

## *An Overview of the UC Berkeley Foundation*

### What is the Foundation and what does it do?

- ✚ Since 1948, the UC Berkeley Foundation (UCBF) has raised private funds needed for programs and new buildings, as the state only provides part of UC Berkeley's budget.
- ✚ As UC Berkeley lacks a Board of Governors or Trustees, the UCBF also serves as an advisory group, a conduit for public opinion, and a source of assistance to the Chancellor and the campus. These broad duties include providing support and advice to fundraising programs and activities, and managing and overseeing the Foundation's endowment funds and trusts.

### What is the UCBF structure of governance?

- ✚ The UCBF is governed by a Board of Trustees - elected, appointed, and ex-officio - who are volunteers, campus leaders, or campus administration. Most are Berkeley alumni.
- ✚ The Board of Trustees meets three times per year.
- ✚ Various committees, such as the Investment Committee and the Programs Committee, conduct Foundation business and advise the campus administration on critical issues. The chairs and vice chairs of these committees are the executive officers of the Foundation.
- ✚ The executive officers, the president of the Foundation, a faculty representative, and the Chancellor comprise the Executive Committee of the Foundation.
- ✚ Although the UCBF has its own governance structure, it may also be bound to follow some policies set by the UC Regents.

### How does this relate to social and environmental issues?

- ✚ The UCBF places donations into a pool of money called an endowment. The Foundation spends a small percentage annually, but re-invests most of the money into funds and corporations; consequently the endowment grows larger over time. **As a shareholder, the UCBF has a say in those companies' policies and the leverage to influence their corporate practices, which affect many crucial global issues.**
- ✚ **Did you know UC Berkeley's endowment is over \$839 million?** That's a lot of money that could be going towards positive change!
- ✚ The University already acknowledges this priority:
  - The UCBF Board of Trustees is "dedicated to promoting the University [of California]'s pursuits of teaching, research, and *public service*"
    - <https://foundation.berkeley.edu/default.aspx?Page=FoundationHistory>

- UC Berkeley’s Principles of Community “reflect our passion for critical inquiry, debate, discovery and innovation, and *our deep commitment to contributing to a better world ... We believe that active participation and leadership in addressing the most pressing issues facing our local and global communities are central to our educational mission.*”  
- <http://www.berkeley.edu/about/community.shtml>

More information about the UCBF can be found at <http://foundation.berkeley.edu>

## *Responsible Investment in a Nutshell*

### *Responsible Investment – what exactly is it?*

- ✚ Taking social and environmental concerns, not just monetary, into account when making investment decisions.

### *How is your school linked to responsible investment?*

- ✚ All universities own stocks of powerful companies – often millions, or even billions – in their endowments and their employee pension funds. **As large institutional shareholders, universities hold sway with the companies they invest in. They have the power to raise important issues about the way that these companies are operating.**
- ✚ **Colleges and universities can use their investments to push for the progressive elimination of corporate practices that contribute to social and environmental ills.**

### *Strategies of Responsible Investment*

- ✚ **Passive: keeping your money where it is**
  - **Corporate dialogue** – Write a letter and find out more information about the company’s business practices
  - **Shareholder advocacy** – File a shareholder resolution requesting that the management address a particular issue or corporate practice you don’t agree with which will be voted on by shareholders at the company’s annual meeting. Or vote on shareholder proposals submitted by other shareholders for progressive change. Proposals don’t need a majority vote to pass - many companies have improved their business practices on proposals with only 7%-10% of shareholder votes. To be eligible to file a resolution, shareholders must own \$2,000 worth of the company’s stock for at least one year before the annual filing deadline.
- ✚ **Active: moving your money around**
  - **Screened Funds** – Invest in mutual funds that screen out companies involved in tobacco, arms manufacturing, resource extraction, sweatshop labor, and others.

- **Affirmative/Positive Investment** – Community investment – Invest in historically depressed areas, usually poor neighborhoods of color, to fund community revitalization, low income housing, or microenterprise. Social venture capital - Invest in companies that you do like, such as green technology
- **Divestment** – Take your money completely out of a company. It sends the most serious message, and is appropriate in certain situations.

### The University of California

- ✚ Its endowment money is in the General Endowment Pool and individual Campus Foundation endowments, totaling over \$74 billion, one of the largest in the nation
- ✚ **Despite a mission statement of social stewardship, this money is invested in companies that continually fail to respect human rights and the environment**
- ✚ **There is no comprehensive responsible investing policy in place, but we can help change this!**

### *A Brief History of Responsible Investing*

- ✚ It's not a new concept! Responsible investing began with divestment from companies involved in the Vietnam War.
- ✚ RI strategies were instrumental in aiding the fall of apartheid in South Africa
- ✚ In the 80s and 90s investors began experimenting with community investment.
- ✚ **Years of implementation show that it does work!** RI strategies have been key in getting Home Depot to stop selling old growth timber, pressuring Nike to allow factory inspections at its plants in Burma, and devoting billions of dollars to low-income housing and microenterprise.
- ✚ **Today, responsible investing has gone mainstream with 1 in 10 dollars invested in screened funds; that's \$1.3 trillion!**

### Some examples closer to home

- ✚ Recently, **CalPERS and CalSTRS**, two of the largest pension plans in California, chose to invest their money in environmentally responsible companies.
- ✚ In the past, **the UC system** has prioritized human rights in its decisions to divest from tobacco companies and companies doing business in South Africa during apartheid and today in Sudan.

### What's been happening at colleges and universities lately?

- ✚ Many other colleges and universities have begun to implement comprehensive responsible investing policies.
- ✚ **Stanford, Harvard, Yale, Columbia, Brown, Barnard, Swarthmore, Vassar, and Williams have created committees on investor responsibility and successfully incorporated environmental and social criteria into their investment decisions without compromising fiduciary responsibility**
- ✚ Note that Harvard, Yale, and Stanford, the universities with the three largest endowments in the U.S., all have committees on investor responsibility

*So what's going on at UC Berkeley?*

- ✚ **The UC Responsible Investment Coalition (UC RIC), led at Berkeley by the Sustainability Team (STeam), is trying to get the UCBF to follow these examples**
- ✚ We're starting off by asking our Foundation to adopt a proposal for a committee on investor responsibility
- ✚ We're in the process of gaining on-campus support, researching the UCBF policies, and starting dialogue with the administration
- ✚ **Our success here could also set a tremendous precedent for the UC Regents!**

*Why endorse the UC responsible investing campaign and what you can do to help*

*A link to personal and professional interests*

- ✚ **Do you teach, research, or work in areas that relate to issues of the environment or social justice, or do you support these areas?** Responsible investing affects so many different areas that it's likely you'll find a fit with what interests you.
- ✚ **Do you teach, research, or work in business or investments?** Responsible investing may give you exposure to a different side of the financial world.
- ✚ **Do you want to support students as they further their academic experience through real world applications?**
- ✚ **Do you want to show your Cal pride in a new and different way?** Berkeley is one of the premier institutions of higher education in the nation; help demonstrate its leadership and stewardship as the first public institution to adopt such innovative policies!

- ✚ Just remember, responsible investing works! **UCB can change its investment policy to promote social and environmental change without compromising the quality of investments, so what do we have to lose?**

*OK, I'm sold! Now how can I help out?*

- ✚ Whether you're a faculty, alumni, or staff, there's a way for you to get involved! Please contact the UC RIC first, but here are some examples of what you can do:
  - Put your name on the **letter of endorsement for the campaign** (please see the attached sample letter) and encourage your colleagues and friends to do the same.
  - Help **circulate the petition** calling for a committee on investor responsibility – make an announcement in your classes, reach out to colleagues and friends.
  - If appropriate, incorporate a small unit on responsible investing, corporate practices, and social and environmental issues into your **class lecture or discussions**.
  - Assist in **bringing together students and administration** for important dialogue.
  - Pledge further support by **volunteering to act as an advisor to the students**.
  - **Just spread the word – to everyone!** Make it a conversation topic with your friends and colleagues.

*The UC RIC is a broad coalition of student groups, the California Student Sustainability Coalition (CSSC), and the Responsible Endowments Coalition (REC). We are united by our belief that responsible investment is the next step for the UC to take towards greater social and environmental responsibility, thus achieving a more just and sustainable future. **Contact us at** \_\_\_\_\_.*

***Want more information?** Check out REC's website: [www.endowmentethics.org](http://www.endowmentethics.org) and visit CSSC's website at <http://sustainabilitycoalition.org/index.php?page=responsible-investing>. Also join our google group to get access to resources and the latest news, <http://groups.google.com/group/uc-responsible-investment>.*

Date

Dear Regents of the University of California and all Campus Chancellors:

We are writing to support the University of California Responsible Investment Coalition in its efforts to promote responsible investing at the University of California and to create a Committee on Investor Responsibility to the UC Regents and to all individual Campus Foundations. We applaud these steps to address pressing concerns about the social, environmental, and economic impacts of the UC's investment decisions.

We respect that the University of California's mission incorporates a commitment to service and to society, and encourage the UC to ensure that its investment policies are aligned with its values. We also congratulate the UC for setting a precedent in prioritizing human rights in its decisions to divest from tobacco companies, South Africa, and Sudan, and urge the University of California to create a stable structure for addressing social and environmental factors in its investment decisions.

Thank you for your time and consideration.

Sincerely,

[names of supporting organizations/professors/alumni/staff]