



Proposal for an Advisory Committee on Socially Responsible Investing

Authors: Julia Watson (ASG President)

Northwestern University's history is full of undergraduate students who are passionate for the pursuit of social justice and human rights through varying forms of activism. In addition to protests, sit-ins, and hunger strikes, there have been four significant student-led divestment campaigns at Northwestern.

While each divestment campaign has had a different cause, they share the common theme of socially responsible investing. This investment strategy seeks to consider both financial return and social good.

For the past 37 years, Northwestern undergraduates have been calling for the creation of an Advisory Committee on Socially Responsible Investing (ACSRI). Currently, 24 out of 31 Consortium on Financing Higher Education (COFHE) schools have ACSRIs. These peer institutions include University of Chicago, Georgetown, Stanford, Brown, and Harvard. Northwestern's status as one of seven COFHE schools without an ACSRI is indicative of an outdated transparency policy and a poor commitment to socially responsible investing.

The ACSRI would be charged with making recommendations to Northwestern's Board of Trustees on ethical and social issues that arise in the management of the investments in the University's endowment.

Associated Student Government recommends that Northwestern develop its ACSRI charter off of Columbia University's model. In its annual evaluation of colleges and universities, the Sustainable Endowments Institute awarded Columbia a "Gold" rating—the highest rating out of the 31 COFHE schools.

Associated Student Government stresses that the ACSRI must be broadly representative of the Northwestern community. Its twelve voting members should be drawn in equal proportion from students, faculty, and alumni of the University. The process for the appointment of its members should provide for balanced representation of the University's divisions and schools.

Index I: Northwestern's History of Calling for an ACSRI

"Now the NU trustees should take action. They should appoint a fact-finding committee on investment responsibility with representatives from students, faculty members and trustees with opposing viewpoints to recommend guidelines for possible divestiture."

-February 17, 1978: "NU: Consider Divestiture"

Courtesy of The Daily Northwestern Archives

"The ASG resolution said Northwestern's Board of Trustees should not only divest an estimated \$85 million but also include students, faculty, and staff on the committee making that decision."

-May 16, 1985: "ASG Backs Protestors"

Courtesy of The Daily Northwestern Archives

"The Responsible Endowments Coalition, a national organization that works to increase responsible investing by universities, implements advisory committees on socially responsible investing at schools across the country. 'Northwestern is consistently ranked as one of the top institutions in the country that does not have an [Advisory Committee on Socially Responsible Investing],' said Martin Bourqui, national organizer for the REC."

-April 18, 2011: "Why NU fails to make the grade on endowment transparency"

Courtesy of The Daily Northwestern Archives

"The Trustees did not give us the chance to present our argument to more than one member, did not communicate with us about their discussion and did not notify us of any vote on divestment. Given these facts, we can't help but question the democracy of the Board's decision. Without taking into consideration the values and beliefs of this University and its students, the Trustees have independently arrived at the decision not to divest, putting their own priorities before those of the NU community they are supposed to serve."

- February 11, 2015: "We Deserve a Say: Why Northwestern Trustees Should Divest from Coal"

Courtesy of The Daily Northwestern Archives

"Northwestern University is an institution that lags behind its peer schools when it comes to transparency in its investment policies,' Noah Whinston said. He cited Yale University and Columbia University as schools that have committees comprising students, faculty and alumni that supervise investment."

-February 11, 2015: "NU Divest introduces divestment resolution at ASG Senate"

Courtesy of The Daily Northwestern Archives

Index II: COFHE Schools & Status of ACSRI

Amherst College	Pomona College
Barnard College	Princeton University
Brown University	Rice University
Bryn Mawr College	Smith College
Carleton College	Stanford University
Columbia University	Swarthmore College
Cornell University	Trinity College
Dartmouth College	University of Chicago
Duke University	University of Pennsylvania
Georgetown University	University of Rochester
Harvard University	University of Washington in St. Louis
John Hopkins University	Wellesley College
MIT	Wesleyan College
Mount Holyoke College	Williams College
Northwestern University	Yale University
Oberlin College	

Socially Responsible Investing

The Advisory Committee on Socially Responsible Investing was established as a permanent addition to the University in March 2000. The Committee's purpose is to advise the University Trustees on ethical and social issues that arise in the management of the investments in the University's endowment.

The Committee will set its own agenda within the broad arena of socially responsible investing, and will, by formal vote of a majority of the Committee membership, make recommendations to the University Trustees on issues related to investments in the University's endowment, including but not limited to the exercise of the University's proxy-voting rights, shareholder initiatives, and portfolio screening. To this end, the Committee will set out a specific agenda to the Columbia community each fall to be submitted to the University Trustees and the University Senate. The Committee, however, will determine the SRI issues it researches and the recommendations it makes to the University, including its response to issues that arise after the preparation of its annual agenda.

The University will also provide the Committee with current information on a confidential basis regarding endowment holdings and investment management actions of the University related to SRI issues under review by the Committee. The Committee's deliberations using such information will take place in executive session, and information given the Committee regarding the University's endowment will be held in confidence by members of the Committee and used solely to formulate recommendations from the Committee to the University Trustees. To keep the Columbia community informed on these matters, the Committee's formal recommendations to the University Trustees and the subsequent action or response by the University Trustees will be reported.

To ensure that the Committee is broadly representative of the University community, its twelve voting members are drawn in equal proportion from students, faculty, and alumni of the University, and the process for the appointment of its members provides for balanced representation, over time, of the University's divisions and schools. Two University officers sit as non-voting members in addition to the twelve voting members.

Student members of the Committee will be nominated through student government organizations; faculty will be nominated by their divisional vice president, or by their dean and the provost, and alumni will be nominated by the University Vice President for Development & Alumni Relations from candidates identified by the various alumni associations of the schools.