

Resource Guide to Socially Responsible Investing and American Indian & Indigenous Peoples' Issues

Terminology and Resources

Many investors seek ways to invest their money without sacrificing their values. This is especially true of American Indian tribes that seek competitive rates of return from investments consistent with their ethical or moral principles. We call this social justice based on American Indian Values.

The investment world has changed dramatically in the past 10 years, and it is now easier for individuals and organizations to invest in ways that do not violate their integrity while receiving a good return. Some mutual funds and money management firms offer professional investment services that earn market rates of return while pursuing social as well as financial objectives.

Some Common Socially Responsible Investing (SRI) Terminology

“Negative screening” is the term applied to the strategy of avoiding stock ownership in corporations that make harmful products (such as alcohol) or that have patterns of egregious behavior (e.g. “sweatshop” suppliers, excessive pollution, degradation of the environment, or abusive labor practices). This form of SRI first became widespread when many investors boycotted companies doing business in South Africa before the dismantling of apartheid, and it is still important today. American Indian investors can screen out companies with poor records in handling indigenous rights, in addressing site selection on sacred lands and those companies that use racist or offensive language in their product marketing.

A second form of SRI is called **“positive screening.”** This is the practice of proactively investing in firms known for corporate responsibility or positive contributions to society or the environment. Examples are companies that have progressive policies on equal opportunity, affirmative action, employee ownership, or that have adopted beneficial environmental standards. Examples of positive screens for American Indians would include companies with progressive site procurement policies. Screening for those companies with the best social profiles in each industry is termed to be investing in the “Best in Class” companies.

“Shareowner advocacy” is an increasingly effective means of SRI. Some SRI programs seek to change corporate behavior through proposing and representing resolutions at annual stockholder meetings. Many U.S. religious organizations, as well as American Indian tribes work together through the **Interfaith Center on Corporate Responsibility** to influence corporate behavior in this manner. These actions have highlighted the need for diversified boards of directors, non-discriminatory employment practices, and an end to predatory lending programs, and reasonable pricing of medications essential for the treatment of AIDS and other conditions. They have also brought press and public attention to the exploitation of women and children working in cruel labor conditions throughout the developing world. Examples of successful corporate engagement on American Indian concerns include gaining commitments from banks to increase banking services to Native groups and from energy companies to not extract resources from indigenous lands. Land procurement policies on sacred sites and negative marketing images are other areas of active engagement among SRI investors.

“Community investing” is another important form of SRI. Investors can designate part of their portfolio for community development credit unions, banks, loan funds, and other emerging investment vehicles that make loans to people and enterprises in underserved, low-income communities. Such institutions and organizations provide capital, training and technical assistance to communities that are often under-served by traditional lenders. Affordable housing, small and minority-owned businesses and community facilities are often the beneficiaries of community investing. There are over 44 certified Native Community Development Financing Institutions (CDFIs) focusing on American Indian, Native Hawaiian and Alaska Native populations in the United States. Native CDFIs are currently one of the most effective tools for stimulating Native economies. They create local entrepreneurs, homeowners, and tribal businesses as well as develop the infrastructure and knowledge that lead to solid and culturally appropriate governance, legal systems, commercial practices and community-focused financial management.

Native SRI Resources and Community Development Information

Calvert Investments' Indigenous Rights Screen (www.calvert.com/sri_IBIndigenousPeoplesRights.html) is an example of an indigenous rights screen.

The Earth Island Institute's Sacred Land Film Project (www.sacredland.org) offers reports and resources on corporate responsibility strategies for respecting sacred sites and preserving the environment.

First Peoples Worldwide (www.firstpeoples.org) has a set of principles for ethical business relations with Indigenous Peoples.

First Nations Oweesta (www.oweesta.org) is the only certified Native CDFI intermediary in the country. Its main focus is to help develop Native assets for indigenous peoples living on reservations, traditional Indian lands, Hawaiian homelands, and in Alaska Native villages through the creation of Native CDFIs, entrepreneurship development systems, and financial education and asset building programs.

The Indigenous Peoples Working Group (www.socialinvest.org/projects/indigenous.cfm) of the Social Investment Forum (SIF) houses information and resources on Native SRI issues on its website. SIF is the U.S. national nonprofit membership association for professionals, firms and organizations dedicated to advancing the practice and growth of socially responsible investing.

The Lakota Funds (www.lakotafund.org) is the first Native CDFI in the country. It was established more than 20 years ago on the Pine Ridge Reservation in South Dakota and continues to provide capital, training and technical assistance to the Oglala Lakota people for business and community development.

Native American Bank, National Association (www.nabna.com), is a federally chartered bank owned by Native American Bancorporation, a bank holding company that has been organized by a group of tribal nations and Alaskan Native corporations. With a mission to pool "Indian economic resources to increase Indian economic independence," the bank's broad vision is to (1) be a powerful engine for Indian economic development, (2) establish a significant Indian presence in the financial marketplace, and (3) project the growing economic power of tribes and Indian businesses onto the national scene.

Native American Capital (www.nativeamericancapital.com) promotes business and economic development in Indian Country through investment of private equity capital in promising new and developing high growth businesses in American Indian and Alaskan Native communities. It also provides the technical assistance necessary to ensure the growth, development and profitability of these enterprises.

Native American Investment Group (www.naig.us) is a newly formed organization that aims to assist in the capitalization of larger business enterprises in Native communities. It will provide loan packaging and deal making services and will build capacity at the local level for larger projects.

Our Native Circle (www.ournativecircle.org) is an online Native Community Development Resource Center. It provides comprehensive information regarding Native community economic development including a chat room, downloadable documents, forms and presentations, and a community calendar among other features. It is designed to be a one-stop shop for anyone interested in Native economic development including funders, investors, Native organizations, individuals and tribes. Our Native Circle is an initiative of Oweesta.

General SRI and Community Development Information

Co-op America (www.coopamerica.org) offers practical suggestions for using your consumer and investor power for social change.

The Community Investing Center (www.communityinvest.org) pools capital from investors and directs it to communities underserved by traditional financial services. It provides access to credit, equity, capital and basic banking products that these communities would otherwise not have, making it possible for local organizations to provide financial services to low-income individuals, and to supply capital for small businesses and vital community services, such as child care and healthcare.

The Interfaith Center on Corporate Responsibility (www.iccr.org) has been a leader in the corporate social responsibility movement for more than 35 years. The center and its members press companies to be socially and environmentally responsible. Each year its members sponsor more than 200 shareholder resolutions on major social and environmental issues.

Opportunity Finance Network (www.opportunityfinance.net) is a national CFDI membership organization with a mission to help the community development finance system achieve scale through capital formation, policy and capacity development.

Social Funds (www.socialfunds.com) is a leading website for information on SRI mutual funds.

The Social Investment Forum (www.socialinvest.org) offers comprehensive information, contacts & resources on socially responsible investing. Also, for more SRI information on Native issues the Social Investment Forum has an Indigenous Peoples' Task Force which has a Native Advocacy subcommittee. For more information contact Susan White, Director, Oneida Trust Committee of the Oneida Tribe of Indians of Wisconsin at swhite@oneidanation.org.

SRI News (www.srinews.com) offers news on socially responsible investing.

SRI Studies (www.sristudies.org) hosts reviews, abstracts and bibliographies of academic studies on socially responsible investing and corporate social responsibility.

A Reference List of Socially Responsible Mutual Funds Companies with net assets of more than \$600 million:

Ariel Mutual Funds	www.arielmutualfunds.com
Calvert Investments	www.calvert.com
Citizens Funds	www.citizensfunds.com
Domini Social Investments	www.domini.com
Parnassus	www.parnassus.com
Pax World Funds	www.paxfund.com

Native Corporate/Shareowner Advocacy

The Social Investment Forum's Indigenous Peoples' Task Force is an advocacy sub committee of the forum's Indigenous Peoples Working Group. It hosts a clearinghouse of information on SRI advocacy and issues related to Indigenous Peoples, as well as monthly strategy calls on the third Monday of each month at 3pm Eastern Standard Time. To participate, contact Steven Heim, Director of Social Research, Boston Common Asset Management, at sheim@bostoncommonasset.com. The task force works on reforming corporate conduct in the following areas:

- ***Securing free, prior and informed consent from Indigenous Peoples when extracting resources from their lands and encouraging fair dealing with Native Peoples.***
- ***Eliminating stereotypes and the use of negative and racist images of Indigenous Peoples.***
- ***Respecting Indigenous Peoples' cultural heritage, sacred lands and sites.***
- ***Promoting environmental justice on Native Lands.***
- ***Preserving Native Peoples' intellectual property.***