

# Faithful Investing

The Power of Decisive Action  
and Incremental Change

*Edited by James W. Murphy*



# Contents

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<b>Foreword</b>	v
<i>Donald V. Romanik</i>	
<b>Introduction</b>	vii
<i>James W. Murphy</i>	
<b>1. Basic Concepts and Terms</b>	1
<i>Greg Rousos, William Somplatsky-Jarman, and Aimee Moiso</i>	
<b>2. What This Means for My Congregation/Organization</b>	21
<i>Greg Rousos</i>	
<b>3. Is Perfect the Enemy of the Good? Starting Socially Responsible Investing Incrementally</b>	41
<i>Kathryn McCloskey</i>	
<b>4. Repairing the World One Company at a Time—Shareholder Advocacy</b>	56
<i>Byrd Bonner</i>	
<b>5. Inclusion, Equity, and Diversity</b>	68
<i>Carsten W. Sierck</i>	
<b>6. Dignity of Every Human Being—Human Rights, Human Trafficking, and Investing</b>	79
<i>Séamus P. Finn</i>	
<b>7. Investor Action on Climate Change</b>	91
<i>Patricia Daly and Tim Brennan</i>	
<b>8. Creating Positive Change: Impact Investing, Community Development, and the Rethinking of Returns</b>	100
<i>Mark A. Regier</i>	
<b>9. Inspiring Donors through Investing with Values</b>	111
<i>James W. Murphy</i>	
<b>10. Taking Decisive Action, One Step at a Time</b>	119
<i>James W. Murphy</i>	
<b>11. Individual Investor Decisions and Considerations</b>	123
<i>Kathryn McCloskey</i>	

<b>Introduction to Case Studies</b>	129
<i>James W. Murphy</i>	
<b>Case Study 1</b> Lessons of Collaboration on Socially Responsible Investing	130
<i>James W. Murphy</i>	
<b>Case Study 2</b> Same Denomination, Very Different Choices	135
<i>James W. Murphy</i>	
<b>Case Study 3</b> Values Meet Reality: A Roman Catholic Institutional Approach	139
<i>Bobbi Hannigan</i>	
<b>Case Study 4</b> Denominational SRI Issues	143
<i>Joseph M. Kinard and James W. Murphy</i>	
<b>Case Study 5</b> Positive Investment Overview: Reformed University in Colombia	152
<i>Greg Rousos</i>	
<b>Case Study 6</b> Sustainable Financing	157
<i>Patricia Daly</i>	
<b>Case Study 7</b> A Reflection on Mission-Based, Faith-Based Investing at The Riverside Church, NYC	159
<i>Lisa Hinds</i>	
<b>Introduction to Resources/Appendix</b>	168
<i>James W. Murphy</i>	
Samples of Investment Policy Statements	169
Types of Planned Gifts	180
Denominational Resources and Foundations	182
Organizations That Can Help You Get Involved in Socially Responsible Investing and Encourage Giving	189
<b>Contributors</b>	191

*For additional resources and reference materials, including a brief “History of the Inter-faith Center on Corporate Responsibility (ICCR),” please visit this book’s website: [www.churchpublishing.org/faithfulinvesting](http://www.churchpublishing.org/faithfulinvesting).*

## Taking Decisive Action, One Step at a Time\*

*James W. Murphy*

And God is able to provide you with every blessing in abundance, so that by always having enough of everything, you may share abundantly in every good work. (2 Cor. 9:8)

Taking decisive action incrementally. This book was meant to be many things: a primer, a historical reference, and a way to inspire church leaders with basic information and “real-world” experiences. Primarily it was meant to be a toolkit for learning and considering how to proceed, helping you to decide what steps are next for your congregation/organization.

As previously promoted in chapter 9, take the lessons from this book to continue building trust and confidence among your donors and supporters, demonstrating that your leaders will be good stewards/caretakers of the gifts you have and will receive in the future. Start with putting in place your policies (see chapters 2 and 3). This is more than practical advice for increasing current and future giving; it is the moral and right thing to do as well. This will not only put you in good stead for planning and preparation for the monitoring of your investments, but will also provide clearer guidance to both your leaders (even if those leaders change) and potential donors for how to do this important work. Consider, for your own context, how best to talk about the work you and other leaders at your congregation/organization have or will do in this area. What will inspire your constituents? Perhaps, if the desire is strong toward SRI, you may have opportunities to encourage new gifts and even the creation of new endowment or special funds for this purpose.

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\* This material, including organizations and websites noted, is provided for informational purposes only and should not be viewed as an endorsement or as investment, tax, or other professional advice.

This book is filled with references, ideas, and examples of what others from many different denominations and contexts have done regarding the possibility of investing in this way. Bearing in mind that many aspects and ideas may not fit perfectly for repeating in your context, please reflect together with other leaders on what *might* be done. As indicated in the early chapters, consider what assets you have to invest and consider what would be best for your congregation/organization. Most congregations do not have considerable assets to invest, and numerous smaller religious organizations may have very limited endowment funds and few assets in reserve that are not already committed to the direct support of their ongoing mission. However, for some first steps, reflect together, first among your primary leaders and then more broadly among your congregants/constituents. Assess everyone's commitment and areas of interest, then discuss among a large group of leaders the best next steps for your congregation/organization.

If there is consensus among the congregation/organization to take initial action, select a small group of leaders with experience in investing as well as in the mission of the congregation/organization (you may already have this group if you have an endowment or invested funds), then begin your review of how you wish to move ahead (see chapter 4). Review the early chapters (1 through 3) of this book again to ensure that you have the necessary documents and procedures in place so as to plan and oversee your efforts, or at a minimum to know what you may *not* have. This will help you to know the strategic discussions that still need to take place, and what new documentation may need to be drafted.

Check with your denomination or denominational foundation or other resources. (See our appendix of resources by denomination; if you don't find appropriate resources, you can search on the internet or review resources of a denomination most similar to your own or of other entities that you know.) The internet may provide examples of what documentation and plans you might develop, but you can also reach out to other local congregations/organizations. Perhaps this would be a new ecumenical opportunity for collaboration and friendship! Strangely, many churches, within the same denomination in close proximity to each other, do not have any ongoing relationship; you could break the ice using SRI. Will collaboration with other churches or entities be a part of your activism?

In addition to the non- or multidenominational organizations listed in our appendix and throughout our chapters, don't forget that there are also many secular resources. SRI is a growing area of investment and many

mainstream investment houses will have resources available to you in a variety of forms. As previously noted, many larger investment firms incorporate ESG aspects into their ongoing investment decisions.

Also recall that, since so many religious organizations and congregations do not have the means or the expertise to invest in individual stocks and bonds, pooled funds of many different kinds may fit you well. Many denominational foundations or denominational investment resources may have SRI or ESG factors built into their options, and their staffs would surely be more than happy to assist your efforts.

If you do have the capacity to invest in individual stocks, this means you will have the ability to put forward shareholder resolutions, if you meet some specific requirements (see chapter 4). The decision to invest in this way must be done with care, as investing in the direct ownership of stock carries with it more inherent risk than investing in pools, due to reduced diversification. Risk of poor performance from holding a small number of stocks and bonds is mitigated by pooled funds, as those vehicles hold many diverse securities, so the risk to your portfolio is reduced. However, for some congregations/organizations, even if the majority of their assets are invested in pooled funds for their inherent advantages, some may make the strategic decision to hold a small portion of assets separately for some specific efforts, such as shareholder engagement. In fact, as noted in chapter 9, that may be an inspiration for a donor to fund such efforts.

As has been previously mentioned, not all people will come to the same conclusions regarding what is right for your congregation/organization regarding SRI/ESG. You can review the case studies following these chapters to see examples of how different entities, even within the same denomination, made very different investment decisions for a variety of reasons. Our goal with this book has been to inform, inspire, and empower you, not dictate what must be done. It is up to you and your leadership to choose the best next steps for your congregation/organization. All contributors hope that you will consider powerful, yet possibly small, “next steps” that you could take. Please always remember that the “good” often grows best incrementally. Or as has been attributed to one of the great saints of the twentieth century, Teresa of Calcutta, “We ourselves feel that what we are doing is just a drop in the ocean. But the ocean would be less because of that missing drop.”<sup>1</sup>

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1. Mother Teresa, Brainy Quote, accessed June 7, 2019, [https://www.brainyquote.com/quotes/mother\\_teresa\\_121243](https://www.brainyquote.com/quotes/mother_teresa_121243).

Finally, before choosing any investment options, please seek the help of professional investment advisors, including those through your denomination or denominational foundation. A consideration in moving forward, especially if your entity chose NOT to invest its limited funds in SRI, could be to encourage the members of your congregation or your constituents to consider the options reviewed in the next chapter on individual decisions or to use resources like community or denominational credit unions. These choices are clearly yours to make, based upon your circumstances and needs; I encourage you always to reflect on your values first, then on how to implement those values in “real-world” and impactful ways, especially when you wish to invest faithfully.

Suppose one of you wants to build a tower. Won't you first sit down and estimate the cost to see if you have enough money to complete it? (Luke 14:28, NIV)

# Contributors

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## **James W. Murphy, CFRE, Managing Editor/Contributing Author**

Jim Murphy is managing program director at the Episcopal Church Foundation. He oversees ECF's financial resources programs: endowment management, planned giving, and donor solutions, including ECF's donor-advised fund program. During his tenure he has overseen the endowment program's growth from \$80 million to nearly \$400 million in assets under management. He works with congregations, dioceses, and other Episcopal organizations to grow their endowments and enhance and develop their planned giving programs and various philanthropic efforts and resources. Jim holds a certificate in fundraising from New York University's School of Continuing and Professional Studies, an MA in Christian spirituality from the General Theological Seminary, and a BS from NYU's Stern School of Business. Jim is a member of the Association of Fundraising Professionals and is a Certified Fund Raising Executive.

## **Byrd Bonner, Esq.**

Byrd Bonner is former president of the UMC Foundation and a licensed Texas attorney in private practice in family law and child protection. He served as the president/CEO of the United Methodist Church Foundation from 2000 to 2017. Byrd served the Interfaith Center on Corporate Responsibility as vice chair of the board of directors, and as chair of its investment committee and development committee. At the ICCR table, Byrd worked on forums relating to climate change, corporate governance, and human trafficking, and negotiated significant governance charter changes in board diversity. His primary focus for the Foundation was to encourage the inclusion of women and persons of color on corporate boards. Other priority issues were the fight against human trafficking, greenhouse gas emission reduction, EEO reporting, and reduction of access to violent video gaming by youth and children. Building on ICCR's legacy, Byrd's passion was promoting ESG principles in fiduciary practices on both sides of the table. Byrd remains an individual member of the Socially Responsible Investment Coalition, and chairs the board of his local United Methodist congregation's foundation in San Antonio, Texas.

## **Tim Brennan**

Tim Brennan is treasurer and chief financial officer of the Unitarian Universalist Association and has served in that role since June 2006. In addition to overseeing the department of finance, he oversees the Association's assets, including the UU Common Endowment Fund, the UU Organizations Retirement Fund, the charitable



gift funds, and outside trusts with combined assets of approximately \$600 million. He is a member of the UUA's investment committee, socially responsible investing committee, retirement plan committee, and the UUA Health Plan Board of Trustees. Tim came to the UUA after seven years with Ceres, the national network of institutional investors working to advance corporate responsibility for the environment. As senior director, development and communications, he worked with major environmental organizations, religious investors, the SRI community, and major pension funds on issues such as climate change and corporate sustainability disclosure. In addition, Tim spent seven years working for a New York investment company and has many years of experience in nonprofit financial management. He currently serves on the board of the Interfaith Center for Corporate Responsibility. Tim holds an MBA from the Wharton School of the University of Pennsylvania in finance and accounting.

### **Sister Patricia Daly, OP**

Sister Patricia Daly, OP, is a Dominican Sister of Caldwell, New Jersey, and has worked in corporate responsibility and socially responsible investing for over forty years. After almost twenty-four years, Pat recently concluded her tenure as executive director of the Tri-State Coalition for Responsible Investment, an organization of forty Roman Catholic Dioceses and Congregations of Women and Men primarily in the New York metropolitan area. Pat has invited companies to address issues of human rights, labor, ecological concerns, equality, and international debt and capital flows, and played a role in positioning the agenda of global warming into the priorities of corporate America. In addition to representing her congregation before corporations, Pat serves on the advisory boards of Lamont-Doherty Earth Observatory, the climate science arm of Columbia University's Earth Institute, and JANA Partners, the first hedge fund to implement corporate engagement and socially responsible principles. Pat initiated the recent launch of Climate Finance investment fund that works to implement the UN Sustainable Development Goals. She is the proud recipient of the 2014 Joan Bavaria Award presented by Ceres and Trillium Asset Management and the 2017 Legacy Award presented by ICCR, and holds honorary doctorates from William Paterson University and Duquesne University.

### **The Rev. Séamus P. Finn, OMI**

The Rev. Séamus P. Finn, OMI, is responsible for the Faith Consistent Investing program for the Oblate Investment Pastoral Trust ([www.oiptrust.org](http://www.oiptrust.org)). He represents the Missionary Oblates (OMI) at the Interfaith Center on Corporate Responsibility, where he serves as the board chair. His responsibilities include directing the implementation of the responsible investment policies of the OIP, including the active engagement as shareholders with individual corporations that are in the portfolio.

He participates in various roundtable multistakeholder discussions across different industry sectors, as well as in conferences and symposia that are convened at the Vatican and by other international faith forums on the Sustainable Development Goals, impact investing, and the promotion of responsible mining for the common good. He has also been a member of the Justice/Peace and Integrity of Creation (JPIC) ministry team of the Missionary Oblates of Mary Immaculate since 1986 and is currently director of the USP OMI JPIC office ([www.omiusajpic.org](http://www.omiusajpic.org)). The JPIC team is also responsible for the multistakeholder advocacy public policy program of the Missionary Oblates with US and global public institutions.

### **Bobbi Hannigan**

Bobbi Hannigan served as the treasury manager at Catholic Extension, overseeing portfolios in excess of \$250 million. She has been at the forefront of monitoring investment managers' compliance to the Roman Catholic Church's socially responsible investing guidelines. Her responsibilities entailed implementing investment strategies that seek to avoid participation in harmful activities and identify those promoting the common good while also meeting fiduciary obligations to over fifty-five bishops. She was a key contributor to the 2017 MSCI ESG thought leader research paper "Trends in Catholic Investment Strategies." She holds an Investment Foundations Certificate from CFA and is an active participant in SRI/ESG and faith-based investment forums as well as the Chicago-based Women Investment Professionals. Bobbi recently left Catholic Extension to join the Cristo Rey Network, headquartered in Chicago, Illinois.

### **Lisa Hinds**

Lisa Hinds is a senior vice president and nonprofit practice leader for a global alternative asset manager. She brings over twenty-five years of experience in client portfolio management, institutional securities trading, and investment banking. She currently serves as vice chair of the board and chair of the investment committee of United Church Funds, the institutional investment ministry of the United Church of Christ. She is a former deacon, trustee, and chair of the finance committee of The Riverside Church in the City of New York. Ms. Hinds holds an MBA from the Fuqua School of Business at Duke University, a master of arts in law and diplomacy from the Fletcher School at Tufts University, and a bachelor of science from Northeastern University.

### **Joseph M. Kinard**

Joseph M. Kinard is chair of the Presbyterian Church (USA) Committee on Mission Responsibility Through Investment (MRTI), which was created in 1971 to advance the church's mission through the financial resources (approximately \$10 billion

dollars) entrusted to it. MRTI implements the PCUSA policies on socially responsible investing (also called faith-based investing) by engaging corporations in which the church owns stock. Priorities for MRTI include: pursuit of peace; racial, social, and economic justice; environmental responsibility; and securing women's rights.

During his tenure as board member of the Presbyterian Church (USA) Board of Pensions, Mr. Kinard served on the CEO Search; Investment; Board Development and Governance; Social Responsibility; and Church Relations Committees. In addition, Mr. Kinard served as a reviewer of the Presbyterian Church (USA) Foundation investment strategy. He is an acknowledged thought leader in Corporate Socially Responsible/Impact Investing (CSR II), having spoken at Institutional Investor Summits sponsored by the New York Stock Exchange, NASDAQ, Thomson Reuters, Institutional Real Estate Investors, and High Water Women's Investing for Impact Symposium. He was also guest lecturer at the University of the South Babson Center for Global Commerce and Yale University School of Management Impact Investing Conference.

Mr. Kinard, through his company The Kinard Group, LLC, has helped companies in obtaining venture capital, angel, and mezzanine financing representing both capital funds and their portfolio companies. In 2018, Mr. Kinard was inducted into the National Association of Securities Professionals (NASP) Wall Street Hall of Fame. NASP is the oldest organization in America supporting women and minorities in the financial services industry.

### **Kathryn McCloskey**

Katie McCloskey is the director of social responsibility for United Church Funds, which invests on behalf of United Church of Christ churches and institutions. With extensive experience in the not-for-profit and humanitarian fields, she holds a BA in women's studies and literature from the University of Virginia. Katie has previously worked for the Institute for Women's Policy Research and the Corporate Executive Board. Katie currently serves as vice chair of the board of the Interfaith Center on Corporate Responsibility (ICCR) and as a convener of the Climate Solutions Impact Investing group. She has convened the Jubilee Assembly, an interfaith group of investors searching for impact investing opportunities.

### **The Rev. Aimee Moiso**

Aimee Moiso is a minister in the Presbyterian Church (USA) and a PhD candidate at Vanderbilt University in Nashville, Tennessee. Her dissertation focuses on the challenges and possibilities of preaching in times of polarization and division. During the final year of her studies, she is serving as a practical theologian in residence for the Presbyterian Foundation. Before beginning her doctoral program, Aimee was director of ecumenical and interfaith ministries at Santa Clara University

in California. She also has degrees from San Francisco Theological Seminary and the Bossey Ecumenical Institute in Geneva, Switzerland. When she has time, Aimee loves to be in the garden helping to coax life out of the dirt, or in the kitchen pulling baked goods out of the oven. She lives in Nashville with her husband, Rev. Nolan Huizenga, also a Presbyterian minister.

### **Mark A. Regier**

Mark A. Regier is vice president of Stewardship Investing, Mennonite Foundation, and Everence Financial and has been involved in the field of ethical and socially responsible investing at Everence for more than twenty years. He oversees the company's work in socially responsible investing (including investment screening, ESG integration, proxy voting, corporate engagement, and community investing). In addition, Mark works with products and programs throughout Everence to strengthen their creative integration of faith and finances. In 2015, Mark assumed leadership of the sales and marketing efforts for Praxis Mutual Funds.

Mark has served as a member of the board of directors for the US Social Investment Forum, the Interfaith Center on Corporate Responsibility, Partners for the Common Good, the International Working Group, the Isaiah Fund for Disaster Recovery Investing, and the Highland Good Steward SRI hedge fund. In 2006, Mark received the SRI Service Award, the US social investment industry's highest honor.

With over twenty-five years of service to the church and a background in ethics and theological studies, Mark is often a resource to national and international media and organizations on faith-based and community investing issues.

### **Greg Rousos**

Greg Rousos is president of New Covenant Trust Company and executive vice president and chief operating officer of the Presbyterian Foundation. New Covenant Trust Company manages over \$1.7 billion in assets on behalf of Presbyterian parishes and institutions, as well as over \$20 million in donor-advised fund assets and \$50 million in life income gifts. Greg is a certified public accountant and a Certified Financial Planner professional, as well as a graduate of Ohio State University. Greg has been happily married to his wife, Jenny, for over thirty years. They are blessed with two wonderful daughters and their husbands. In their spare time, Greg and Jenny enjoy traveling and their two dogs, Preston and Bailey.

### **Carsten W. Sierck, JD**

Carsten W. Sierck, JD, is program director for endowment management, planned giving, and donor solutions at Episcopal Church Foundation. She advises churches, dioceses, schools, and church-related organizations on how to structure, manage,

use, and grow their endowments. She also consults with lay and clergy leaders considering socially responsible investing at their churches. Previously, Carsten held positions at financial planning and wealth management firms in Cleveland, Ohio. She also founded her own firm, where she worked to improve the financial lives of families in transition. Earlier in her career, she practiced law in New York City and Washington, DC. Carsten is a graduate of Columbia University and the University of Virginia Law School. A lifelong Episcopalian, she attended the National Cathedral School in Washington, DC, for fourteen years.

### **The Rev. William Somplatsky-Jarman**

The Rev. William Somplatsky-Jarman served as the primary staff of the Presbyterian Church (USA) faith-based investment committee for thirty-two years. During that time, he coordinated hundreds of corporate dialogues, addressed numerous stockholder meetings, and authored articles on a wide variety of socially responsible investment issues. During his career, he served on the board of the Interfaith Center on Corporate Responsibility (ICCR), which gave him a Lifetime Achievement Award in 2016. Other board and leadership service included Ceres, Interfaith Worker Justice, the Eco-Justice Working Group of the National Council of Churches, World Council of Churches Working Group on Climate Change, Commission on Religion in Appalachia, and Coalition for Justice in the Maquiladoras. Rev. Somplatsky-Jarman has led experiential study trips to Appalachia, US/Mexico border, and the Brazilian Amazon. He graduated cum laude from Bethany College in West Virginia and Yale Divinity School, where he was awarded the Mersick Prize for effective public address, especially in preaching. He now resides in Utah, where he and his spouse, Carol, enjoy exploring the red rock canyon country.