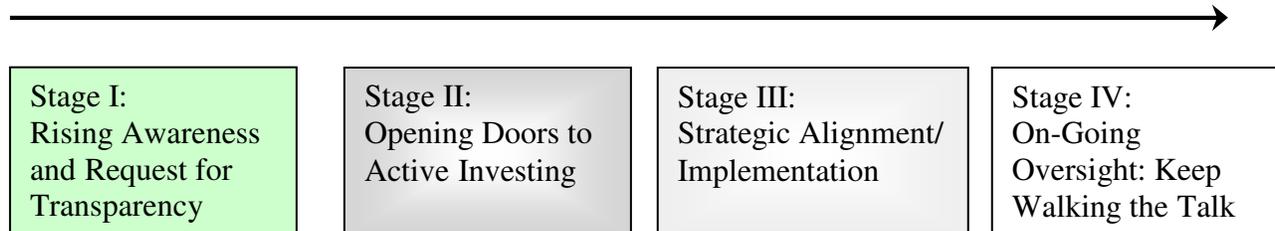


## Congregational Socially Responsible Investing - Spectrum of Involvement

The purpose of this spectrum is to help congregations identify where they stand along the path to socially responsible investing and financial practices. This will allow them to better identify the steps required to reach the goals they set for investing their congregation's funds in a socially responsible manner. This can be used for existing endowments, new or short term investment funds, and even the choice of businesses that work with the congregation.



### **Stage I: Rising Awareness and A Request for Transparency**

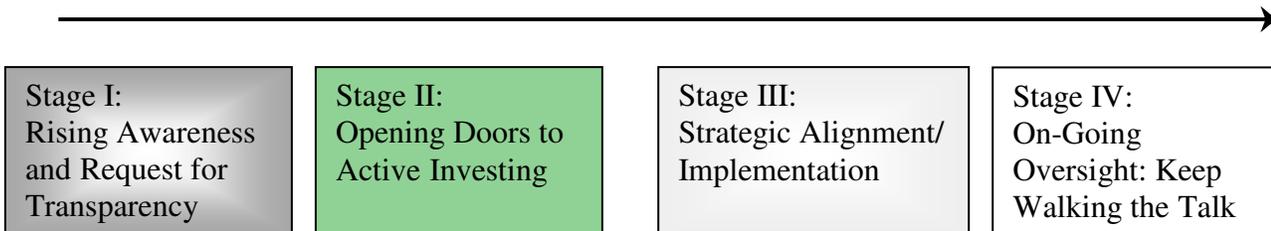
In the first stage, individuals in the congregation, who are eager to extend the values of Unitarian Universalism to all aspects of congregational life, advocate to have the church's investments align with these values. These individuals find themselves among the following categories:

- Individual investors or investment professionals, involved or not in church finances.
- Promoters of social justice within the congregation that feel the need for education and sharing of information on this subject with others.
- Individuals already involved with SRI: committed to the double bottom line of both social and financial returns.
- Those open to doing things differently than in the past.

These advocates can work in this stage to raise awareness about SRI in general and the congregation's current investment approach and process specifically. They can:

- Gather information about SRI needed for their education and then arrange for educational events for others.
- Establish constructive contacts with the people or committees within the congregation who have decision-making power over congregational investments. Identify their information needs around SRI.
- Request a new level of transparency so that they and the congregation at large can be made more aware of what investments are owned, how they are managed, and what specific investment strategy or policy is in place.

It is important at this stage for the advocates to work to determine congregational interest in supporting a move to SRI. Along with this, they can identify both existing barriers to change as well as congregational processes in place to press for change. This will help determine the ground rules for action steps moving forward.

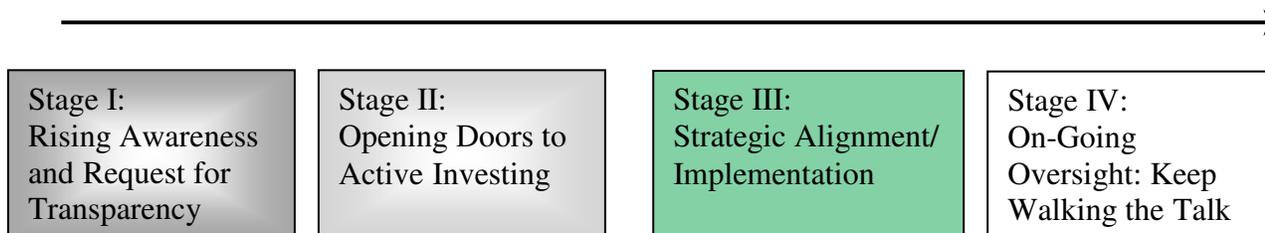


**Stage II: Opening Doors to Active Investing**

In the second stage, the advocates work to broaden their team and involve themselves in those committees who are the decision making bodies. The move to active Socially Responsible Investing means they can:

- Learn about community development investing opportunities and consider joining the “1% for Community” movement. This is a good first active step toward SRI.
  - They may choose to make an initial investment in a Community Development fixed-income investment or a community development loan fund or opening an account in a community bank or credit union.
- Act as responsible shareholders of the companies already invested in by the congregation. The goal of this activity is to influence and ultimately change company policies and governance in line with ethical values:
  - Research the corporate policies of those companies and how they fit into the economic, social and environmental framework of our country and the world.
  - Exercise proxies, voting on company and shareholder resolutions.
  - Raise grievances with a company via investor relations and the press,
- Work more closely with their investment professional, as applicable. It is critical to determine if the investment professional working with their congregation is open to adopting an SRI strategy.

At this stage as well, the advocates will review existing congregational social action and justice priorities. These priorities can help to frame or revise investment policies to incorporate social return as well as financial return.

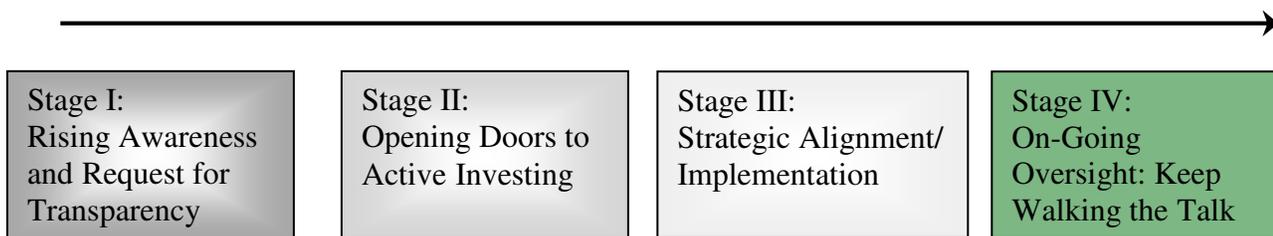


**Stage III: Strategic Alignment and Implementation**

Once the priorities of the congregation are clearly understood and the existing investment policy is reviewed, strategic alignment can begin. This is an alignment of the values represented by the priorities of the congregation with the investment direction used by the church. This usually involves committee review, discussion, research, and working with a financial professional, as well as congregational approval. The result will be a new or revised investment policy statement.

How are values and priorities of the congregation aligned with an investment and financial practices policy? One part of this may be having the congregation’s social justice involvement influence and inform positive and negative screens for an investment portfolio. They can:

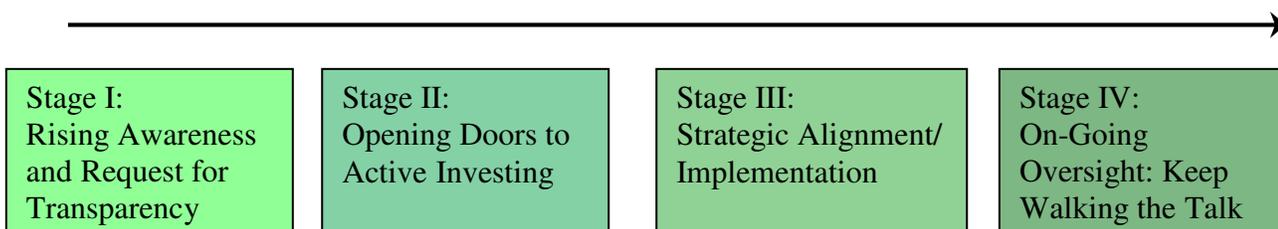
- Formulate screens for ongoing investment activity:
  - A positive screen searches for companies with clearly display beneficial social policies and business activities that you value.
  - A negative screen filters out and restricts investment in companies whose businesses or its ends run counter to your stated values. These can include companies with employee, environmental, social or governance policies that are not socially responsible. The UUA has published screens that it uses for its investment that may be a good place to start
    - An example is peace activists might use a negative screen to exclude defense contractors from their investment portfolios.
- Determine roles regarding how involved the investment professional is to be in develop the policy statement. Once in place, the investment professional will implement the policy by determining the best investment or investment changes according to congregational direction. These professionals can be evaluated on their openness to the implementation of the UU congregation’s values and their ability to apply a policy in a way that will not compromise financial goals and income needs.
- Implement the new or revised investment policies, applying the screens developed.



Stage IV: On-Going Investment Oversight: Keep Walking the Talk

As in all investing, it is impossible to predict performance or future actions and reactions to the financial marketplace. This stage requires ongoing oversight to react to the changing world and to realign investment policies as required. Regular reporting of both investment performance as well as information about corporate values, initiatives and policies will reinforce Socially Responsible Investment as an approved congregational priority.

When necessary, going back to Stage III to ensure congregational alignment can be an important exercise to keep Socially Responsible Investing a vibrant part of aligning our UU principles with our congregational management.



### Spectrum Scoring Sheet

Read through the spectrum of involvement. Then you can fill out this form while you are at the workshop.

*Circle the letter that most applies in each area – then total up the numbers of each letter at the bottom of the scoring sheet.*

#### Initiative

- a) The initiative to embrace or investigate SRI comes from outside the finance/investment/endowment committee.
- b) The initiative to investigate SRI has been endorsed by the finance/investment/endowment committee and/or the board.
- c) There is a process in place to move towards SRI and it has been approved by the board and possibly the congregation.
- d) SRI is in place. The job now is to review and manage the investments.

#### Advocates

- a) There are individual advocates interested in practicing SRI, but no group effort yet launched. The advocates are committed but don't yet have enough information or don't yet understand the congregational process in order to proceed with change.
- b) A team is developing who is making it their business and the business of the congregation to be more educated about SRI options. They are bringing information on SRI to the attention of the congregation and its leadership.
- c) The advocates are now part of the financial decision making process.
- d) The advocates have effected change. The congregation has now refined its views and practices. Investments and other financial practices are handled applying socially responsible principles.

#### Financial Decision Making

- a) It is not really clear who makes the decisions around financial practices and the monies invested for the congregation. This may be a difficult area in which to get involved.
- b) The finance/investment/endowment committee will now listen to new ideas and are open to involvement of individuals interested in pursuing socially responsible investing for our congregation.
- c) The process to move to SRI is underway. The right people are on board and evaluation is happening. Now we need to follow the process we laid out and make sure that the direction we are headed really fits our priorities and strategic plan.
- d) SRI investment policies and strategies are in place. These are aligned with our priorities as a congregation.

### Financial Information: Involvement and Education

- a) There is a clear “we don’t talk about money a lot here” attitude in the congregation. And maybe “if it ain’t broke, don’t fix it” attitude. Sometimes it is not clear how much money is under investment. Or there might be lack of clear financial reporting on the condition or approach of the endowment funds or other investments. There may also be a lack of involved financial/investment savvy parishioners.
- b) We have a clearer idea of our investments and we are trying to become more knowledgeable, involved shareholders. There is a group working to keep everyone up to date and move us towards SRI policies.
- c) We are up to speed and know where we are investing, what values we want to have reflected in our investing and we are working on the process of determining where we will invest.
- d) The congregation is briefed regularly on our investment approach and results, both financial and social that reflect our move to SRI.

### Financial Strategic Planning/Priorities

- a) Our congregation does not have a financial plan or a clear set of priorities. We are working on keeping it all together but have not clearly defined our mission, goals and plans to get there.
- b) There are some very active groups within our congregation. Our priorities are reflected in the areas that people are most involved in. We definitely have a concern about our congregation’s financial impact on the world.
- c) We have a good idea of our vision regarding socially responsible finances, even though our actions don’t always reflect them. We are working to align our efforts with our priorities.
- d) We have a set of financial priorities that informs our identity as a congregation. It is easy to understand how and why these priorities are important to us.

### Implementation

- a) There is no public discussion of SRI.
- b) There is a group who works to get SRI on the congregational and committee agendas but it is only loosely organized.
- c) Some committees and groups regularly consider SRI as an agenda item
- d) SRI is infused in our congregational work and approach.

TOTAL a) \_\_\_\_\_ b) \_\_\_\_\_ c) \_\_\_\_\_ d) \_\_\_\_\_

The most a’s – Stage I

The most b’s – Stage II

The most c’s – Stage III

The most d’s – Stage IV