Can Investing in Public Equities Improve the Lives of Women?

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Introduction

In the past decade, the practice of impact investing – investing to achieve positive financial returns and positive social outcomes too – has gained great traction. Eager to align their investment capital with their social values, an increasing number of funds, businesses, and individuals are investing with the intention of doing well and doing good, too. Impact investing spans asset classes and while a great deal of impact investing occurs within the confines of private equity, impact investing in public equities has the potential to engage more investors, more capital, and more companies.

For those making charitable donations in the hope of creating desired impact and change in the world, the rise of impact investing creates opportunities and questions: Is it really possible to use one's investment capital—not just one's philanthropic capital—to create positive impact? And, when it comes to public equities, how effectively can one align one's investments and one's philanthropy so that both are focused on the same impact goal? Specifically, what are the options for investing in public equities if one wants to make a positive impact on the lives of women?

Prompted by these questions, the Wharton Social Impact Initiative investigated public equity funds that suggest in their marketing and investment materials that they "invest in women," support women's leadership and gender equality, apply a "gender lens," or simply consider gender as a factor in their analyses.

For those making charitable donations in the hope of creating desired impact and change in the world, the rise of impact investing creates opportunities and questions: Is it really possible to use one's investment capital to create positive impact?

We refer to these funds as "gender lens public equity funds," though we hasten to add that many of the funds we examined did not use the term "gender lens investing" in their marketing or investor materials. As we describe in more detail below, the term “gender lens investing” refers to an array of investment opportunities and strategies designed to yield positive financial returns and positive social outcomes for women. The public equity funds that we examined represent a subset of this array – by no means the entire array.

In investing gender lens public equity funds, we sought first to understand the lay of the land: How many funds are there? How big are they? What kinds of companies do they invest in?

We then tackled a more complex question – a question of great interest to individuals who are passionate about making a difference in women’s lives and curious about the extent to which they can do so by investing in the public market:

If your goal is to improve the lives of women around the world, is investing in gender lens public equity funds a useful tool to have in your toolkit?

Our answer is yes. Definitely yes. But, it’s a qualified yes: a “yes, but….”

- **Yes, but gender lens public equity funds are still new and relatively few in number.** This is a time of ramping up, experimentation, and expansion for this approach. At the time of our research (Spring 2017), we found just 14 public equity mutual funds and ETF (Exchange Traded Funds) that specifically mentioned women or gender in their marketing and that evaluated companies for investment based on criteria related to gender. We also noted four SMA (separately managed accounts).

  Because so many of these investment vehicles have been created in just the past few years, we expect in coming years to see more and different opportunities to invest in funds and companies that have a positive financial return and a positive impact on the lives of women. Indeed, new funds have already launched in the months since we conducted our initial analyses.

- Yes, **but most of the public equity funds we identified focus on companies with women on the board or in senior leadership – not companies that may be “good for women” in other ways.** By investing in publicly traded companies that have women on the board or in senior leadership of the company, these funds reward and encourage greater gender diversity at the highest ranks of the company – an important and worthy goal, to be sure

If, however, the goal of a fund or an investor is to improve the lives of women more broadly and directly, then it may be helpful to explore additional criteria in selecting public equities for investment. We offer some suggestions for further exploration – possible criteria to use in identifying publicly traded companies that may have a particularly positive impact on the lives of women.

- **And, yes, but we need more data and more research to determine with greater precision and certainty which companies are most likely to have a positive impact on women's lives and to perform well financially.** We need readily accessible, systematic data regarding company characteristics and practices that improve women's lives. And, we need research examining the relationship between these company characteristics and practices and company financial performance.

We need, for example, more data on factors such as: the number of women in the company's workforce; the parity or lack thereof in men's and women's pay, likelihood of promotion, retention, and workplace satisfaction; the quality of the health, maternity, paternity and other benefits the company provides for its employees; the standards the company enforces in its supply chain.

And, we need to examine the relationship between these company characteristics and practices and company financial performance. Rigorous research of this kind will help investors in public equities deploy their capital in ways that align with their values, generate strong financial returns, and make a difference in women's lives.

What is Gender Lens Investing?

For decades, investors have engaged in "socially responsible investing," actively avoiding investing in companies and industries that may harm society or the planet.

But, in the last decade, many investors have sought to do more than simply avoid making investments in harmful companies and products. Rather, they have sought to do good: to use their investments to both generate positive social and environmental outcomes and to earn a financial return. This is the practice of "impact investing."

Impact investing is relatively new. Gender lens investing is newer still. It is the deliberate incorporation of gender factors into investment analysis and decisions. It is also the deliberate use of capital to improve the lives of women and girls and/or to get capital to companies, funds, and investment vehicles with a focus on women throughout value chains, products and services, or leadership.

Though product availability varies by asset class, gender lens investors can and do invest in all asset classes with a goal of making a financial return and improving the lives of women. And, as is the case with all impact investing, investors vary in how they prioritize social and financial returns. Some investors may use a gender lens primarily to identify investment risks and opportunities. Others are more focused on investing so as to have a positive impact on women.

Although detailed evidence regarding gender lens investments is sparse, many gender lens investors strive to make investments that:

- Increase workplace diversity and fairness (e.g., by investing in companies that are led by women, closing the pay gap, etc.);
- Increase women's access to capital (e.g., by investing in companies that were founded by women or that have a more inclusive supply chain);
- Increase women's access to goods and services that they need and want (e.g., by investing in companies that offer products and services for women – perhaps especially women low of economic means).

Why focus on improving the lives of women and girls?

In recent decades, workplace gender equality has increased in many countries around the world. And yet, progress remains slow. In the vast majority of countries around the world, women are less likely to be employed than men, earn less than men for comparable work, are less likely to hold positions of senior leadership, and are more likely to be unemployed and seeking work. Compared to men, women typically work shorter hours for pay or profit and longer hours of unpaid work. These inequalities limit women's contributions, their potential, and their autonomy.

Women face comparable limitations in government. In 2015, less than 20% of government ministers were female and, as of 2016, only two countries in the world had 50% or more women in parliament. The head of state is female in fewer than 10% of countries in the world.

In the last two decades, gender disparities in education have declined all over the world. In the United States, women are more likely than men to complete college and attend graduate school. But, in more than half the world's countries, girls are still less likely than boys to receive secondary education. Two-thirds of the world's illiterate adults are women.

And shockingly high numbers of women and girls are victims of domestic and sexual violence. According to the World Health Organization (WHO), a UN agency, over one-third of women worldwide have experienced physical and/or sexual violence. Intimate partner violence affects 30% of women worldwide.

No wonder, then, that the UN's 5th Sustainable Development Goal is to "achieve gender equality and to empower all women and girls." If we can improve the lives of half of the world's population, we will make the world a better, safer, more prosperous place.

Gender Lens Public Equity Funds: Investing in Companies with Women in Leadership

It's still early: We identified only a small number of gender lens public equity funds.

Many self-identified gender lens investors focus on private markets, investing directly in privately held, for-profit businesses that improve the lives of women through their leadership, operations, products, or services.

But, private equity reaches fewer and smaller companies than does public equity. Investments in the world's public capital markets (estimated to total more than $75 trillion) dwarf investments in private equity (estimated to total nearly $2.5 trillion). Further, public equity investing is accessible to a broader range of investors than is private equity. In the United States, private equity and venture capital investments are typically available only to accredited investors (i.e., individuals with a net worth of at least $1,000,000 or income of at least $200,000 each year for the last two years). In contrast, public equity investments are open to all who can afford to purchase stock through their brokerage accounts, 401(k)s, pension funds, IRAs, and more.

We thus set out to investigate gender lens public equity funds: How many gender lens investing public equity funds are there? How do they select companies for impact? And, what impact are they likely to have on women's lives? To begin our analysis, we searched publications, proprietary information available from Bloomberg Terminal and other sources, and websites to identify funds that invest in public equities and that mentioned women or gender in their marketing and/or investor materials.

We identified 14 such funds.[2] The funds' assets under management (AUM) range from under $10 million to nearly $1 billion. With a commitment to serving retail investors, most of the funds reported a minimum investment of $2,500 or less. We also identified four investment firms that offer custom investment portfolios – called "separately managed

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accounts" (SMAs) – that allow the firms' clients to invest in companies selected for the clients on the basis of criteria related to gender. Requiring a minimum investment of $100,000 or more, the four firms' gender lens SMAs are available only to individuals of relatively high net-worth.

Many of the funds we identified were launched in the last five years. Clearly, it's still very early in the development of gender lens public equity funds. The 14 public equity funds we identified represent a drop in the bucket relative to the hundreds of funds that use ESG (environmental, social, and governance) criteria to guide their investments, and the thousands of funds that invest in publicly traded companies of all types. We expect to see the launch of many more funds that use gender as an investment criteria over the next several years.

Selecting companies for investment: Most funds look for women on the board or in the company's senior leadership

Designed, as various funds put it, to "address the underrepresentation of women in corporate executive leadership," "to [move] the needle toward gender fairness," and to "[advance] women's leadership," most of the funds we identified report that they invest in high-performing companies that have one or more women on the board, a woman as CEO, or women in the C-suite.

And, that said, the funds' stated criteria for selecting companies for investment vary. Some funds invest in a company only if there is at least one woman on the board. Others are looking for companies whose boards are at least 25% female. Some are looking for companies in which there is a woman CEO. And some expect a company's management team to be at least 25% female.

Still the common theme across the vast majority of the funds we identified is women in senior leadership: Does the company have women on the board or in its senior leadership ranks? If so, it may be a candidate for the fund's investment.

Investing in companies with women in leadership: A viable approach for several reasons

Why do many of the funds we identified focus on women in leadership – on the board or in the c-suite – in evaluating companies for investment?

Six factors seem to be at play.

1 First, as we elaborate below, companies have great influence over the members of their boards and the composition of their workforce – including the most senior members of their leadership teams.

2 Second, despite progress in recent decades, women remain underrepresented on corporate boards in most countries around the world. They are similarly underrepresented among the ranks of senior company leadership. Clearly, for those who care about gender equality in corporate leadership, there's still work to be done.

3 Third, information about women's representation on the boards and senior executive teams of publicly traded companies is readily available and easy to quantify. Most publicly traded companies around the world are required by law to report the names of the individuals who serve on their boards and in their highest ranks.

4 Fourth, a strategy of investing in companies that are high performing and that have women in leadership positions may motivate other companies – companies that have limited or no gender diversity on their boards or executive teams – to diversify their leadership.

5 Fifth, fund managers and individual investors may believe that gender diversity on the board and in the senior leadership of the company leads to stronger company performance. While the "business case" for board gender diversity and senior executive team gender diversity is widely touted in the popular press, rigorous, academic research suggests that companies do not perform notably better when they have women on the board. Nor do they perform worse.[3]

6 And, sixth, fund managers and investors may believe that gender diversity on the board and in senior leadership of the company leads to better policies for women at lower ranks of the company or in the company's supply chain. While this is an intriguing hypothesis, there is little direct research evidence to support or refute this argument.[4]

Together, these six factors create a powerful rationale for investing in high-performing companies whose boards or executive teams are gender diverse. By investing in such companies, the funds we identified reward and encourage gender diversity in corporate leadership.

Investing in Companies that Improve the Lives of Women: Questions and Strategies to Consider

Individuals who are interested in using their investment capital to have a stronger, different, or more direct impact on the lives may wonder if there are additional criteria to identify companies for investment. What company characteristics and practices – beyond the gender diversity of the board and of the top management team – might indicate that a company improves women's lives?

To answer this question, we need to dig a little deeper and answer these questions:

- What do we mean by "improving the lives of women"?
- How and where do companies have the ability – or scope of influence – to improve women's lives?
- What specific practices and policies within a company's scope of influence are most likely to improve women's lives?
- Can fund managers and other investors evaluate the extent to which a company delivers practices and policies that improve women's lives?
- What is the likely relationship between company practices and policies that improve women's lives and the financial performance of the company?

What do we mean by "improving the lives of women"?

To conceptualize what it means to improve the lives of women, we drew on the work of our colleagues at the University of Pennsylvania's Center for High Impact Philanthropy (CHIP). CHIP recently released The XX Factor: A Comprehensive Framework for Improving the Lives of Women and Girls. Synthesizing the conclusions from numerous studies, reports, and frameworks all focused on ways to improve women's lives, "The XX Factor" suggests that increases in five resources will lead to "the greatest impact on the lives of women and girls globally."

As we think about the impact that publicly traded companies might have, we shift from asking "Does this company's senior leadership include women?" to a tougher question: "Does this company have a transformative positive impact on the lives of women?"

The five resources CHIP identified are women's economic empowerment, health, education, personal safety, and legal rights. In countries and communities where these five resources are readily available to all, women and girls thrive. (And, so do men and boys, for that matter). Women earn higher incomes, have greater personal financial savings, are more likely to attend and graduate from secondary and post-secondary schools, are more likely to serve in leadership roles in business and government, live longer, and are less likely to be the victims of violence by an intimate partner.

Can and do publicly traded companies directly or indirectly improve women's economic empowerment, health, education, personal safety, or legal rights? Absolutely.

The links from company practices to women's economic empowerment and health are perhaps most obvious and direct. Companies are likely to have a somewhat weaker influence on women's education, safety, and legal rights – typically the province of government, not business, influence. (And, that said, businesses can and do influence women's education by offering training for employees, for example. They influence women's safety through their maintenance of safe working conditions and consideration of special safety risks for women, for example. And they influence women's legal rights through their lobbying and decisions about the locations to which they will and will not expand their operations).

As we think about the impact that publicly traded companies might have, we shift from asking "Does this company's senior leadership include women?" to a tougher question: "Does this company have a transformative positive impact on the lives of women?"

Before we shift our attention to the ways in which publicly traded companies have a transformative positive impact on the lives of women, it's important to note two caveats. First, we acknowledge that few publicly traded companies have a social impact mission – such as having a transformative positive impact on the lives of women – at their core. Individuals interested in investing in companies that have such a social mission may want to consider not just public companies for investment, but private companies too. And, second, we acknowledge that gender lens investors differ in their investment goals. Some are very focused on impact. But, others regard gender lens investing as a strategy to identify under-valued, over-performing businesses for investment. For these investors, impact may be a secondary goal for these investors.

How and where do companies have the ability – or scope of influence – to improve women's lives?

We've suggested that publicly traded companies can most clearly and directly improve women's lives by improving women's economic empowerment and health. (Companies' influence on other resources that improve the lives of women may be less direct and less profound.) But, where do companies have the influence to do so?

To answer this question, it's useful to take a deeper look at how and where publicly traded companies affect their stakeholders. WSII developed a "Scope of Influence" diagram as a framework to clarify the strength and breadth of companies' influence over various people, practices, and communities.

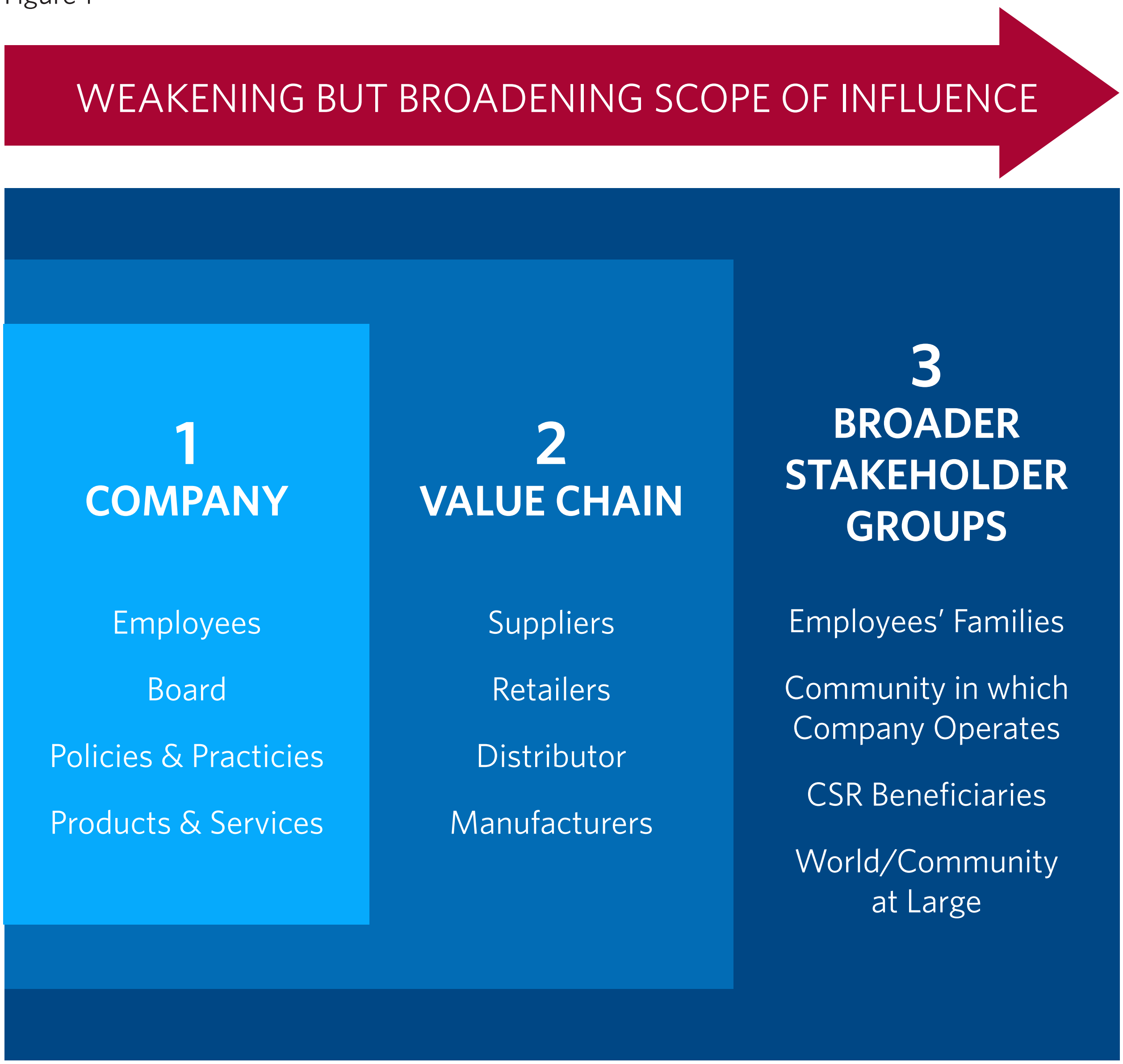
As illustrated in Figure 1 *(see page 12)*, companies have weakening but broadening scopes of influence from Scope 1 to Scope 3.

- A company has the strongest, if narrowest or most targeted, influence in **Scope 1**: The practices, policies, people, and products produced inside the firm.

- A company has weaker but broader influence in **Scope 2**: its supply chain—the individuals and companies with whom it partners to create and distribute its products and services.

- And, finally, a company has the least influence, but also the broadest influence, in **Scope 3**: the larger community of stakeholders who are affected by the company.

Figure 1



The Scope of Influence framework helps to make clear the variety of ways in which a company may improve the lives of women employed by the company (Scope 1); women working in the company's supply chain (Scope 2); and women in the larger community who are affected by the company's products, services, and activities (Scope 3).

What specific practices and policies within a company's scope of influence are most likely to improve the lives of women and girls?

Let's start with some examples of company policies and practices that may strengthen **women's economic empowerment**.

- Within **Scope 1**, companies may improve women's economic empowerment by implementing policies such as paying a fair and living wage to all employees, even in countries that do not have a legal minimum wage; by ensuring equal pay for equal work; by offering affordable childcare; and by implementing recruiting, selection, training, and promotion programs and procedures that minimize gender discrimination and disparities.

- Within **Scope 2**, companies may influence economic empowerment for the women (and men) in their supply chain by monitoring companies in their supply chain for their adherence to fair and safe working standards (e.g., living wages, no forced overtime, no human trafficking). Companies may also ensure that their supply chain includes a minimum percentage of women-owned or women-led businesses.

- Within **Scope 3**, companies may influence the economic empowerment of their female (and male) consumers by offering products and services that increase underserved customers' access to financial services. They may also offer products and services specifically designed to increase women's financial inclusion and financial literacy. Further, they may increase the economic empowerment of women by engaging in philanthropic work, volunteer activities, and community engagement that support women's job readiness, employment, entrepreneurship, and financial independence. They may also refuse to operate in countries where women face discriminatory laws (e.g., laws that restrict a woman's ability to get a job without her husband's or father's approval).

And, what about examples of policies and practices that improve **women's health**?

- Within **Scope 1**, companies may influence the health of their female employees by offering employees health and mental health insurance; paid maternity, paternity, and dependent care leave; meals and nutritional services; and safe working conditions.

- Within **Scope 2**, companies may influence the health of the women who work in their supply chain by monitoring and inspecting companies in their supply chain to ensure that they maintain safe working conditions for all their workers. For example, companies may train and audit companies in their supply chain regarding occupational safety, industrial hygiene, health and safety metrics, emergency preparedness, compliance with maximum daily work hours and days off, and child labor laws.

- Within **Scope 3**, companies may influence the health of their female customers by offering products and services that increase their customers' access to healthy food, safe water, sanitation, contraception, vaccines, medicine, medical services, and products for feminine hygiene. Companies may also improve the health of women in the communities where they operate through their philanthropic work, volunteer activities, and community engagement (e.g., to reduce obesity, teen pregnancy, and food insecurity).

Can fund managers and other investors evaluate the extent to which a company delivers practices and policies that improve women's lives?

Assessing the kinds of company policies and practices we have described above is possible. Hard work, but possible. And fund managers who examine these policies and practices can use the information and insights they gain to guide their investments, selecting companies for investment that are both financially strong and likely to improve women's lives. Indeed, by asking questions about the policies and practices described above, fund managers may inspire and encourage companies to implement these and other practices that improve the lives of women.

So, yes, fund managers and other investors could evaluate companies using the checklist above – not just women's representation on the board and the c-suite – to gain insights regarding the extent to which specific companies improve the lives of women.

But, evaluating companies in this way is challenging for four reasons.

1 First, data regarding the company policies and practices that we have highlighted above are not readily available. Publicly traded

companies (and privately traded companies too) rarely share data regarding the gender gap in employee pay, for example. Data on other policies and practices – including a company's benefits and supply chain management – may or may not be easily accessible and publicly available. Further, information the company provides may be exaggerated – painted in the best possible light – to enhance the company's reputation.

Fortunately, independent rating systems to evaluate and certify companies' gender diversity and equality are beginning to emerge. For example, Equileap has rated over 3,000 companies in 23 countries on multiple "gender equity criteria," including company leadership, employee benefits, and equal compensation. EDGE assesses multiple dimensions of a company's policies and practices including equal pay for equivalent work and the company's recruitment and promotion of women, certifying companies for their commitment to gender equality. MSCI maintains the "Women's World Leadership Index," evaluating companies positively on the basis of the number of women in leadership positions and on the board and negatively on the basis of company involvement in discrimination and workforce diversity controversies. And, Bloomberg maintains the Financial Service Gender-Equality Index, which rates financial service companies with a market capitalization of USD $1 billion or greater and that have at least one security trading on a U.S. exchange on the basis of their employment of women in leadership, their product offerings for women, their company practices and benefits, and their community engagement.

As these and similar databases grow and are cross-validated by other researchers, it will become both easier and more common for investors to use these data to evaluate and identify companies for investment.

2 Second, information about a company's policies and practices – its benefits, supply chain policies, CSR, and more – is difficult to quantify and thus difficult to use to compare companies. It's easy to count how many women are on the board and compare numbers across companies. It's much more difficult to quantify or "count" a company's supply chain policies, recruitment strategy, and CSR on behalf of women in the community.

3 Third, even if information about a company's policies and practices is available and has been scored in some way, it's difficult to determine how best to weight and combine scores across company practices so as to form a summary evaluation. In creating such a summary evaluation, or score, how much weight should one give, for example, to the number of women employed by the company, the representation of women on the board,

the track record of promoting women from within the company, the munificence of health benefits, and the generosity of the company's philanthropic contributions? Rating systems that differ in their weighting of these and other dimensions of the company's impact on women may come to quite different summary evaluations of the same company.

And, fourth, no single score or number can fully capture a company's social and environmental impact. A polluting company may be good to its female employees. A company that has very few women in leadership may nevertheless offer generous maternity benefits. A company whose supply chain is exploitative may engage in innovative and influential philanthropy. And so on.

The challenges we've described above are not unique to investors interested in using their investment capital to improve the lives of women. Impact investors of all types face these challenges in evaluating the impact of company business practices. The challenges are not so great that one should not go forward in evaluating companies and investing in the best of them. But, it is useful to be mindful of the challenges, so as to encourage clear-eyed consideration of the impact and financial returns one's investments are likely to yield.

What is the likely relationship between company practices and policies that improve women's lives and the financial performance of the company?

The short answer to this question is that we don't know yet. In the absence of publicly available data on the company characteristics and practices we have outlined above – and, more specifically, publicly available, data on these characteristics and practices for a large enough sample of companies over a long enough period of time to allow appropriate statistical analysis – few academic researchers have even tried to answer the question above.

And, that said, it seems plausible, but by no means certain, that the kinds of practices we've outlined above MAY contribute positively to the long-term financial performance of the company.

Company practices that improve the lives of women in the ways we have outlined above might strengthen company performance in the following six ways:

- **Recruiting:** A company that has a strong record of hiring and promoting women may be particularly attractive to job seekers, strengthening the company's ability to hire exceptionally talented women and men.

2. **Retention:** A company that has a strong record of promoting women and providing benefits that are attractive to employees may be especially successful in retaining a large percentage of their employees each year, lowering the costs of turnover and recruiting, selecting, and onboarding new employees.

3. **Relationships:** A company that maintains and enforces positive working conditions in its supply chain may find that its relationships with suppliers are reliable, resilient, and collaborative, reducing friction and unpredictability in the company's supply chain.

4. **Reinvention:** A company that employs a workforce that has greater gender diversity than its competitors may be particularly effective in inventing and offering attractive products and services that its competitors might overlook.

5. **Reputation:** A company that employs a diverse workforce at all ranks of the company, provides generous benefits, offers products and services that have a positive social impact on women, and maintains ethical standards in its supply change is likely to have a positive reputation in the marketplace. And that reputation may help to attract and retain not just employees, but customers and investors as well.

6. **Risk mitigation:** A company that intentionally looks at whether its policies and practices are taking gender into account might avoid downside risk from bad publicity (think of recent new stories about tech companies and VC firms in Silicon Valley), lawsuits, or product design that has differential impact on men and women.

For all of these reasons, investing in companies that have a positive impact on the lives of women may yield strong financial returns. In short, what's good for women may be good for business, too. But, unfortunately, there isn't yet sufficient rigorous research to support or refute these claims.

Conclusion

An increasing number of individuals want to use their investments to achieve both a positive financial return *and* a positive impact for women. And, an increasing number of public equity funds are offering investment vehicles designed to do just this.

For investors and fund managers who want to invest in public companies in which women hold positions of executive and board leadership, the path is relatively straightforward. For investors and fund managers who want to invest in public companies most likely to have a transformative impact on the lives of women the path is more uncertain and more challenging.

We have suggested criteria one might use to identify such companies. But, the data to assess the extent to which companies meet these criteria are hard to come by. And the relationship between these criteria and company performance is currently unknown.

As the drumbeat of investor interest strengthens, so too will the demand for in-depth data on corporate characteristics, practices, and impact.

As the drumbeat of investor interest strengthens, so too will the demand for in-depth data on corporate characteristics, practices, and impact. The emergence of more detailed, reliable, and valid data will spur better research, better insights, and, ultimately, we expect, greater impact and better financial returns too.

We're looking forward to that because if each of the "yes, but's" with which we began this report can turn into a simple "yes," we believe there is both money and impact to be made.

Notes

1. We thank the Tara Health Foundation for their generous support of this project. We also thank Mo Lally, Alyssa Matteucci, and our colleagues at the University of Pennsylvania's Center for High Impact Philanthropy for their research assistance and input in the creation of this report.

2. Project Rose, an initiative by Veris Wealth Management and Suzanne Biegel, did a similar landscape of funds, but included debt funds as well. http://www.veriswp.com/wp-content/uploads/2012/08/Project-Rose-Image.pdf

3. Meta-analysis is the "gold standard" of academic research, providing a precise quantitative summary of diverse research studies investigating a common topic. Two recent meta-analyses of more than 100 studies suggest that board gender diversity has either a very weak positive relationship with company performance or no relationship at all. For more information see: Post, C., & Byron, K. (2015). Women on boards and firm financial performance: A meta-analysis. *Academy of Management Journal*, 58(5), 1546-1571, and Pletzer, J. L., Nikolova, R., Kedzior, K. K., & Voelpel, S. C. (2015). Does gender matter? Female representation on corporate boards and firm financial performance- A meta-analysis. *PloS one,* 10(6), e0130005.

4. A recent meta-analysis of 87 studies, revealed a small but significant positive association between women's representation on corporate boards and corporate social responsibility (CSR). It's not clear, however, that measures of corporate social responsibility tell us anything about how a company treats the women who work in the company or in the company's supply chain. For more information see: Byron, K., & Post, C. (2016). Women on boards of directors and corporate social performance: A meta-analysis. *Corporate Governance: An International Review*, 24(4), 428-442.

About The Wharton Social Impact Initiative

The Wharton Social Impact Initiative is committed to strengthening the positive impact of business and capital markets. In collaboration with Wharton faculty, we are building the evidence base to guide impact investors in achieving positive returns and positive impact, and training the next generation of leaders in business and finance. Through our research, training, and outreach, we are growing the community of business leaders, investors, advisors, and scholars working to increase the positive social and environmental impact of business and capital markets.

WSII began researching impact investing in 2013. Our research reports include the industry-shaping “Great Expectations: Mission Preservation and Financial Performance in Impact Investing.” which examined financial returns and mission preservation upon successful exit from impact investing funds. For the past several years we have explored gender lens investing as one topical theme of particular interest.

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