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A ROADMAP FOR PRIVATE INVESTORS
Investing to Address Gender-Based Violence

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More than 29,000 acts of rape or sexual assault are committed against women in the U.S. while at work each year. Gender-based violence has enormous costs, both to the people who endure it and to society as a whole. In the U.S. alone, the annual cost of lost productivity due to domestic violence is estimated as $727.8 million, with over 7.9 million paid workdays lost each year. A 2018 report found that the total economic costs to the U.S. economy caused by intimate partner violence were a staggering $3 trillion over the victims' lifetimes.

While there have been significant innovations in using finance to create social and environmental change in the last few decades, efforts focusing on addressing gender-based violence are still in early days and many obstacles remain. In particular, data about companies, governments and other institutions and their contribution to gender-based violence is still scarce. However, for investors who want to be part of the solution, there are a number of avenues to pursue.

In 2021, Tiedemann partnered with Criterion Institute, a leading non-profit think tank engaged in research, analysis, and innovation around using finance to create positive social change. With Criterion, we developed a detailed guide on how investors can start moving capital in alignment with ending gender-based violence. Here are some of our recommendations.

Four approaches for investing for change

Investing to reduce gender-based violence can take any of four basic forms.

Values-Aligned Strategies

In this strategy, investors screen out companies, sectors and even countries that have high rates of gender-based violence. Unfortunately, most companies don't disclose information about gender-based violence in the workplace or within their supply chains. However, investors can avoid sectors with a high incidence of gender-based assault.

According to a report by the US Department of Labor's Occupational Safety and Health Administration, nearly 75% of the roughly 25,000 annual workplace assaults reported from 2011 to 2013 occurred in healthcare and social service settings, and many additional cases go unreported.

Additionally, because there is a fair amount of overlap between issues, investors can also avoid companies that fail to adhere to best practices for child labor, human trafficking, labor and human rights.

ESG-integrated Strategies

Considering the risks of gender-based violence to a company, like higher employee turnover and absenteeism and damage to a company's reputation when gender-based violence issues are publicly surfaced, it's clear that gender-based violence poses not only an issue of ethics but is also a financially material risk for an investor seeking to generate strong financial returns.

ESG-integrated strategies go beyond negative screening to positively seek out investments in companies that pursue best practices against gender-based violence. Asset managers also seek to create positive change through shareholder engagement—that is, advocating for policies that prevent gender-based violence through shareholder resolutions and discussions with management. Wealth stewards have an opportunity to illuminate these risks and encourage asset managers to consider them as financially material risks in their decision making.

Thematic Strategies

Thematic strategies apply capital to solutions aimed at positive social and environmental impact through investments that seek a market rate of return. It is currently not possible to build a thematic strategy specifically focused on gender-based violence. However, since gender inequality is the leading cause of gender-based violence , existing themes that address female empowerment—including access to housing and healthcare, microlending and entrepreneurship and female education—may also have a positive impact on violence. Furthermore, investors can examine the terms and structures of their other impact investments to assess whether changes can be made to increase assurance that gender-based violence is not an unintended negative consequence of the investment.

Catalytic Opportunities

Catalytic capital prioritizes the pursuit of impact outcomes over financial return, providing more patient, flexible, risk-tolerant and/or potentially lower cost capital than what a purely financially motivated investor would consider. Given the nascence of investing to mitigate and prevent gender-based violence, catalytic capital has a critical role to play in shaping new investment ideas and reform systems of inequity.

Catalytic strategies might take any number of forms, including:

+ **Blended Finance:** Government funding, philanthropic capital and low-interest investor debt can be pooled to build low-income housing facilities for victims and survivors of domestic violence.
+ **Public/Private Partnerships:** Investment capital could be deployed to test new transportation systems aimed at improving safety for women and gender diverse travellers. Such a project could meaningfully increase usage and reduce both infrastructure and healthcare costs to the local government. If deemed effective (by a set of previously agreed upon criteria), the government pays back investors; if not effective, investors lose their at-risk capital.
+ **Loan Guarantees:** Investors can commit assets to an organization providing low-interest microloans to women in developing regions; their capital only gets called if the underlying loans default. The key is to work only with microfinance organizations that prioritize the empowerment and safety of women borrowers with tailored lending products and non-financial support services.

We can make a difference

Gender-based violence is literally everywhere – it is inescapable. It is a problem that permeates every region and sector and requires awareness, intention, research, policy, capital and more to eradicate it. While no perfect solutions exist, and little direct attention has yet been paid to creating investment products aimed at gender-based violence mitigation, we can get started.

If you want to start moving your assets into action, talk with your financial advisor and encourage them to consider how gender-based violence poses a risk to your investments and the ways in which you could reduce this risk. The first step toward change is awareness. Our hope is to bring greater awareness to this issue overall; inviting more within the financial services community into that fold will help accomplish that.

For more information

Investing to address gender-based violence is a complex topic with many issues to consider. To learn more, speak with your financial advisor.

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