



# Prison Free Funds: Stop Profiting From the Prison Industrial Complex

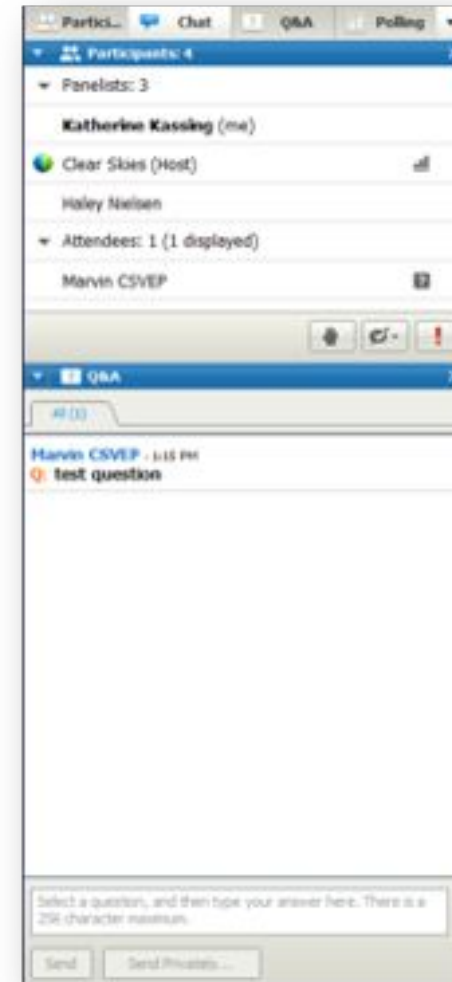


Prison Free Funds Webinar  
Wednesday, August 12, 2020

# General Information

- Use the Q&A window to send us your questions
- After the webinar, you will receive an email link to the recording.

Q&A Window

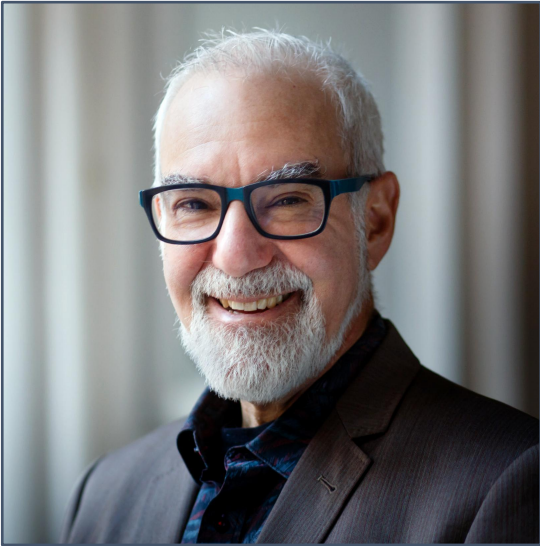




# Meet the Panelists



**Patience Marime-Ball**  
Founder and CEO, Women  
of the World Endowment



**Andrew Behar**  
CEO, *As You Sow*



**Dalit Baum**  
Director of Economic  
Activism, American  
Friends Service  
Committee



**Julie Goodridge**  
CEO, Northstar Asset  
Management



# Patience Marime-Ball

Founder and CEO, Women of the World Endowment



**Patience Marime-Ball** has a 17-year track record in structured investments and 5 years in early-stage investments. Roles include Principal Investment Officer/Global Head of Banking on Women at the International Finance Corporation (“IFC”). In 2005, she co-founded and was COO of Emerging Sun LLC. In 2010, she developed & led the IFC’s Banking on Women fixed income asset — 2018 portfolio of US\$2BN+ and co-developed the first-ever Gender Bond issued on the Uridashi market. In 2013, she co-developed the \$600 Women Entrepreneurs Opportunity Fund. She is Vice Chair of the International Center for Research on Women Board. She has an M.B.A. from the Kellogg School and a Juris Doctor from the Pritzker Law School at Northwestern University.

# Women of the World Endowment

Prison Free Funds  
Webinar

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August 12, 2020





*“Fear constrained us like an imaginary prison, and troubling thoughts of potential brutality committed for no understandable reason were the bars.”*

- John Lewis

“As parents of two black boys it has always been tough to process the reality that our precious children are faced with as they transition into young men. We always pray that they will be men of purpose, who care for people and planet. However, we also know that the burden of fear will impact their ability to fully embrace their place and purpose. We have long wished it was not so.”

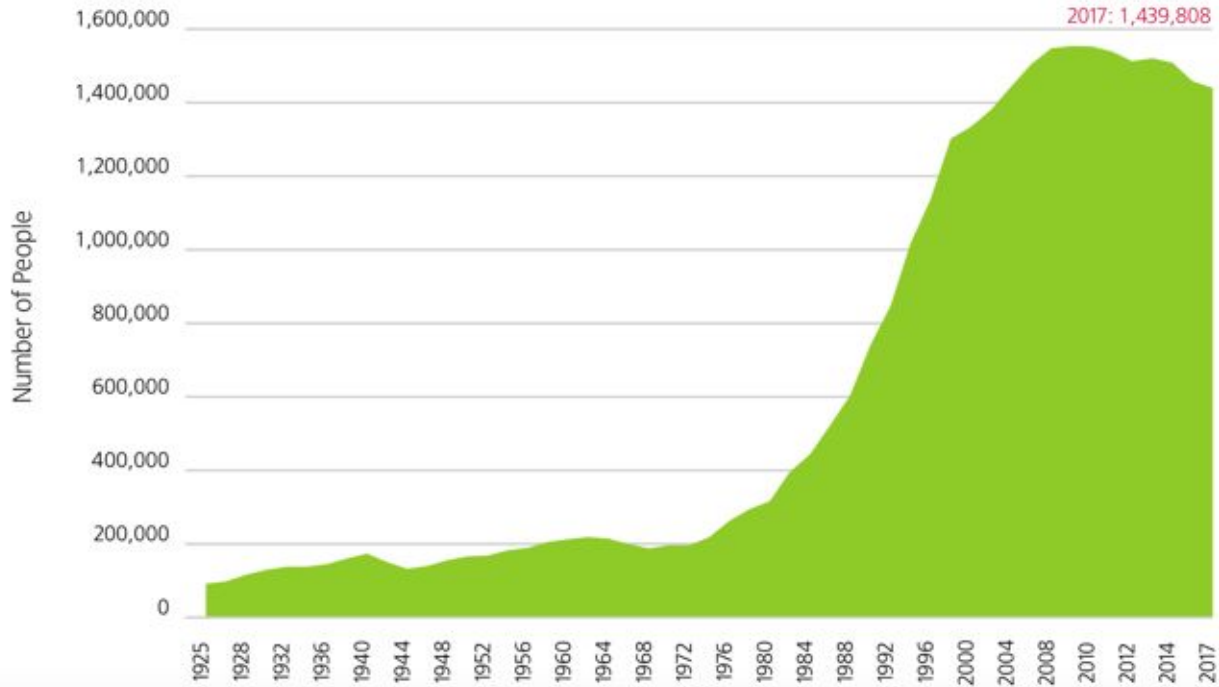
- Patience Ball

## **Keep the “Good Ones” In**

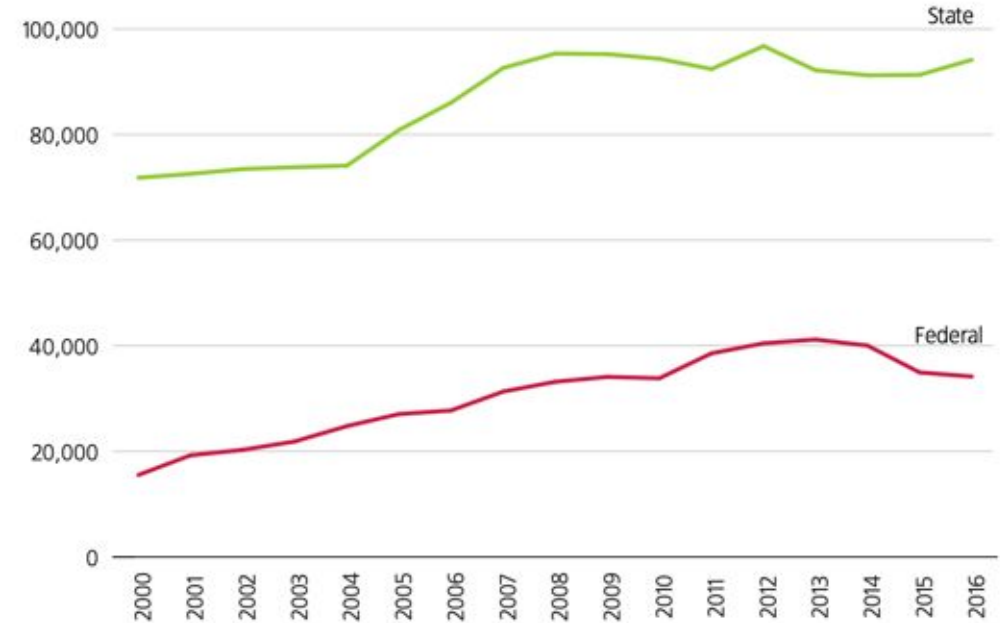
*“We need to keep some out there, that’s the ones that you can work, that pick up trash, .....the work release program, guess what? Those are the ones that they are releasing. In addition to the bad ones, they are releasing the good ones, that we use every day to wash cars, change oil in our cars, to cook in the kitchen, to do all that where we save money...well, they are gonna let them out.”*

- Steve Prator, Sheriff of Caddo Parish, Louisiana,  
in response to the 2017 Justice Reinvestment Act  
that would allow release of “good” non-violent inmates

# Of the total U.S. prison population, one in 12 people (128,063) was incarcerated in private prisons in 2016, an increase of 47% since 2000



U.S. State and Federal Prisons Population, 1925 - 2017



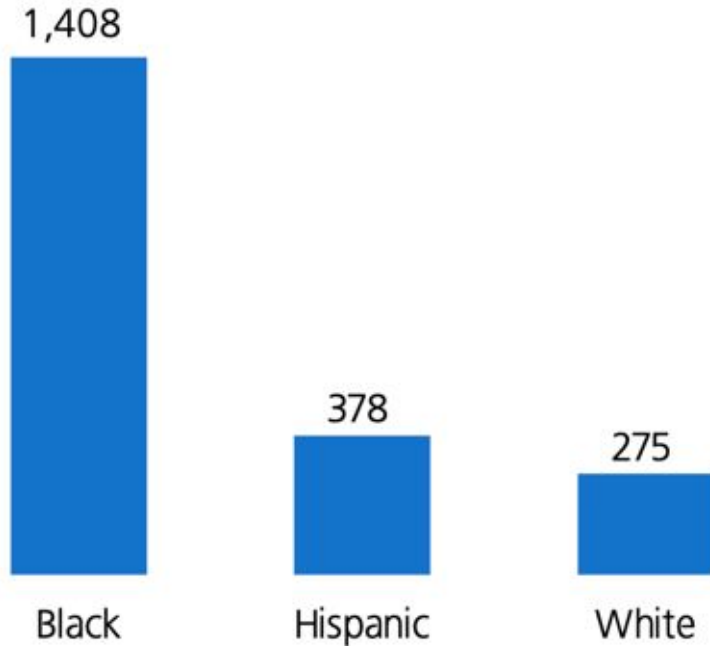
Source: Bureau of Justice Statistics, Prisoners Series.

Number of People Incarcerated in State and Federal Private Prisons, 2000 - 2016



# The Data: Mass Incarceration is a racial problem

Average rate of incarceration by race and ethnicity, per 100,000 population



Data source: United States Department of Justice. Office of Justice Programs. Bureau of Justice Statistics. National Prisoner Statistics, 1978-2014. Bibliographic Citation: ICPSR36281-v1. Ann Arbor, MI: Inter-university Consortium for Political and Social Research [distributor], 2015-10-09; U.S. Census Bureau (2013). *2013 Population Estimates*. Annual estimates of resident population by sex, race, and Hispanic origin for the United States, states and counties: April 1, 2010 to July 1, 2013. Washington, DC: U.S. Census Bureau.

AMERICAN LATINOS



**1.4 times**  
more likely than whites to be incarcerated

AFRICAN AMERICANS



**6.5 times**  
more likely than whites to be incarcerated

13% US total population  
33% US prison population



**Leading to a perpetuation of households in financial crises**

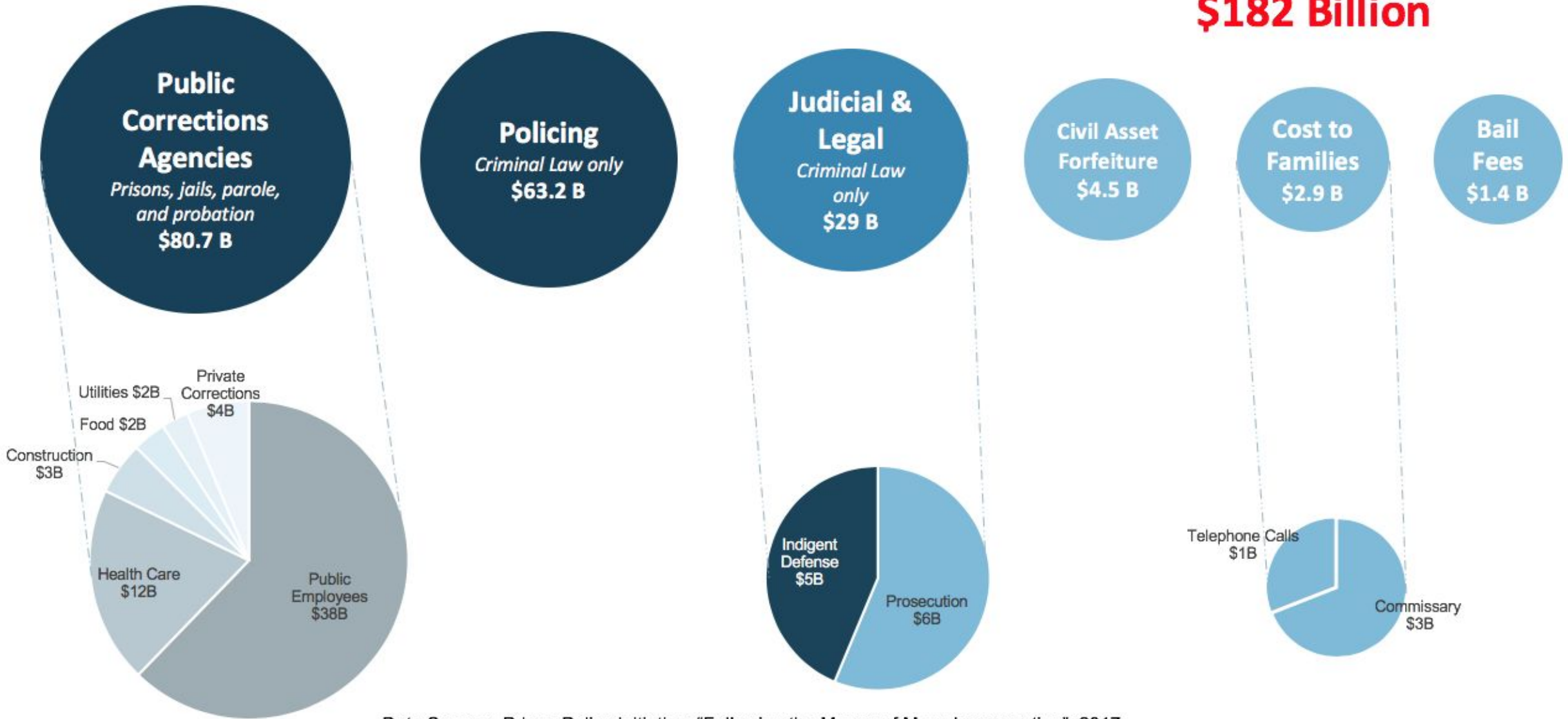
**\$66,260** average annual wage loss by typical black households

**65%** of families with an imprisoned member unable to meet basic needs

**20% - 40%** decrease in future earnings

# Mass Incarceration System

Annual Total Cost  
**\$182 Billion**



Data Source: Prison Policy Initiative: "Following the Money of Mass Incarceration"; 2017

**Highlighting the importance of building investment portfolios that deliver value and are aligned with your values**

**I lead an investment organization whose portfolio construction strategy is informed by the need to generate financial returns AND do so in a manner that is aligned with our objectives of making the world a more equitable place.**

**Using the Prison-Free Funds tool will be part of our strategy**



# We believe in the power of capital to enable sustainable change.

We launched Women of the World Endowment in October 2018 with 3 strategic objectives:

1. Develop an institutional pool of capital with the flexibility to invest with a gender lens across the capital spectrum from early stage investing all the way to public equities
2. With the income generated, invest in ecosystem builders that enable real change for women and girls and the communities they empower
3. With an institutional pool of capital, we aim to have a seat with other institutional asset holders and have the opportunity to influence their investment strategies

WoWE believes that **Gender Lens Investing** (“GLI”) offers untapped opportunities for **strong risk-adjusted returns and outsized impact returns.**

We believe we can demonstrate that a portfolio anchored in GLI can offer risk-adjusted returns comparable to any sustainability anchored portfolio

A significant part of our strategy is to facilitate and influence the movement of capital into GLI around a set of variables that deliver positive and material change for women and girls and the communities they empower.



# Highlighting a Value and Values-aligned investment strategy

WoWE's portfolio is 100% gender lens investing-aligned across all asset classes

## How do WoWE's core strategy and values impact asset allocation?

- The endowment's asset structure reflects a balance of its need for liquidity, long-term growth, and risk tolerance
  - Public equities are evaluated based on a gender equality matrix, which rates companies on the core gender equality principles
  - Private equity investments are focused on funds with impact indicators across any of the 5 GLI dimensions
  - Fixed income strategy focuses on company's corporate behavior.



## Intersectionality of Gender lens and other sustainability themes

- Objectives of ESG mandates cannot be fully realized without interrogating the way that Environmental, Social, and Governance factors influence the lives of women and girl citizens – and how that is evaluated across these seven core sustainability principles:
  - Gender Equality
  - Fossil Fuels
  - Deforestation
  - Civilian Firearms
  - Military Weapons
  - Tobacco
  - **Structural Inequities**
- All the above are linked to GLI dimensions:



Improving women's lives



Women in leadership



Women in Finance



Companies treating female employees well



Products / services improving women's lives

## In late-April 2020 we initiated an investment strategy informed by the intersectionality of gender equality and five other sustainability themes – starting August 13 we will rebalance it to include the prison-free screen

Each fund WoWE invests in must score at least a “B” rating across all sustainability themes as defined by As You Sow



Holdings as of 6/30/20	Performance		
	3 Yr	1 Yr	WoWE ITD (7/30/20)
Saturna Sustainable Equity Fund (SEEFX)	33.74%	9.91%	<b>21.11%</b>
Trillium ESG Global Equity Fund (PORTX)	15.44	1.61	<b>16.80</b>
Mirova Global Sustainable Equity Fund (ESGYX)	34.10	12.91	<b>16.75</b>
Green Century Balanced Fund (GCBLX)	16.15	2.37	<b>6.79</b>
Walden Balanced Fund (WSBLX)	16.04	0.31	<b>3.79</b>

In mid-July 2020, WoWE rebalanced its portfolio and invested in two news funds that better align with our values and performance target

Current Holdings 7/29/20	Performance		
	3 Yr	1 Yr	WoWE ITD (7/30/20)
Morgan Stanley Global Opportunities Fund (MGGPX)	72.09%	32.20%	<b>2..36%</b>
Jennison Global Opportunities Fund (PRJZX)	88.91	42.05	<b>2.60</b>

## *Racial equity is an outcome*

*“When people have access and opportunity regardless of race, that’s when you’ve reached equity... Racial equity is an outcome. Yet this outcome requires an intentional process and targeted practices and strategies. Racial equity requires that we: 1) develop an awareness of how race as a social construct impacts experiences and outcomes for others, 2) examine how systems and institutions create and perpetuate inequities on the basis of race, and finally 3) transform our institutions so that within and across we can no longer predict outcomes by race.”*

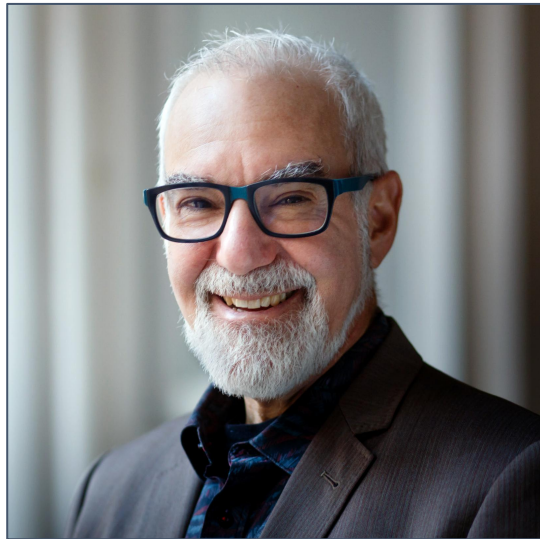
Dr. Kira Banks





# Andrew Behar

CEO, *As You Sow*



**Andrew Behar**, *As You Sow* CEO, has 30 years of experience as a Senior Executive and strategist in the cleantech, communications, and life science sectors. Prior to joining *As You Sow*, Andrew founded and was CEO of a start-up developing innovative fuel cell technologies. He served as COO for a social media agency focused on sustainability and has been a strategic consultant in the nonprofit sector. He is a member of the board of US Social Investing Forum (US-SIF) and is a member of the UN Sustainable Stock Exchange Green Finance Advisory Group. His book, *The Shareholders Action Guide: Unleash Your Hidden Powers to Hold Corporations Accountable* was published in November 2016 by Berrett-Koehler.





# Prison Free Funds

A project of





# Dalit Baum, Ph.D.

Director of Economic Activism, American Friends Service Committee



**Dalit Baum, Ph.D.**, is the director of Economic Activism for the American Friends Service Committee. The Economic Activism Program supports public campaigns and investor initiatives that challenge corporate complicity in state violence and in conflict zones. Dalit has co-founded the Israeli research center Who Profits from the Occupation and now leads the Investigate research project, which tracks the Prison and Surveillance Industrial Complex in the U.S. She has co-founded the Coalition of Women for Peace and taught about feminist economics and peace politics in Israeli and U.S. universities.





# Julie Goodridge

CEO, Northstar Asset Management



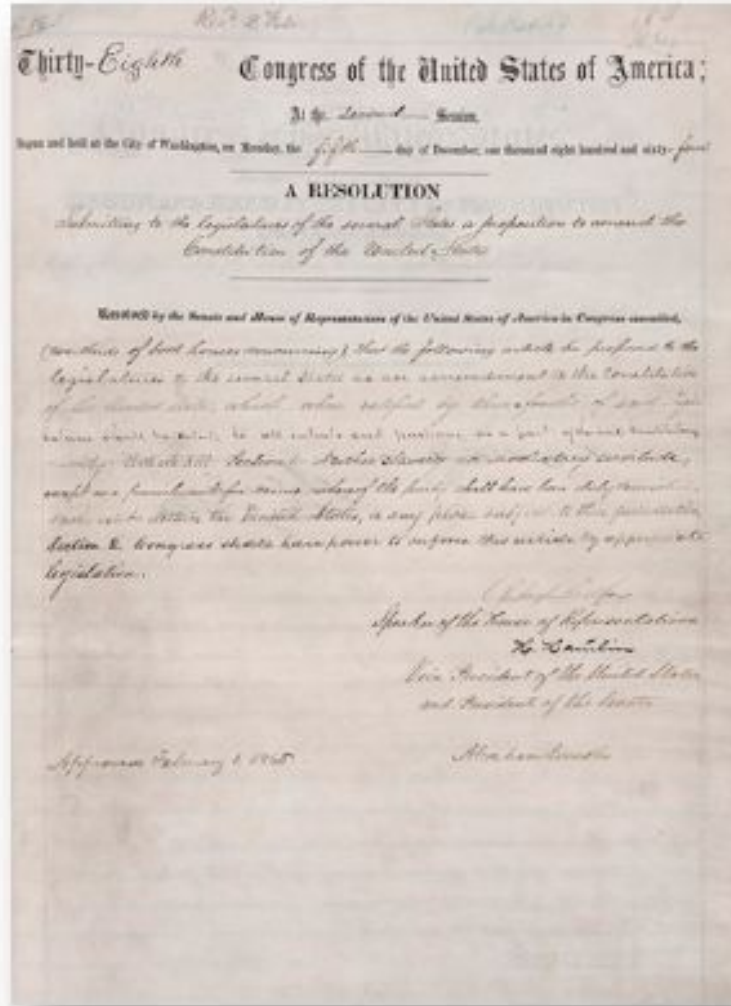
**Julie Goodridge** has worked in the investment industry since 1983, including her role as an early member of the Social Investment Forum (now US SIF) in 1984. Julie launched NorthStar Asset Management in 1990, an investment company with an exclusive focus on socially responsible investing (SRI). Through direct interaction with clients and with the Investment Team, Julie provides financial planning expertise, drives major investment decisions, and provides guidance and direction for NorthStar's shareholder activism work.

Julie was the lead plaintiff in the groundbreaking case *Goodridge v. Massachusetts Dept. of Public Health* (2003), which won equal marriage rights for same sex couples in Massachusetts, the first state in the U.S. to do so. She has appeared on CNBC, WGBH, NECN, Bloomberg, and all major networks discussing shareholder activism, equal marriage, and SRI. Julie has received awards from the Human Rights Campaign, the Boston Women's Fund, the Unitarian Universalist Association, and the Harvard University LGBT alliance. In 2014, Julie was named one of the 25 Most Powerful Women in Finance by *American Banker Magazine*, and in recognition of her broad reaching and trailblazing commitment to social justice, Julie was inducted into YW Boston's Academy of Women Achievers in 2019.

Julie serves as a Trustee for the Hyams Foundation, a foundation focused on racial justice in Boston. Julie is also a former Chairwoman of the Board of the New World Foundation where she recently concluded a 17-year tenure and served in roles including Treasurer and Vice-Chair.

Julie holds an Ed.M. from Harvard University and a BA from Boston University.

# Prison Labor and the 13th Amendment



“Neither slavery nor involuntary servitude, **except as a punishment for crime** whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.”



# Financial Incentives for Prison Labor



- State & federal prison system: profit
  - Companies: lowered overhead, captive workforce, cheap domestic workforce
- 
- Inherently coercive
  - Sometimes forced, sometimes unpaid
  - Sometimes inhumane working conditions

# Shareholder Activism since 2018

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Shareholder proposals –

1. Initial engagement:

Audit supply chain for incidents of prison labor

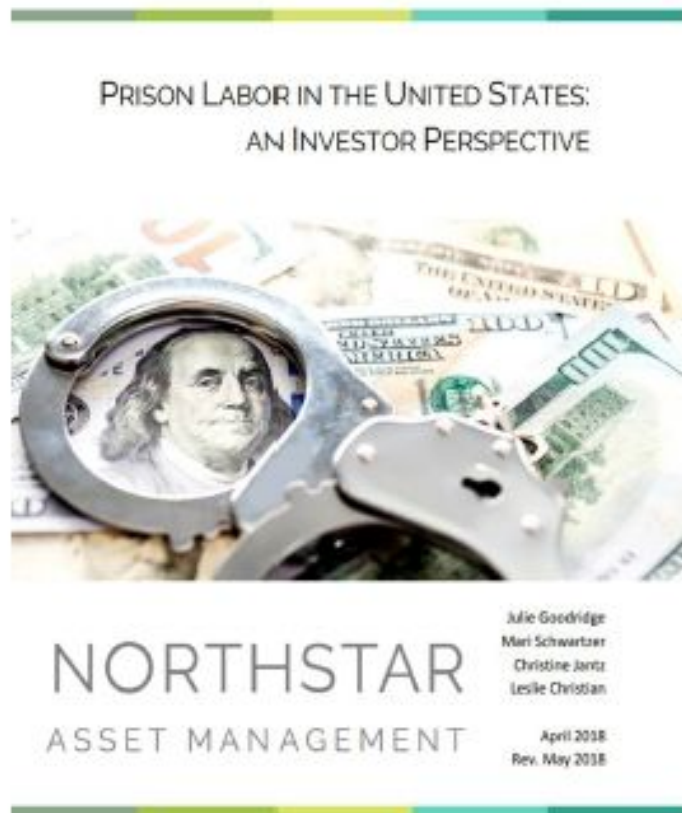
2. If company has policy to **prohibit** prison labor:

Assess the effectiveness of current company policies for preventing prison labor in the company's supply chain

3. For companies with **demonstrated evidence** of supply chain prison labor:

Assess the risks associated with potential supplier noncompliance with the company's policies on prison labor

# NorthStar's Approach

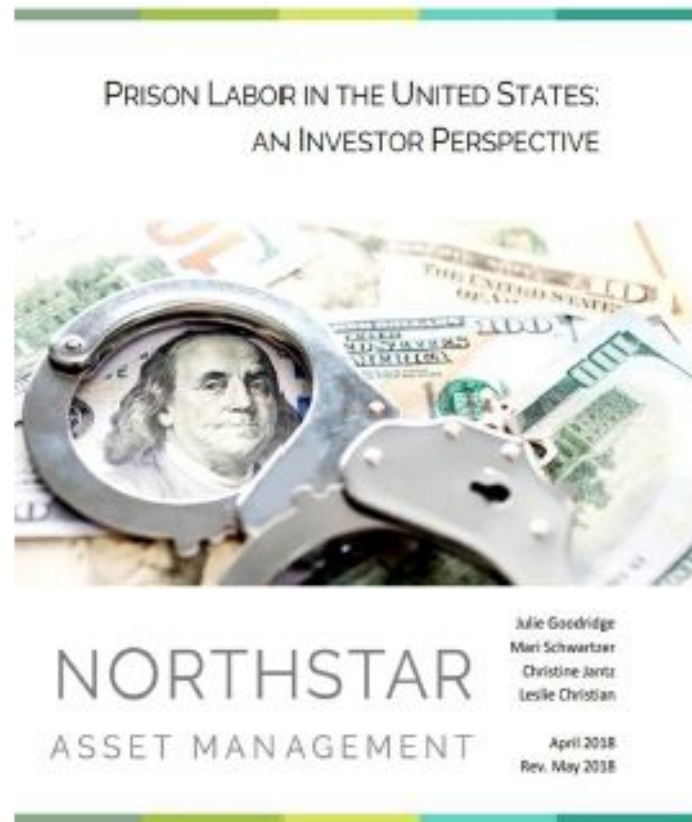


1. Understand the system
2. Ask companies to audit for prison labor in the supply chain
3. Educate companies on what to ask and best practices
4. Emphasize responsibility of companies to engage

[northstarasset.com/prison-labor](http://northstarasset.com/prison-labor)



# Responsibility of Companies



[northstarasset.com/prison-labor](http://northstarasset.com/prison-labor)

1. Require that work is voluntary
2. Advocate to increase wages
3. Advocate for lower deductions
4. Upgrade working conditions
5. Require career training
6. Require job placement programs

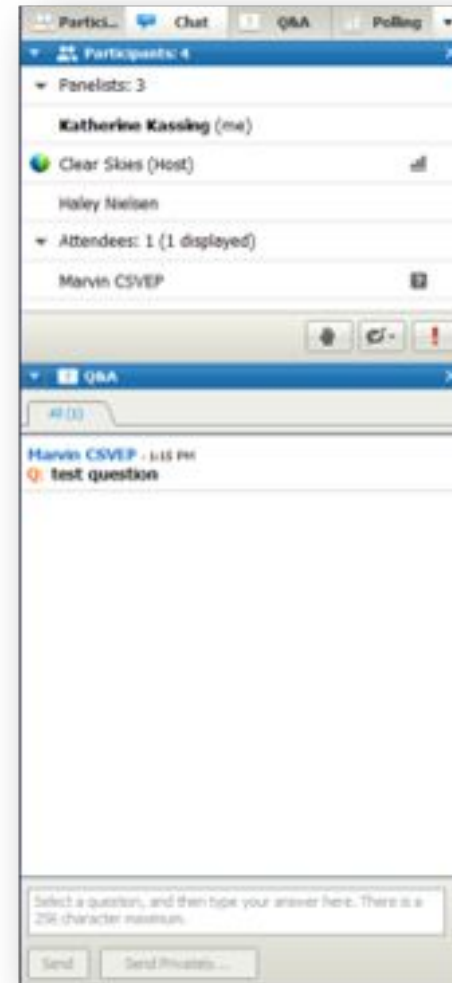
# Quandary of Best Practices

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- How do improvements in standards or best practices lead to the **elimination of mass incarceration?**
- Can best practices **eliminate the profit motive?**

# Questions and Answers

- For technical support call 1-855-888-6094
- Use the Q&A window to send us your questions





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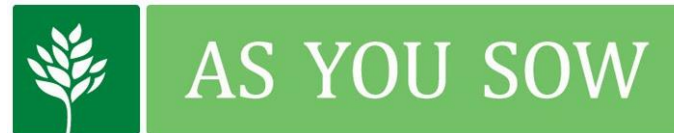
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# Thank you for joining us today!



***As You Sow***

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