise is trusted and what processes are seen as valid
- Advocate for gender analysis in finance
- Change the goal of the investment and the benchmarks against which it's measured.

These strategies used in concert and in broader collaborations, can create gender justice.

¹ These also reflect the core framework of Criterion's training program, TOOLKIT, which has had over 300 participants across the globe.

CHANNEL RESOURCES TO ENTERPRISES AND INVESTMENT OPPORTUNITIES

This strategy is likely the most commonly understood to engaging investments and systems of finance: redirecting and redistributing financial capital. This would result in moving capital to women-owned businesses, or away from companies that have negative gender practices in the workplace, or to enterprises that advocate for women's rights, or away from investments that rely on exploitative gender practices to generate profits. The capital could take any form from a direct investment in a company to an investment in a mutual fund made up of investments in publicly traded companies, to an investment in a municipal bond structure.

Building Materials

- Capital and Access to Capital
- Organizational Structures and Processes
- Networks and Trusted relationships.

The strategy draws on these particular building materials because it requires the ability to influence capital, directly or indirectly, to build new structures to be able to facilitate moving capital and to invite others to join in the efforts to deploy capital, or to identify potential investment opportunities.

This strategy can be directly about moving capital controlled by the women's fund. More likely and potentially, more powerfully, it's about influencing a broader set of capital flows. The range of approaches includes:

- Directly moving capital either to an enterprise or to a financial intermediary such as a debt or equity fund
- Influencing or aggregating capital flows to enterprises or intermediaries to existing structures
- Designing or influencing the design of a new intermediary that can move capital.

The first approach is to move capital from an endowment or a reserve fund to an existing enterprise or intermediary.

There are many existing opportunities where an investment in the underlying economic activity can create the social change you seek.

- Invest in women's economic leadership or economic empowerment through women-led businesses, either small businesses in a community or high growth companies that lead to women's wealth accumulation
- Invest in advancing gender equity through vehicles that screen for women on boards or practices that support workplace equity and diversity
- Affect the impact of climate change on a community by investing in companies that produce and or distribute clean cook stoves
- Increase women's access to reproductive health services through an investment in a pharmaceutical company working on improving contraceptive products or in providing debt to women's health clinics.

There are several resources within the field of gender lens investing or impact investing that provide guidance on how and sometimes where to move capital to create social change. One of the resources is Veris Wealth Partners [Women Wealth and Impact 2.0](#) published in 2016. Other resources include the [practical guide issued by US SIF](#) for investors and Trillium's 2015 report on [Investing for Positive Effect on Women](#). The [Women Effect](#) site at Wharton School of Business also keeps an updated list of resources.

A women's fund may commit to moving a portion or the entirety of assets into investment products, such as a mutual fund, that have a gender lens. It's also possible to make direct investments in enterprises. This can create an experience of more direct impact and personal relationship with the entrepreneur. For example, investing in a woman-led menstrual pad company that is working to expand access to products throughout India or East Africa. Direct investments are more time consuming to implement and require both a higher risk tolerance and a longer time for capital to return principal and potentially profits.

Whether the approach is direct or indirect, it will likely require at a tactical level, a process to find a new financial advisor who can shape the process or to challenge the expertise of the existing financial advisor. It may create more leverage to challenge the existing resource to explore or advise on gender lens investments, or might impede the efficiency of the process. (See the next chapter for details on the activities required to shift investment advisors.)

The second approach is influencing or aggregating capital flows.

Channeling resources within investments requires a range of different intermediaries that facilitate the movement of capital. To shift how capital moves often requires not only shaping existing structures but creating new structures.

Building new capital flows, or a new capital market requires a back and forth process of signaling interest among individual and institutional investors of moving capital with a gender lens, and an equal response from financial intermediaries or investment managers to create products that can absorb the investment capital. This requires simultaneous attention on both supply of capital and the intermediaries or enterprises that are demanding capital.

The third approach is to design or influence the design of a new intermediary.

The organizational structure of a women's fund could be able to facilitate the movement of capital. What are the possibilities of deal sourcing or identifying potential investable projects or companies? The trusted relationships and networks women's funds hold allow them to see potential opportunities and build relationships with them based on longer-term histories.

To increase the number of investment products or vehicles with a gender lens, it's critical to support them by directing capital to them or raising philanthropic capital to support the effort. Women's funds have experience aggregating philanthropic capital to mobilize resources for efforts to improve the lives of women and girls. Aggregating investment capital can have similar impact.

Taking a role as an early investor in the development of a new investment product provides a greater ability to shape the intent and the terms of the fund. For example, in the early stages of the development of a fund focused on climate change, this would mean taking a position in the fund and then using that

influence to ensure that leadership and the analysts within the fund incorporate an understanding of the gendered dimensions of climate change and its impacts into their decision-making.

Whatever level of control one can exercise over the structure, it's important to pay attention to the terms of the structure, the diversity of leadership, the practices and participants in governance. It's the details that define who controls and sets the direction of the investment structure. Here, the experience of examining asymmetrical power relationships serves women's funds well.

REALIGN POWER THROUGH STRUCTURES AND TERMS

If the first strategy is about shifting the direction of the resources, this strategy focuses on the power dynamics in those structures. Who sets the terms, controls the flows of capital? Simply moving capital may not disrupt asymmetrical power dynamics. Therefore, what may be required is an analysis of the terms and determining how to intervene either through a new design of specific terms and structures that manage capital, or creating collaborative approaches that have the influence to disrupt that existing power relationship.



Building Materials

- Leadership and Voice
- Organizational Structures and Processes
- Knowledge and Data.

For example, look at structures investing capital to fund women entrepreneurs. While the problem is often defined as unequal access to capital, there are several challenges within getting women capital. They are not starting enough businesses. They are not starting the kinds of businesses that match the available kinds of capital. Therefore, the solution is to support women starting the right kinds of businesses.

It's important to challenge the assumptions behind this assessment. Perhaps the problem is not access to capital, but access to appropriate capital. What if women are building the right kinds of businesses, but they don't match the types of capital. Specifically, women tend to build normal growth companies that grow one revenue line at a time. Imagine a hair salon that adds another stylist or a line of shampoo products. Private equity is not the right kind of capital; the business owner needs a flexible kind of debt. But, if private equity investors are looking at the market for opportunities, they will critique the business as not aggressive or high growth. This requires thinking through the right kind of capital, shifting the terms and building different investment structures that match the real needs of the entrepreneurs.

Individual investors within private or direct investments into companies can negotiate and set the terms of the capital with the entrepreneur. This provides a level of flexibility that allows the investor to shape the terms and be creative and responsive. However, these private, potentially idiosyncratic structures do not have the same ability to shape the practices of the market as a system level. Influencing other's structures increases the scope and scale of the impact.

The example in the previous section - of using the power and influence gained through being an early investor in an investment vehicle - could translate into writing terms and controls into the private placement memorandum of a private equity firm and intentional commitment to prioritizing women-led

businesses. It could mean integrating into the due diligence process a requirement to develop and document a gender strategy that demonstrates the specifics of their commitment to gender equality.

Another example; as a participant in a board of directors of a foundation, one can shape the investment policy statement (IPS) that dictates how the investment advisor selects what investment managers sit within the portfolio. In this case, one could add a requirement that the advisor review whether managers are doing a gender analysis as part of their investment processes. This may not mean that the advisor will screen them out if they are not, but it sets up a requirement to ask the question. A similar term could be added about reviewing diversity in the leadership of the firm. Asking the question signals to the market what is important to the investor. Adding the requirement to the investment policy statement provides a more durable structure to translate preferences into legitimate practices.

The ability to challenge these norms and stand in the face of expertise and authority is a key tactic to creating financial structures and systems that work for all

Describing terms and structures of finance requires an abundance of technical language. This language often makes the process opaque (and potentially deliberately obscures the realities behind the terms and controls). Finance professionals, including attorneys, have a tendency to say “that’s just how it works” or “it can’t work that way.” These rules and standards for documentation have much more flexibility than it would seem. Finding that flexibility, though, will create friction. The ability to challenge these norms and stand in the face of expertise and authority is a key tactic to creating financial structures and systems that work for all, and not just for the system.

SHIFT TRUST IN PROCESSES OR EXPERTISE

Like all systems of power, finance trades in expressions of expertise and authority. The finance professional who walks in a bespoke suit brandishing their MBA is performing a kind of expertise that conveys trust. The performance is a cultural construction and the trust is learned over time. Therefore, it can change over time.

This strategy focuses on shifting the legitimacy around what expertise is trusted and what processes are seen as valid. Unless those underlying cultural norms shift, knowledge of gender experience or even the legitimacy of women’s leadership within the systems of finance will remain suspect.

Standard processes can and do have gendered dimensions. What is considered normative or standard participates in broader systems of privilege and in this case what is gendered male is privilege. Finance is a system dominated by men of privilege which has been designed to largely serve them. Pitch festivals serve as an illustrative example. Pitch festivals are a process in which a set of entrepreneurs “pitch” their company in front of an audience of investors. The ability to project confidence and boldly and succinctly sell the benefits of the company gives an entrepreneur an edge. That is not just confidence, but a particular performance of confidence that men are more likely to have been encouraged to demonstrate. It has been shown that

women are more successful in settings where they have an opportunity to build a relationship. Recently, Village Capital demonstrated that women entrepreneurs are more successful in a peer selection process where other entrepreneurs who know them choose who gets capital. Women can and do, of course, succeed in this context, but the design of the process is gendered male.

Because women are a minority in leadership in finance, their authority is often questioned throughout the industry. Engage in and support efforts to include women in finance. Networks from High Water Women to 100 Women in Hedge Funds and Ellevest, are investing in the leadership and the voice of women in the industry.

Of course, being a woman is not the same as having the ability to do gender analysis. It's critically important to increase diversity within finance to be able to expand the range of experiences at the table and reap the benefits of how diverse perspectives can challenge homogeneous thinking.

If knowledge about gender patterns is not currently an expertise that is valued in finance, what strategy can change that? How can the value of gender analysis be framed in ways that finance would understand? One strategy is to develop compelling reframes for a financial audience, for example, moving from counting to valuing. The perception of thinking about gender in finance is about making sure that women are represented equally as entrepreneurs. Fundamentally, investors see screens as limiting the range of their opportunities. Therefore, shifting from counting the number of women to naming how gender patterns inform how investors assign value is a compelling reframe.

In addition, gender analysis is often relegated by investors or positioned by women's rights advocates to the impact measurement processes. There is more power in the front-end analytics about value than there is about impact measurement. Investors are looking for the slightest advantage to have their investments perform better than their peers (this is called alpha). Moving gender from back end metrics to front end analytics embeds the processes of gender analysis in one of the most powerful parts of the system. And if it's a competitive edge within the investment analysis process, the ability to do gender analysis within a particular context, geography, industry or sector becomes a legitimate form of expertise.

Women and girls' organizations have the data about gender trends; they will also need to be strategic about how to have that expertise be valued and the knowledge be trusted. That project is one of the core practices happening within gender lens investing, and so there are many allies that can be found within the field.

In the end, this strategy rests on three elements:

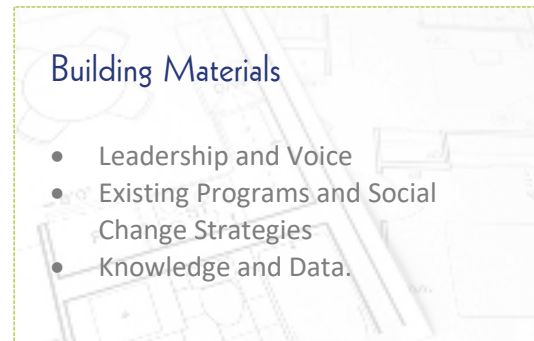
- Expanding or shifting language and framing
- Changing whose expertise is seen as important
- Changing what roles and processes are trusted.

These shifts require understanding how power operates within the system to be able to advocate and create durable change. And, in many cases, using finance as a tool for social change will require that first, we change the rules of how the game is played.

ADVOCATE FOR GENDER ANALYSIS IN FINANCE

This strategy focuses on the systems of analysis in finance. It's about shaping how finance assigns value by introducing new data or eliminating bias in the analysis. A gender lens introduces new information that challenges the existing assumptions and resulting conclusions made from a set of calculations in finance every day.

This strategy requires both research and the tools of advocacy that make sure that the research influences the system of power. In the end, affecting how finance sees gender will signal to other systems that gender patterns are important.



At its most basic, finance looks back to past data to see patterns and trends, looks out to the future to imagine and predict where things are headed and then discounts that vision of the future back to the present. Remarkably, data about gender patterns is relevant in all three parts of that equation. Collecting sex-disaggregated data provides a picture of the past, provides insight about where the future is headed and most importantly reveals an unbiased picture of how wrong that picture might be.

Finance is a system of power. Navigating it requires the same skill set as navigating political systems where influence matters. The fact that women's funds have figured out how power works in other systems means they can figure out power in this system.

Ask questions to signal to the system what is important. For example, in a board meeting, asking what the diversity of a fund manager's staff is signals an important question that matters to people in power.

Much of the current information is around counting women. We need to move to how to value gender patterns effectively. Much work has been done around diversity, and more is needed, but the broader patterns of gender in our society need to be accounted for effectively within our investments. For example, the risk that violence against women presents in particular industries in specific geographies.

To do this analysis, investment professionals need data that is comprehensive and consistently available. A study about the impacts that tells a qualitative story will help build the correlations between data about gender patterns and the impact on financial risks or performance. And qualitative or even speculative correlations will be good for individual investors. To affect the core sites of power within finance - analysts sitting in large quantitative shops that create index funds and other passive forms of investment that rely on churning through global sets of data across multiple industries - the data needs to be comprehensive and predictable.

Issues become more salient when a powerful system such as finance is requesting data. This is where voice becomes important in amplifying the connections between finance requesting new kinds of data to

explore correlations, with the visibility of women’s issues and the understanding of their material impact on the world.

For example, if the goal is to support local economic growth or influence government attention, systems of finance can be an avenue of influence. This is not just about the budgets of municipalities or corporations, but how value is assigned within the financial structures that they rely on: municipal bonds, corporate bonds, public equities, private debt. Governments rely on the same financial structures.

The challenge in this strategy is getting the research and analysis done. There is a need for a coordinated research agenda across multiple organizations. The research needs to go deep and broad in a particular issue to be able to determine approaches. Criterion Institute has a goal over the next three years to get to 1,000 insights about the correlations between finance and gender. Women’s organizations will not need to do all the research. Investment firms are beginning to incorporate these practices into their own research, but there isn’t yet enough investment capital moving with a gender lens to justify the level of research needed. This is a chicken or an egg issue. Without more evidence of correlations, we cannot attract the capital needed.

A point about power and who pays. It would be logical to assume that if finance needs this data and analysis, then they should pay for it. As we prove the value, and build those practices, finance should be paying for this data. At this point, we need to demonstrate the connection. Advocate first and then as the system changes, pay attention to whether or not the data is properly compensated. In asking the government to change policy, one would not request that they pay for the study of the advocates. In this sense, this is an advocacy strategy to change what matters in the calculations of value in finance.

INFLUENCE THE GOAL AND MEASURE THE OUTCOME

While using finance as a tool for social change requires, to a significant degree, that one works within the existing systems of power, it’s also imperative that we challenge the system and hold it accountable for the outcomes it creates. This requires monitoring and evaluation.

This strategy focuses on how to change the goals or benchmark against which investments are measured.

Building Materials

- Leadership and Voice
- Knowledge and Data
- Design of Social Change.

One of the first places of influence is to look at the field of impact investing or sustainable finance where there is a named intent to have a positive impact on the world. In this field, women’s funds and gender justice organizations can play a watchdog role to ensure that claims of impact are justified, or to avoid unintended consequences from not considering a gender lens. Many foundations and development organizations are funding impact studies and the creation of metrics systems that can integrate attention to gender equality into the practices of impact investing.

Those who control the capital are setting requirements or mandates around measurement and accountability. Globally, donor agencies within governments such as USAID or DFAT in Australia and places like the IFC have begun to tie gender metrics to deploying capital. DFAT has a policy that 80 percent of their capital be directed to efforts that affect women and girls. They also have a significant

effort to expand their private sector engagement, particularly through partnerships with impact investors. As a result, they are looking carefully at systems that measure the impact of investment capital.

Evaluation of the systems of finance is complex. Investing in a company does not mean that the investor can claim the activity of that company as their impact. Simply, if an investor gives a woman-led company debt, the only thing that they can truly claim is that they put that woman in debt. Often though, it's claimed that the investment enabled the woman to build her company, expanding the economic stability of her family and her community as a result. It's important to evaluate where the investment dollars are directed, but also the approach to investments. Looking at the specific analysis, processes, and structures employed by the investor allows for clearer assessment of the investor's contribution to the overall impact.

It's not just measuring whether the goal was accomplished, but about redefining the goal or looking at the goal with a gendered perspective. Is an investment in a menstrual health company about women and girls' dignity, girls' education, economic empowerment for women, water and sanitation, or health outcomes? It's important to bring a gender lens both to the impact analysis and to understanding how the impact is framed.

CONCLUSION

Strategies provide a framework within which to make choices. Within that overall approach, there are a series of choices about implementation tactics and the day-to-day activities that drive the outcome.

DIMENSIONS

Tactics and Activities

DIMENSIONS: Tactics and Activities

The details of implementation are where the tangible connections to the day-to-day activities in finance surface. In the tactics, we can find the specific nuanced dimensions of how to use finance as a tool for social change. Long-term social change requires both conceptual and mindset shifts but also more granular shifts in how the work moves forward.

Trust builds from familiarity, the processes and types of expert knowledge that define a field. Women’s funds have processes for doing things, as does finance. Change requires both experimentation and trust building and that work happens not in the abstract but in the day to day of doing work and implementing a set of activities.

The details of implementing strategies that use finance as a tool for social change require activities bridge the known activities in women’s philanthropy and the points of leverage within the systems of finance. How do strategies translate into concrete tactics and detailed activities? What is necessary to move things forward? What are specific steps? What does it look like to implement a strategy?

These strategies require activities and tactics known to women’s funds:

- Executing a grants program from design to selection to distribution of funds
- Structuring and executing a research project
- Targeted networking and relationship building, for example to engage professionals within the financial sector
- Raising funds, aggregating resources to be directed in a particular investment
- Engaging and influencing people in positions of power
- Convening, from conferences to brown bags to a strategy dinner.

Through the course of building the Blueprint, the Global Fund for Women, Ms. Foundation, and Criterion Institute collaborated on a set of pilots to translate strategies into execution. Below are the descriptions of those three pilots. These tie back to both the assets and the strategies that come together to create intentional social change.

INVESTMENT ADVISOR REQUEST FOR PROPOSAL

Board members and investment committees rarely approach the process of engaging an investment advisor with excitement. It’s a process of finding a new trusted expert. What happens when you want to expand the standard process of finding an investment advisor to include their ability to bring a gender lens to the investment process? How does that shift trust in a process that is already rife with positioning and power dynamics?



The Blueprint process overlapped with Joy Anderson’s participation as a board member at InFaith Foundation, a Minnesota-based donor advised fund platform, in the recruitment and selection of an investment advisor to design a 10M portfolio directed at the root causes of violence against women. The

10M represented a relatively small portion of the nearly 400M total assets held by the foundation but the women's philanthropy program was a core commitment of the foundation.

The investment products did not yet exist to be able to implement this goal. Therefore, InFaith required a firm that would be able to stage the process of creating a portfolio of investment products that were investable in the short term and then work over the long term to be able to signal in the market what they were looking for and influence the creation of new products.

STEPS

1. Learning about experience in the Ms. Foundation's and the Dallas Women's Foundation's request for proposals as they sought a new advisor. Drawing on their sample documents and experience.
2. Working with the board to set a timeline for the process, including key requirements. Include the requirements. InFaith's criteria included:
 - a. The ability to design a portfolio that would delight their donors, and show them what was possible with their investments
 - b. An experience with the advisors that would educate, challenge and inspire
 - c. Credibility with their donors in being able to manage a gender lens investing portfolio
3. Phone calls with potential advisors, and advocates within firms, to learn what they needed in an RFP to be able to use it to exert influence within the firm more broadly. InFaith intentionally wanted to use the process of the RFP to signal the interest to invest in gender lens products as an institutional investor.
4. Draft the request for proposal. InFaith decided to not only look at firms that had already begun to invest with a gender lens, but to invite proposals from firms that did not have the experience to see if the RFP process could stimulate movement in that direction.
5. Within the process, the small steering committee that moved this forward worked to educate the investment committee and the board in what was currently possible and in the approach that the advisors could take to influence investment managers to create the product they were seeking.
6. There were five applications for the advisor position. Following these applications was a first review of written applications and then an interview with a subset of the applicants. This provided a clear picture of who would engage in a creative design process with a knowledge base of what was available and an imagination of what was possible.

The foundation sought to determine who had the ability to identify someone with the potential to build a gender lens investing portfolio, to acquire the skills and knowledge, as well as those who already had the knowledge, ability and the imagination to design a portfolio that would signal to the market. Interestingly, the process spurred collaboration between two organizations who tend to compete, creating a new potential for learning across two firms.

While in the end only one investment team was selected, the RFP process affected a broader set of investment advisors by signalling InFaith's interest in products and working with them to support the work of champions within influential firms to advocate for change.

What is possible next? What if the efforts to use an RFP for a new advisor as a social change strategy sat in the context of a broader campaign or collaboration? How could a broader collaboration of foundations and philanthropists exert a broader set of influence on advisors, amplifying each individual request for proposal so that they informed and magnified each other?

MS. FOUNDATION PENSION FUND AND GENDER RESEARCH

With support from the Surdna Foundation, the Ms. Foundation and Criterion Institute engaged in a feasibility for a campaign targeting pension funds to play a key role in accelerating investing with a gender lens. The goal was to design and implement a research project with the intent of influencing a particular system of finance.

One of the assumptions of the feasibility was to shift away from the dominant focus on diversity data within companies to look at the broader trends about how gender dynamics shape cultural and economic patterns in the world. The team wanted to ask, what is the 20-year view on the future of gender? What is the view beyond women's economic participation to see the relevance to finance of broader shifts within how gender operates in the world?



Building Materials
Data and Knowledge

Floor Plans
Advocate for a Gender Analysis
in Finance

STEPS

1. Conducting an assessment of the climate change movement to develop an in-depth understanding of their investment-related strategy, activities to date and results to be able to draw lessons that could be applicable to a gender-focused campaign.
2. Interviewing key leaders influential in sustainable finance and in pension funds to gain their perspectives and insights into launching a gender campaign targeted at pension funds. Discussions were fruitful - product expertise is available, products do exist (currently limited but expanding) and the market is able to create new gender products. These interviews were not particularly positive in their perspective on the role pension funds could play.
3. Acknowledging that the current products rely on data about diversity and women's participation in the corporate structures. Conversations about the future of gender were too abstract for the initial set of leaders within finance to engage with or understand.
4. Interviewing grantees of the Ms. Foundation to determine what they saw as the future of gender to better define what a long view on gender would mean and/or look like. These discussions resulted in better examples of possible areas for exploration. One example was a decline in gender norming practices within parenting. With this example, individuals in finance were able to immediately see the long-term ramifications for markets and specific product areas if the lines between genders continue to blur.
5. Using the lessons learned from climate change as a roadmap, starting conversations with pension insiders to see if it would be possible to "build insider support." In stark contrast to our negative discussions with experts in the financial sector working on gender-focused investment strategies, we spoke with the CIO of a pension fund in Texas who saw the vision, understood the hurdles and who is very interested in championing the cause.

She provided guidance on refining the message, and found the overall project "interesting...and extremely powerful." She is providing introductions to a group of her peers within a variety of pension

funds to further gain insights in intimate conversations, and is connecting us to organizers of major industry conferences to see if it's possible to speak on the subject, its importance, its impact and the financial opportunity.

Next questions to explore: What is the idea that captures an imagination? How does the framing around gender shape what people see as the potential relevance of a gender analysis within finance? How are bridges built to engage insiders and champions who are willing to push forward a new idea?



RESEARCH AT GLOBAL FUND FOR WOMEN ABOUT POTENTIAL INVESTMENTS AMONG GRANTEES

Grassroots organizations do not have access to adequate resources. The focus of women's funds has been to influence philanthropic dollars, but they could also influence investment dollars. Women's funds can leverage the knowledge from due diligence within grant making to uncover opportunities for investment.

Research question: How viable is it to source investment opportunities through women's funds' current grant making process?

STEPS

1. Designing an investment research process
 2. Identifying potential participants within grant making database through keyword searches for social entrepreneurship, social enterprise or income generating and/or "income generating as a funding source in their proposal
 3. Creating a screen for grantees
 4. Conducting an online survey to collect information from groups identified in step 1 to learn about their work and assess whether they are potential investment opportunities. The type of activities groups engaged in include:
 - a. Training women on social entrepreneurship skills
 - b. Providing micro-credits, loans
 - c. Sub-granting
 - d. Incubating and supporting social enterprises owned by women
 - e. Providing start-up biz packages
 - f. Linking women and women's groups with financial institutions, deals, or private sector
 - g. Increasing access to market and trade
 - h. Running a social enterprise.
1. Training women on social entrepreneurship skills
 2. Providing micro-credits, loans
 3. Sub-granting
 4. Incubating and supporting social enterprises owned by women

5. Providing start-up biz packages
6. Linking women and women's groups with financial institutions, deals, or private sector
7. Increasing access to market and trade
8. Running a social enterprise.
9. Analyzing survey results to identify potential viable candidates
10. Creating a profile for each candidate, mapping the type and amount of capital that would be relevant to their work
11. Conducting follow-up interviews with groups if needed.

The Global Fund for Women pilot tested this approach by:

1. Reviewing 4,650 applications in the grant-making database
2. Identifying 260 research participants through keyword search
3. Collecting 135 responses to an online survey to assess potential investment opportunities
4. Identifying 16 potential candidates for follow-up interviews by analysing the survey results
5. Completing interviews and profiling 13 grantees, mapping the type and amount of capital that would be relevant to their work.

For more details on the findings contact Liz Schaffer at the Global Fund for Women.

NEXT STEPS

1. Develop a better, less intensive process for capturing information about the applicants
2. Explore and identify a partner that can help match groups with investment capital.

LESSONS LEARNED

We learned that even in the midst of experimentation, it's important to be intentional internally and externally about the desired outcomes, specifically looking at how this work mirrors familiar processes for creating and determining impact.

It proved crucial to have space and time to think and do the work, often in the midst of competing priorities within the organization. As women's funds explore and deepen their work in this area, staff and volunteers need time to engage, to get comfortable and to get up to speed.

In the design process, there needs to be room for learning and challenging assumptions and time to engage, build new partnerships and build trust. This requires being intentional about how the tactic - even hosting a design process or launching a research process has influence by signalling to a broader audience. Who are you seeking to influence? Who needs to be involved early to be an advocate?

Through experimentation the approaches will emerge that will allow individual implementation efforts to tie together into a comprehensive social change strategy.

BUILDINGS

Developing a
Comprehensive Approach

BUILDINGS: Developing a Comprehensive Approach

An integrated and collaborative social change approach begins with defining the purpose or end goal and being explicit about what change is being sought. Next, it involves assessing the context in which that change will take place. An approach targeting domestic violence is decidedly different if working in the Pacific Islands or the Midwest of the United States. Finally, social change does not work in isolation as it requires a collaborative effort with multiple approaches and partners. While a single organization can take initiative, collaboration is required to accomplish a deeper and broader level of social change.

How then do you design an integrated approach that incorporates using finance as a tool for gender equitable social change? The relevant questions here are the same kinds of questions that would be asked in any social change design process:

1. Where can multiple strategies work together across multiple organizations and efforts to create a more comprehensive strategy?
2. Who are the collaborators who can bring complementary assets?
3. Who are the partners that can help you reach outside of your area of comfort?
4. How is the strategy staged over time and what are the dependencies within that staging?

It's helpful to think in concrete examples. What follows below are three examples of how these strategies could come together around a specific issue looking at the creation and application of the strategies and tactics named in the previous sections. Each example will conclude with a set of starting places that would facilitate an integrated approach.

REDUCING DOMESTIC VIOLENCE

The assumption is often that finance can only be used to make a difference on purely economic issues. Domestic violence is a part of day-to-day life in any country, and while the experience is private, the impact of the violence is widely shared throughout the society, affecting the roles and status of women, their ability to participate in the work force, and destabilizing family structures. Any of these patterns present a risk to an industry or a geographic region and therefore present a risk to an investment in that industry or region. Given this connection, how can the system of finance be engaged to reduce the incidence or the impact of domestic violence?

Floor Plans:

- **Channel Resources to Enterprises and Investment Opportunities:** Move capital to efforts to support response to domestic violence or to enterprises that address the underlying causes of domestic violence
- **Advocate for Gender Analysis in Finance:** Assign value of an investment's potential risk or return, drawn from data patterns, around domestic violence in industries and sectors within a geography
- **Realign Power Through Structures and Terms:** Employ specific structures to shape incentives and deterrents for businesses to respond to their own practices that may be encouraging or could be preventing domestic violence.

Channel Resources to Enterprises and Investment Opportunities

Investment capital, in particular pools of debt or equity, can be directed to enterprises or organizations that respond to the impact of domestic violence. These programs are likely not high growth companies, but they, like many other service organizations, may require cash flow loans or investments to support the expansion or experimentation within a particular program. A few examples:

- An investment in a company that ensures safe transport for women or in a housing development that factors safety for women into the design of the space
- Making investment capital available to for profit or nonprofit organizations that provide social services (potentially funded by the government) to help them scale the programs offered to those affected by domestic violence
- Providing capital to domestic violence crisis centers for the purchase of real estate or the adaption of current space to a more appropriate design. Often these building acquisitions are funded by donations or grants but debt or guarantees could provide an alternative.

Investment dollars can also be directed towards enterprises that shift the root causes of domestic violence:

- Investing in funds that provide appropriate capital for women to start or expand their businesses. Access to capital made available to women or groups of women to start businesses is an important contributor to their ability to have financial freedom whether or not they choose to stay in or out of abusive situations
- If one of the causes is around attitudes towards masculinity and violence, and education is the answer, is there a way to invest in companies or broader financial vehicles that result in changing the culture?
- Utilizing social impact bonds to create an investment vehicle which supports prevention efforts through a pay-for-success model. As the reduction of domestic violence reduces absenteeism and presenteeism, and therefore saves the company money, companies or governments would be incentivized to invest the resulting costs savings in the social organizations that are most effective

in supporting survivors of domestic violence and the social change efforts that reduce violence against women.

Advocate for Gender Analysis in Finance

In order to advocate for the incorporation of data and patterns of domestic violence into financial analysis, start by identifying the correlations between the impact and the patterns of domestic violence and short and long-term financial risks for various industries and types of companies. For example, consider the following tactics:

- Quantifying the cost of domestic violence to specific businesses in a geographic region. In an area like the Pacific where domestic violence occurs in close to 25% of the households, the impact on business may not be isolated to a particular business but affect the overall economic stability or growth of the region. Another tool is to look at municipal bonds, specifically, to isolate the impact of domestic violence in a more local economy.
- Expanding the set of correlations between domestic violence and risks to investment. Correlations in finance are not necessarily direct. How does a flagrant disregard for laws correlate with disregard of laws within contracts? One of the key risk factors that investors look at is the prevalence of rule of law. This is particularly important in investments in emerging markets, where investors look at questions of corruption and effective government regulation of businesses. Domestic violence is a signal of the acceptance of violence in a culture. Therefore, investors looking at rule of law in a country might turn to statistics about domestic violence to predict a broader set of behavior.
- Increasing the demand for research on domestic violence with an eye to increasing issue salience and broader awareness within the private sector of the impact of violence against women. Spur this demand for research through greater media visibility of the issues. Potentially, create a coalition working on this issue to drive research to a variety of asset classes, or categories of investment from public equities to municipal bonds.

Realign Power through Structures and Terms

The power embedded in investment structures and terms can put pressure on actors to take steps to respond to domestic violence or create incentives to design the drivers of the business to address gender-based violence in the home.

A gender analysis of a company would identify areas in which businesses explicitly contribute to or impede domestic violence. Within the process of an investor structuring a private investment, terms could be introduced that made sure appropriate practices were introduced into the company. Given the correlation between domestic violence and the productivity of employees, this might be good for both the investor and the company. What would it take to align investment structures and terms which recognized the impact of domestic violence on business and build in incentives and deterrents? An initial list of options could include:

- Milestones tied to shifts in policies and practices in the company aligned to staging of payout of debt
- Explicit activities around improving practices outlined in uses of capital

- Tangibly defining how the risks the company experiences could be tied to the value of the company which could affect later investment terms.

The amplification of impact comes when it's not just an individual investor or investment fund using these tools within a private investment. Broader impact is possible when these terms are public and broadcast to others as viable practices for investors, through networks or other platforms.

Starting Places:

1. Supporting social change organizations to incorporate finance within broader strategy conversations and focus on which other influencers should be at the table
2. Building the capacity of domestic violence organizations to address and support the design time within organizations in finance and organizations working on issues of domestic violence
3. Supporting the design time within organizations in finance and organizations working on issues of domestic violence.

GENDER PATTERNS INSIDE OF CLIMATE CHANGE

Climate finance is a well-developed field of investment practice. Women's rights activists can learn from the experience of environmental organizations who worked to shift financial analysis so that it's increasingly accepted and almost commonplace to include the risks of climate change within the analysis of an investment in a company or an industry.

The gendered dimensions of climate change have not yet been incorporated into this emerging field of practice. In many cases, women are more vulnerable to the effects of climate change. In the developing world, women experience greater burdens by reductions in the already constrained access to resources. Women are also the agents of change in adaptation and mitigation processes. Nonetheless, often, design and implementation of responses to climate change have not consistently taken gender into consideration.

How can researchers and activists aware of the gendered implications of climate change influence investments strategy practice within the emerging field of climate finance?

Floor Plans:

- **Advocate for Gender Analysis in Finance:** Expand the view of climate risks within investments to incorporate a nuanced view of how intersecting gender patterns either mitigate or expand those risks.
- **Shift Trust in Expertise and Processes:** Address the additional burden of proof placed on gender data and gender experts within climate finance.
- **Influence the Goal and Measure the Outcome:** Reframe the goals of climate change so that it reflects and understanding of the structural inequities built into both the impact of and the response to global warming.

Advocate for Gender Analysis in Finance

Climate finance has effectively worked to incorporate the risks of climate change into the environmental, social and governance risks or ESG analysis in a broad number of investment funds. How does gender factor into that risk? Natural disasters disproportionately affect women, especially poor women in emerging markets. Therefore, it's not simply a generic risk as the number and intensity of storms grows, but a gendered risk that needs to be analyzed incorporating particular dynamics, in context. Data and analysis regarding the gendered dynamics in climate change impacts can increase the precision and the effectiveness of the analysis of these risks.

To make this reality, analysts need access to data that is comprehensive and consistently available. To affect the core sites of power within finance - analysts sitting in large investment firms rely on churning through global sets of data across multiple industries - the data needs to be comprehensive and predictably available.

Shift Trust in Expertise and Processes

The environmental movement has made strides to embed expertise about climate change as a trusted partner in developing financial and investment products. This required a shift in trust both for the activists (to see how finance could be a site where they could engage) but more importantly for the financial players to learn to value data about environmental patterns. Gender expertise has some catching up to do. Approaches to effectively investing with a view toward the impacts of climate change can be strengthened through more connections with gender-based expertise. In part, this is about the availability of data, but even as the data grows, the investment funds need to incorporate gender analysis when determining the risks of an investment.

One significant challenge. Often, even when the data exists, it's not trusted and may be dismissed as not having a material impact on the performance. Whether the data is perceived as material to the success of the investment strategy is not just a matter of proving the correlation (that might actually be clear) but requires overcoming biases about gender, race and class in how the data is valued.

One strategy is to find overlaps in knowledge and expertise. An artificial construction exists within sustainable finance between the investments focused on ‘planet’ and ‘people’. This is then reflected in how portfolios are constructed and teams formed. Encourage investment firms and advisors to cross pollinate across the specialized areas. Often, this requires a set of institutional capital asking for this intersection.

One final idea: create a campaign to increase the visibility of gender experts within climate finance. Make them rock stars. Increase their visibility and continue to provide the language that connects their knowledge to drivers in financial analysis.

Influence the Goal and Measure the Outcome

Climate focused investment funds are increasingly powerful players within the global capital markets. What if these funds intentionally named that they were concerned not just about the impact of climate but the disproportionate impact drawn by lines of race, ethnicity, gender and class?

This would require a significant campaign to draw attention to these inequities and their impact on the effectiveness of climate change strategies. At the same time, it’s important to hold up solutions and amplify climate investments that demonstrate positive or negative gender outcomes.

Starting Places:

1. Aggregate the current research around the connections between gender and climate change
2. Write and promote the leaders and organizations who are making the connections, for example the Global Gender Office in the International Union for the Conservation of Nature
3. Identify a set of climate change investors who have an interest in collaborating to improve their own practices around gender analysis and are willing to do the work necessary to move beyond intent to actual organizational change.

CLOSING THE WAGE GAP

Globally, the wage gap between men and women is one of the key metrics around gender equality. The women’s movement has been fighting this issue with a range of advocacy strategies from implementing governmental regulations to shifting corporate policy and practice.

How can an intentional strategy to engage capital markets play a role in driving change around the wage gap?

Floor Plans:

- **Influence the Goal and Measure the Outcome:** Understand more clearly the connection between investment practices and equal compensation.
- **Channel Resources to Enterprises and Investment Capital:** Move capital away from companies that are not actively closing the wage gap and to companies that are contributing to fair wages.
- **Shift Power through Terms and Structures:** Use the ability to vote proxies and requirements for transparency to shape corporate practices.

Influence the Goal and Measure the Outcome

With so much data in support of workplace diversity, activist investors are increasingly pushing corporations to release employment data that would enable them to make better decisions in investing. Pax World Management, Trillium Asset Management and Arjuna Capital are working actively to include the wage gap more prominently in corporate reporting. They're also working to build the case for the connection between investment practices and equal compensation.

In order to effectively track corporate practices it's important to create clear and commonly shared measurement systems; [Equileap](#) has created an index to track a set of top performing companies' performance on various measures of gender equality, including equal pay.

Channel Resources to Enterprises and Investment Opportunities

There are investment products available that screen for the wage gap such as the [US Trust Women and Girls Equality Strategy](#). However, product development, research and discussion around the wage gap is at present overly focused on public equities or large corporations. A fascinating and encouraging example has arisen out of microbusiness in the United States which suggests that women's ability to close the wage gap through microbusiness is promising. A recent report from the [Association of Enterprise Opportunity](#) cites studies that show that women's earning power in both absolute value and in comparison to men has grown faster than other sectors and is achieving parity. Investing in microbusiness could be a strategy to further support the shift in the wage gap.

Also encouraging is a recent study recorded in the [Academy of Management Journal](#) which identifies the characteristics of organizations that have created a 'female premium' for certain women which results in higher pay for women, which can be adopted by companies of any size. More research can be called for and conducted to better understand this phenomenon across sectors, industries and geographies. The [Institute for Gender and the Economy](#) at the Rotman School of Business at the University of Toronto is a helpful resource for further reading and discussion on this topic.

Shift Power Through Terms and Structures

As a first step, women's funds can review their investment policies to ensure alignment with principles of equal pay. Moving from implicit to explicit terms gives investment advisors and managers the mandate to be able to raise the question within the portfolio.

Any shareholders in a public equity have the ability to vote proxies on motions at corporate board meetings to require transparency in corporate pay practices and create policy that will lead to greater gender equity. Owning shares conveys power to influence the policy of corporate actors but this influence requires coordinated campaigns. It requires the kind of endurance that women's funds have demonstrated in seeking to shape issues of gender justice.

Starting Places:

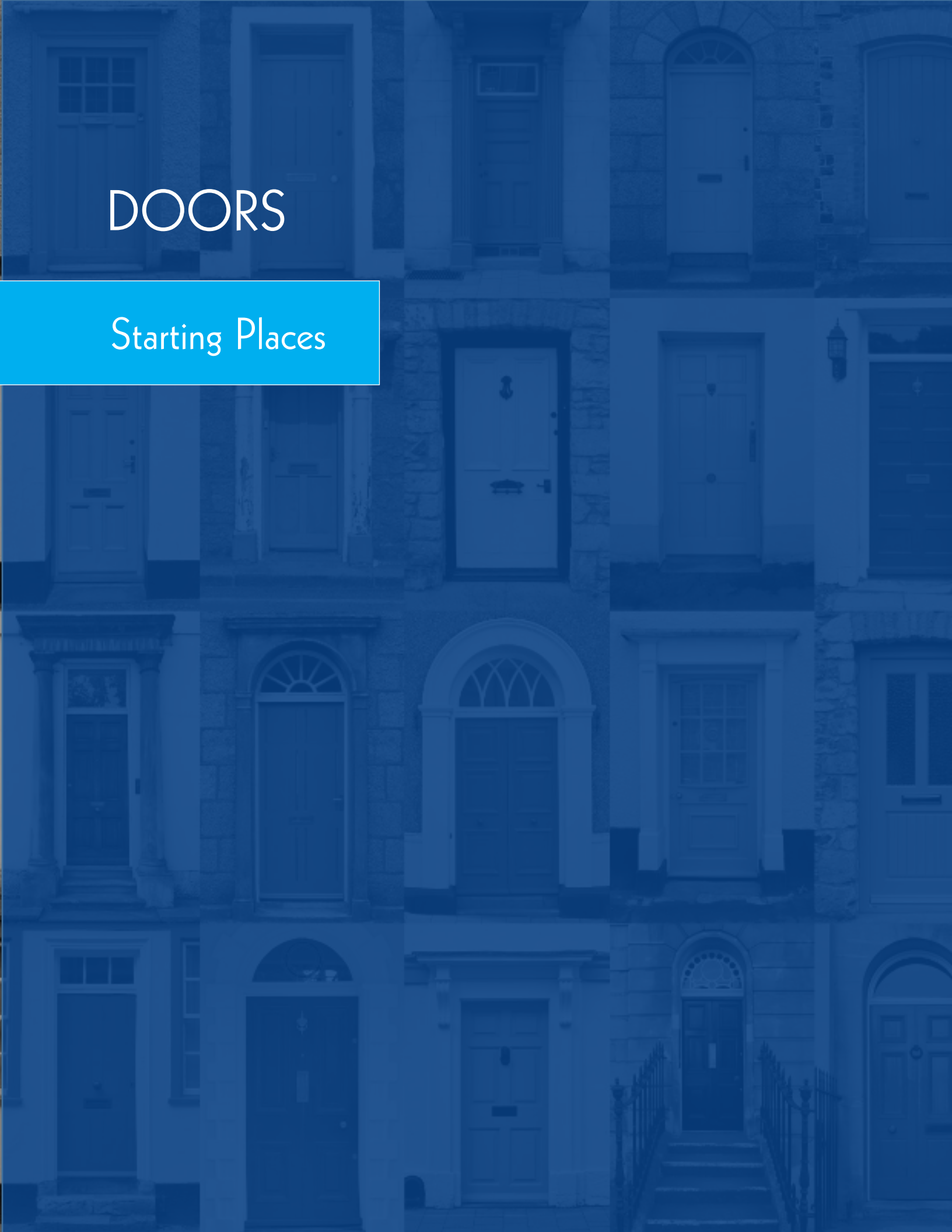
1. Move capital to investment opportunities that incorporate this issue in their approach to investments
2. Encourage investment managers to vote proxies and contribute voice and power to the campaigns to shape the transparency and the practices of corporate actors.

CONCLUSION

What is laid out in this section are complex social change process that would require the effort of many organizations working across boundaries, building new skill sets, translating knowledge, and pulling on a range of levers to facilitate change. There is also the continued importance of design time to be able to shape these strategies and imagine how they can become more effective. In addition, it's important to have a place to start so that the learning can begin as the long-term approach is developed.

DOORS

Starting Places



DOORS: Starting Places

Everyone has a different sense of what is easy. For some, travel is an adventure, for others, it's a daunting prospect that requires many maps and plans. This variety means that one person's definition of the easy way to get started will differ from another's. Therefore, there will always be a variety of ways to start venturing a new path and this will ring true for a women's fund who is beginning to explore using finance as a tool for social change.

As the field of gender lens investing has evolved, women's funds have voiced many reasonable objections to participating; one of the intentions of the Blueprint is to offer some points of resolve to some of these objections. These questions include but are not limited to the following:

- How does investing sit with women's funds existing focus on philanthropy? There is so much to be done within philanthropy with limited resources, does focusing on investing defuse existing efforts and create mission creep?
- Women's funds commitment to addressing deep social change requires philanthropy; don't for profit investments only skirt the surface (or sometimes contribute to the problem)?
- Women's funds do not have significant endowments compared to other foundations and therefore many do not have many assets to invest; don't you need money to have any power in finance?
- Women's funds may not understand the power dynamics of the finance world. They are very adept at navigating governments and media and know how to protect against being manipulated. How do women's funds 'see' the mines in the world of finance which seems like a minefield?

The challenge is that many of the resolutions to the questions and concerns outlined above require a first step, a leap of faith that engaging finance as a tool for social change will contribute to the social change sought. Without that leap, the space between can seem just too far. We hope that the arguments in this report have gone some way in establishing that faith. However, even when the faith is partially or fully in place, there are still a set of gender patterns surrounding engagement with finance and we must understand those first to see if these objections can be resolved.

Women are not always comfortable acting on faith alone. They often need to believe they have the full answer before taking any action. Women often, for example, see a long list of dependencies before running for political office. Perhaps they first must raise children, then get clear on all the social issues, and move through multiple stages of previous offices to build the experience before they are willing to run. There is wisdom in that, but there is also a long delay. When engaging in systems of finance, could we first choose what is necessary to know or have planned before beginning? Then we could analyze how much that delay may cost in moving forward the key change strategies. What is acceptable in terms of a delay in creating the change sought will be different for each person and for each women's fund.

There is also a gender pattern in the dismissive attitude about women's fear of finance and markets. This fear is quite well placed – finance has created a lot of negative outcomes in the world. Rather than dismiss the fear, we can use it for good. We can sit with that fear, recognizing a beauty in the anxiety we experience around a financial transaction. There is elegant logic in the fear of finance. What do we have to learn from our fear? In addition, how can we use fear as data points, what is it telling us about an individual transaction and our engagement generally? Emotions can be effective guidance systems.

One gender pattern that serves as more of an absolute barrier to engagement is the tendency of women to claim a lack of finance knowledge unless they have total mastery. The training that Criterion offers on gender lens investing includes a pledge card that says simply, “I will never again say that I don’t know finance.” It’s not suggesting that one should declare knowledge on the inner workings of finance if that is not accurate. The Pledge Card recognizes that many women are quick to offer a commentary on their lack of knowledge of finance, in part as a move to distance themselves from a conversation.



Bolstered with a faith in the possibilities and a recognition that gender patterns may be at work, a variety of places to start could serve as ways to open the door and test if some or any of the objections are still present.

- **Start by listening.** Lean into conversations when the topics shift to finance, rather than leaning back.
- **Start by reading.** Read the finance section of the newspaper. Have Investopedia as a bookmark on your browser, click through, and play with the words. Read a couple of articles on social finance in the Stanford Social Innovation Review. Keep reading and learning to create a feeling of comfort and increasing expertise.
- **Start with a conversation, or two or three.** Have a lunch out with someone in finance. Find an old school friend who ended up in finance and ask if they will have lunch a few times.
- **Start by asking simple questions.** Ask, “What does that word mean?” Glazing over language because it’s technical is one of the easiest ways to stay alienated. Ask a question next time someone says a technical word.
- **Start by asking tough questions.** Increase the challenge, push in ways that feel increasingly risky. See what people say. Talk to your fund manager. Or, if that’s too close for a first step, ask a question of your investment managers if you sit on a board. Where does gender analysis factor into how you approach investments? Or, perhaps a warm up is easier: do you have any women in senior leadership positions in your firm?
- **Start by collecting collaborators.** Pay attention to who in your community seems to be leaning into finance. Find out who you could work with and begin to scope out the opportunities.
- **Start a committee.** Several funds have created a gender lens investing committee within their board or staff who can explore the potential more intentionally. This has created an opportunity, to bring in outside experts, build the connections that strengthen the conversation
- **Start with a short, focused project.** For example, survey or interview grantees for their appetite for investment capital beyond grant capital.
- **Start by inviting.** So many people are waiting to be invited. Rather than waiting to be invited to the finance table, set the invitation.

Starting can be daunting. Simple and elegant next steps – everything from three lunches a year with finance colleagues to a slow but steady increase in knowledge about finance – is the best strategy. Keep

it simple and give credit to the fact that these preliminary conversations and other steps means that analysis and the testing has started. This is the beginning of imagining what might be possible.

When those doors open, there will be people behind them. The next steps will take place in concert with others, both in women's organizations, with finance people and beyond. This requires an imagination to see how the intention and efforts of many colleagues working collaboratively for change. Imagining what is possible within the field of gender lens investing and seeing where women's funds fit into building that field of individuals, organizations, ideas, attitudes, and activities.

NEIGHBORHOOD

The Field of
Gender Lens Investing

NEIGHBORHOOD: The Field of Gender Lens Investing

Gender lens investing lies at the cross section of gender and finance. The field serves as an umbrella that encompasses and builds on a broad set of efforts, from supporting women-led businesses and encouraging women on boards, to efforts to shift the labor practices in all kinds of businesses, to advocacy efforts to challenge the negative impact and encourage positive impact of the products sold by the company.

Criterion's definition of gender lens investing is to incorporate a gender analysis into a financial analysis to get to better results. Intentionally, this definition does not name an outcome. It names a process and leaves room for a range of intended outcomes based on who is using the approach for what purpose.

The field of gender lens investing is still in the process of emerging, a process which Criterion was instrumental in creating through a set of convening meetings and articulation of need captured in both [The State of the Field of Gender Lens Investing \(2015\)](#) and [The State of the Field of Gender Lens Investing in Asia \(2016\)](#).

As the first report discusses in detail, despite the field's recent emergence, the momentum is building fast as the current wealth transfer is creating pressures to move capital with a gender lens for governments, private banks and wealth managers. Most of the current investment products frame women as an economic opportunity but are supported because of and within a broader strategy of economic empowerment. Women as an economic instrument is problematic, and has contributed to the valid critique of gender lens investing and its approaches to women's rights organizations. Women's rights vanish in importance, as women only matter if they are creating additional value, increasing the economic strength of a region, etc. Additionally, it does not account for gender patterns that aren't just about women and girls.

The field is also making some of the same mistakes that the women's movement has made in the past. Many of the investment strategies essentialize gendered experience. A pattern about women's behavior (whether they take risks, etc.) becomes the universal truth about women. A deeper gender analysis, and this means for all genders, is required to incorporate intersectionality, seeing gender in the context of understanding the role of gender norming, and more importantly that norms can shift and that gender itself can change.

Many of the challenges named would be resolved with the expertise brought from experts who study gender patterns and the skills and knowledge of organizations working on gender equitable change. There is an opportunity to deepen and define how gender analysis is used to shape the movement of capital and for women's funds to become involved in the field of gender lens investing in a way that is core to their mission.

There are two opportunities to engage within this neighborhood: women's funds can choose to participate in the field or take a role in helping build the field, the path will be different for each organization and both choices are equally valuable.

Participating in the field could include: attending conferences, participating in networks, engaging with and making use of the written resources, broadcasting stories and successes as they are discovered. The simple act of acknowledging the field reinforces its legitimacy. Of course, the key form of participation is to design and develop strategies that use finance as a tool for social change.

The work required to take the field of gender lens investing forward are detailed in both State of the Field reports but some examples are included here:

- Network organizations such as the [SVN](#), [GIIN](#), [AVPN](#), [EVPA](#)
- [G8 efforts](#) to create a global policy around impact investing which are housed in National Advisory Boards
- Angel networks such as [TONIIC](#) and [Investor's Circle](#)
- Local investment professionals (you might find them through some of the other networks above or at places like the local [Impact. 2\)](#)

Many of the steps required to build the field explicitly name or imply the need for expanded collaboration with women's organizations:

1. Develop and support 'translators'. To fuel collaboration, organizations and individuals who can command both the diverse types of capital and finance language as well as be cognizant of the depth and breadth of gender data, and adept at connecting one to the other, have a critical role to play.
2. Invite newcomers so that new voices knowledge and insight are incorporated into the field. This includes but is not limited to women's organizations.
3. Frame and reframe messages paying careful attention to language and message which is reflective about how various audiences 'hear' finance. Making the field visible to a more diverse audience and implementing more intentional field level communication strategies.
4. Convene across boundaries using in-person methods to build trust and create places to practice together which are risk-free as both sides step out of their traditional roles and working contexts.
5. Strengthen networks focused on women's philanthropy around engaging in finance, such as Women's Funding Network, International Women's Funds Organization, or global organizations focus on gender issues such as United Nations Women. The role of these networks is increasingly critical, and the potential for them being able to leverage their existing constituencies power through finance becomes a more compelling option.
6. Create space for collaborative design and experimentation to build strategies for using finance as a tool for gender equitable social change, and share the results and lessons learned from early implementation.
7. Curate divergent information and knowledge by linking data in finance and gender in accessible ways so that the next round of researchers can draw on the data to make new connections.

In summary, one of the most critical issues now is the need for a bridge between gender knowledge and investment knowledge. The field needs to make a case for involvement here to the long-distance runners in the women's movement and together, create a new community or neighborhood which will have renewed energy, approaches and strategies for creating the world we want.

CRITERION INSTITUTE

81 Church Hill Road · Haddam, CT 06438

criterioninstitute.org

info@criterioninstitute.org