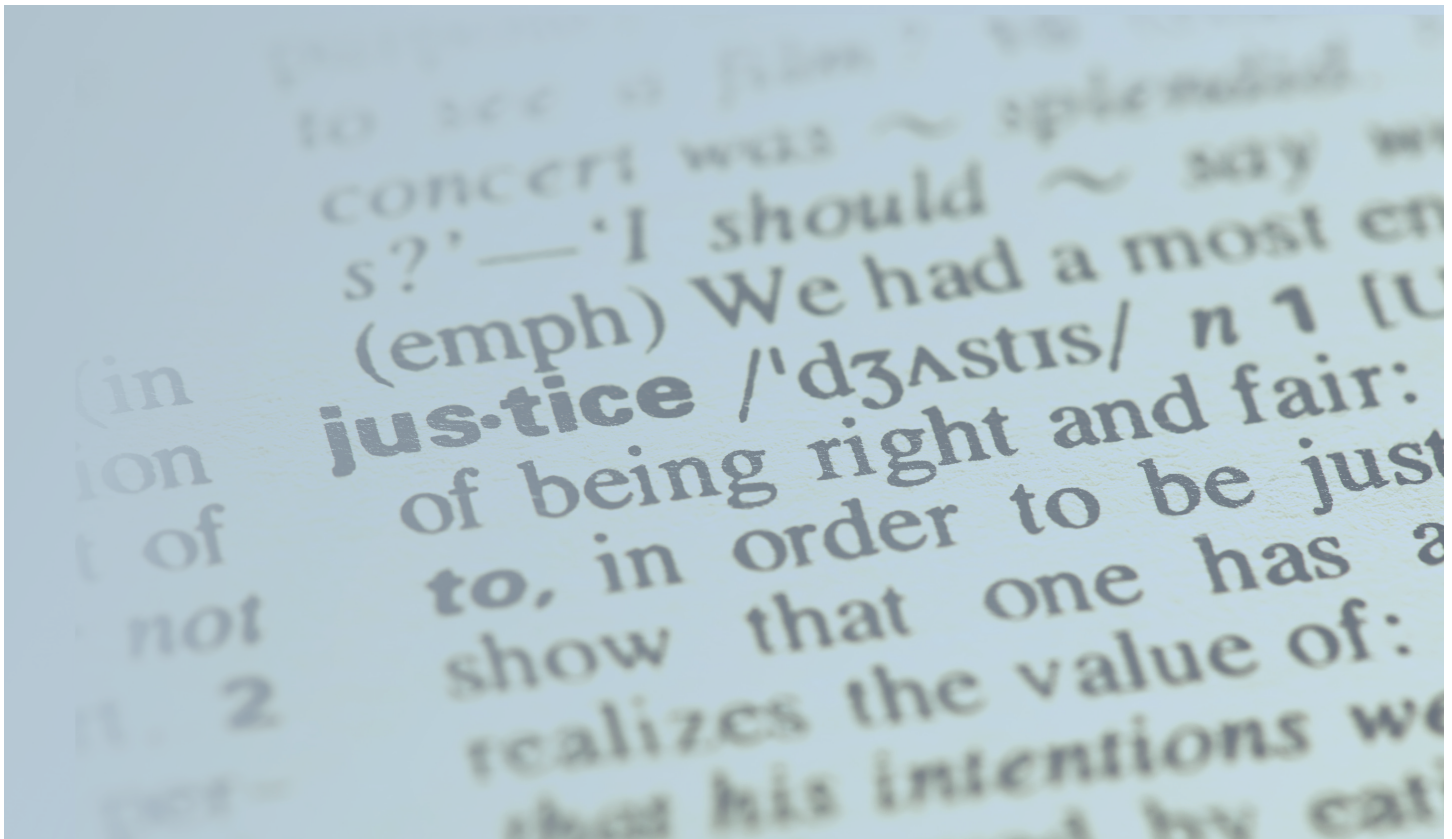


Nonprofit Leaders Spotlight

Marvin Owens, Senior Director, NAACP Economic Department

George Suttles, Director of Research, Commonfund Institute



Founded in 1909 in response to the ongoing violence against Black people around the country, the [NAACP](#) (National Association for the Advancement of Colored People) is the largest and most pre-eminent civil rights organization in the nation. The NAACP has over 2,200 units and branches across the nation, along with well over two million activists. Their mission is to secure the political, educational, social, and economic equality of rights in order to eliminate race-based discrimination and ensure the health and well-being of all persons.

[Marvin Owens](#) is the Senior Director of the NAACP Economic Department. With more than 25 years of experience, Mr. Owens has served as a Consultant, Lecturer, and technical assistance provider in the areas of Community and Economic Development, Small Business Development, and Community Organizing.

“

Investors are increasingly interested in aligning capital with social priorities, and still realizing financial returns...

— Marvin Owens



Marvin Owens
Senior Director, NAACP Economic Department

Given the current political climate, with COVID-19 and the Black Lives Matter movement, what has it been like for the NAACP, an organization that has been doing this work for nearly 100 years?

There definitely has been a windfall, especially from a [corporate social responsibility](#) standpoint. So, from that perspective things have been promising and our corporate partners are engaged in new and dynamic ways. My job on the programmatic side has been more focused on accountability. We have an opportunity to ask our corporate partners, “Is this the right type of relationship?” My job has been to examine our corporate partnerships in light of making measurable impact toward fulfilling our mission. We have typically had conversations with our corporate partners about how they are going to engage with the NAACP’s work, centered around events and marketing. Given the current climate, many of these same corporations have shown a willingness to look more closely at not only programmatic partnerships, but also racial equity concerns within their internal structures.

We realize that now is the time to demand that our corporate partners do more than make statements. We ask them, “What are you doing within your corporation? Have you done an analysis within your own firm? Supplier diversity? Employees? Hiring? Board diversity?” These are important questions that we insist our corporate partners ask themselves. If they are serious, then we want to engage.

You have been doing Civil Rights work your entire career, does this moment we are currently experiencing feel different?

Yes, this moment feels different. Corporations are reaching out wanting to learn more and improve. Historically, the NAACP has had to rely on public pressure to make [racial equity and economic inclusion](#) conversations front and center. But now, corporations are coming to us looking for help at all levels. So, it has indeed been a different kind of conversation. Previously, corporations would fail to admit there was a problem, now, not only are they admitting it, they are seeking help to improve and do a better job.

The NAACP, in partnership with Impact Shares, recently launched an exchange-traded fund (NACP) that explicitly addresses issues of racial inequality, can you share more about the Minority Empowerment ETF?

The conversation about the Minority Empowerment ETF has really taken off. The ETF is small right now (approx. \$7mm invested), but there are several firms coming to the table interested in making significant investments in this ETF. NACP happens to be the only ETF framed from a racial equity standpoint.

Let me provide a little history for context. The NAACP has been doing corporate scorecards for 25 years, tracking the mobility and opportunities for Blacks within the corporate environment. We’ve been asking these hard questions of corporations for a long time. A few years ago, the [Innovative Finance group of Rockefeller Foundation](#)

“

Real change can occur when we refuse to engage in a redaction of our history...

— Marvin Owens

approached us about [Impact Shares](#), and suggested there might be alignment with our history, and the mission of this non-profit fund manager interested in harnessing the power of capital markets to make social change. We explored it and decided to partner. Essentially, we took our scorecard model and applied it to publicly traded companies on the Russell 1000. Morningstar is the Index provider, Impact Shares is the fund manager, and the NAACP establishes the social criteria against which companies are scored. Since the NAACP does not manage the fund, or create scores, we are positioned objectively to have a data-driven conversation about how investors are looking at companies. As I stated earlier, Impact Shares is a nonprofit fund manager, excess fees after fund expenses comes back to the NAACP to support the corporate engagement work.

Investors are increasingly interested in aligning capital with social priorities, and still realizing financial returns. We refer to this as social “alpha” and financial “beta.” This investor and shareholder alignment with capital and social impact is powering important changes we want to see in the world.

Why did the NAACP do this in the first place?

We really saw this ETF as a primary engagement tool around corporate social responsibility. It allows us all to track what is going on, including investor sentiment, external perception, etc. Corporations are interested in their scores. This partnership has provided the NAACP with a new platform on which to engage corporations, and the opportunity to resource changes in their approach to racial equity.

As far as social impact, the ETF helps establish a framework around the “S” in [ESG](#). The environmental piece we understand, but it has been more difficult to wrap your arms around what the social change looks like. The NACP ETF has been key in framing the conversation around racial justice, civil rights, and leveraging the unique credibility of the NAACP in informing this important conversation.



George Suttles
Director of Research, Commonfund Institute

Now don't get me wrong, I don't think the focus on capital is enough. Progress made with financial and investment vehicles, must be augmented by addressing the systemic racial barriers within the finance industry. The current framework of capitalism where greed and exclusion have been evident, must be changed so that inclusion and shared economic opportunity become central.

When we consider the current discussion regarding federal legislation to help workers during this pandemic, we see condescension and a complete lack of empathy. People didn't walk away from work. They lost their jobs. And so, it's not about penalizing people. It's about recognizing the impact of this economic downturn on everyone, including the disparate impact on communities that were already suffering. Our current economic system, public policy discussions, and programs must acknowledge that some folks had a head start. Real change can occur when we refuse to engage in a redaction of our history; where slavery, Jim Crow, redlining, and historic predatory

practices have shaped our current condition. We must acknowledge the entire history and embrace it in order to make meaningful change.

You have been doing economic and community development work for a long time, using different financial and investment tools to try and empower underserved communities. This is an important and ambitious initiative, so tell me, what does the future look like for this ETF?

A billion-dollar racial justice ETF would be great! But the dream state would be that the current DEI conversations would be unnecessary because racial equity and economic inclusion are woven into the fabric of what we do and how we think about doing this work. I do believe that we have to think about the dream state right now. We must demand it and work towards the goal of making it our reality. We have been so engaged in the incremental fight for civil rights, and the important work of preserving precious wins, that we have almost lost the ability to envision the dream state. We are at a watershed moment, we have to be able to articulate that dream state of racial equity and economic inclusion, and build partnerships committed to the fulfillment of this dream. Surviving and holding on to small wins is simply not enough.

Equity should be more than a box to check, it should be in our DNA. We should be wired for equity. This may not happen any time soon. However, that is the dream and reflects the foundational precepts of this Country. We love to quote the preamble to our Declaration of Independence. But the current state of racial inequity underscores the disconnect. What we are experiencing represents a failed social contract. Our work is to ensure that the founding principles of equity be realized by each and every citizen.

From an equity standpoint, what else is on your mind? What other financial and investment strategies should be considered?

If you really want to discuss equity and justice, the conversation about Reparations has to be considered. For years, it was seen as a left-wing idealistic conversation. But now, more thought leaders and policy makers have begun to wrestle with the realities around truly closing the racial wealth gap. It is no longer a fringe discussion; there is an acknowledgment that something has to be done to repair the damage done by slavery, redlining, and Jim Crow, and these things have to be acknowledged to repair the impact of Blacks being excluded from accumulating wealth.

I am more hopeful than I have ever been. When the federal government had to find 3 trillion dollars for stimulus aid, they were able to do so. Now we see that we are capable of helping people and doing big things. Now it is just about sufficient public will. Are we ready? I am not sure we will see it happen in the next few years, although I think as Congress, especially the Senate, turns over, we could see something significant focused on Reparations.

I think a lot of people just can't wrap their minds around the notion Reparations, what does that look like?

We don't have a clear sense of how to implement a Reparations strategy. We don't have a framework yet. Should it be a combination of cash, student debt forgiveness, access to homeownership? We would need to commit to figuring out exactly how to do this. We would need to come up with a number, framework, etc. There are a lot of smart people working on reparations public policy frameworks so I am confident that if we ever got to that point, we would have some really good ideas around implementation.

What are next steps for the NAACP regarding its Economic Empowerment work, and how can asset managers like Commonfund help?

I think that it is important that nonprofits and institutional investors, like Commonfund, continue to align our rhetoric with our actions. My next step would be to connect with asset managers to figure out how we do this work together, how do we have these meaningful conversations. Our fund shouldn't be at \$7 million in assets, we should really be having these broader conversations, and firms like Commonfund can surely help.

Read other articles in our Nonprofit Leaders series:

[Dimple Abichandani, Executive Director of the General Service Foundation](#)

[Rochelle Witharana, Chief Financial Officer, California Wellness Foundation](#)

The page intentionally left blank.

The page intentionally left blank.

The page intentionally left blank.



New York, NY 10017	Tel (646) 348-9201
San Francisco, CA 94111	Tel (415) 433-8800
London, United Kingdom	Tel +44 (0) 20 7872 5504
Beijing, China	Tel +86 10 5759 3200 Tel +86 10 5759 3208
15 Old Danbury Road Wilton, CT 06897	Tel 888-TCF-Main Tel (203) 563-5000 www.commonfund.org

Market Commentary

Information, opinions, or commentary concerning the financial markets, economic conditions, or other topical subject matter are prepared, written, or created prior to posting on this Article and do not reflect current, up-to-date, market or economic conditions. Commonfund disclaims any responsibility to update such information, opinions, or commentary.

To the extent views presented forecast market activity, they may be based on many factors in addition to those explicitly stated in this Article. Forecasts of experts inevitably differ. Views attributed to third parties are presented to demonstrate the existence of points of view, not as a basis for recommendations or as investment advice. Managers who may or may not subscribe to the views expressed in this Article make investment decisions for funds maintained by Commonfund or its affiliates. The views presented in this Article may not be relied upon as an indication of trading intent on behalf of any Commonfund fund, or of any Commonfund managers.

Market and investment views of third parties presented in this Article do not necessarily reflect the views of Commonfund and Commonfund disclaims any responsibility to present its views on the subjects covered in statements by third parties.

Statements concerning Commonfund's views of possible future outcomes in any investment asset class or market, or of possible future economic developments, are not intended, and should not be construed, as forecasts or predictions of the future investment performance of any Commonfund fund. Such statements are also not intended as recommendations by any Commonfund entity or employee to the recipient of the presentation. It is Commonfund's policy that investment recommendations to investors must be based on the investment objectives and risk tolerances of each individual investor. All market outlook and similar statements are based upon information reasonably available as of the date of this presentation (unless an earlier date is stated with regard to particular information), and reasonably believed to be accurate by Commonfund. Commonfund disclaims any responsibility to provide the recipient of this presentation with updated or corrected information.