

Foundations turning to shareholder role

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With over \$550 billion in investments, more foundations are trying to align their missions with the investments they make, and they are using proxy voting as a key tactic, a new [report](#) says.

In 2011, for example, five foundations are the primary filers on 29 shareholder resolutions, says Proxy Preview 2011, a review of the nearly 400 social and environmental resolutions that investors filed at companies this spring.

"Foundations are starting to vote more thoughtfully on proxy issues," Michael Passoff, CEO of Proxy Impact and co-author of the report, says in a statement. "They are taking advantage of their considerable power as shareholders to engage management on issues at the heart of their work."

As You Sow, an organization that has published Proxy Preview since 2004, has filed over 150 shareholder proposals in the past 10 years, many by teaming with the Educational Foundation of America, the report says.

This year, **As You Sow** filed 15 resolutions, while the Nathan Cummings Foundation filed 10, with the Needmore Fund, Tides Foundation and Christopher Reynolds Foundation also filing resolutions.

Andrew Behar, CEO of **As You Sow**, says in a statement that proxy voting is "an important way shareholders can send a much-needed message to companies that they expect honest, responsible management."

Last year, he says, "it was overwhelmingly clear that a growing number of shareholders want corporations to change the way they do business, and we expect to see the same trend this year."

Heidi Welsh, a co-author of the report and executive director of the Sustainable Investments Institute, a nonprofit research group that provides information on corporate social responsibility issues, says small and medium-sized foundations "are becoming more interested in what's going on with their investments and making sure their investments and proxy-voting decisions related to those investments to align more with their mission."

Confluence Philanthropy, a group of 30 foundations that was launched in 2010 as an offshoot of the Environmental Grantmakers Association, for example, is setting up a proxy-voting service that initially will serve some of its members on a pilot basis, Welsh says.

And Proxy Impact plans to provide proxy-voting services for foundation and other nonprofits, she says.