

The Human Cost of Cheap: Connecting Impact Investing to Global Peacebuilding

Day One (50 - 70 minutes)

Objectives:

1. Students will define and discuss impact investing.
2. Students will identify the connections between impact investing and peacebuilding.

Part I: Set up slides, keynote or PPT presentation and use one slide for each of the questions. Offering your own examples, a t-shirt for 3\$ at a discount clothing store, trail mix for 1\$ at an “under a \$ store,” etc., as you move through the questions if the students are having a hard time generating examples.

Place students in groups of 3-4 and ask them to keep note of their collective responses. Draw names out of a bowl to randomly select who reports out from each group.

1. Ask students to think about the last time they were shopping, either at the mall, grocery store or online.
2. Have them work with one other student to brainstorm a list of the cheapest items they saw. As they craft their lists, ask them to make note of the thoughts they had when they saw the price. Were they shocked, surprised, or did they almost buy an item just because it was so cheap?
3. Have students share one of the items they wrote down out loud with the group and explain why they chose this one to share.
4. Next, ask students to discuss the possible reasons why the item they selected was cheap. What went into the production of it? What may have been overlooked? Where the item was produced?
5. Have students share their reasons.
6. Discuss the basics of supply and demand as it relates to a labor force, and the exploitation of laborers and the environment when those who make decisions about production have a seemingly unlimited supply of workers and are not held to the same emissions regulations and labor laws that many countries hold producers to within their borders.
7. Ask them to consider what price increases would do for both those who buy the goods and those who actually make them.
8. Ask them if they can think of any items they own or wish they owned that are produced in a way that benefits both producer and consumer.

Part II: Introduce the concept of Impact Investing, or Socially and Environmentally Responsible Investing as the “answer.”

According to Portland State University's School of Business Administration, Impact Investing is best defined as: From garages to corporate offices, you will find pragmatic, creative people designing new solutions to pressing social and environmental issues and creating value for their companies, communities, and society at large. Social entrepreneurs are finding new ways to make a difference while changing how business is done, and sharing new approaches to generating social and environmental impact across business, social, public, and academic sectors.

Show this video "What are B Corps?" produced by B Corporation that offers an explanation of corporations that are taking initiative in this field and encouraging other aspiring entrepreneurs to do the same. As students watch the video, have them to write down examples that address the following questions and tell them that their responses are meant to help them frame their commentary during the discussion that follows the short video and B Corps.

<http://www.bcorporation.net/what-are-b-corps>

1. What does it take to become a B Corps company? What must a business embrace in an effort to identify itself as part of this community?
2. How does this global movement to "redefine success and business" inform our understanding of how to build peace?
3. What are the benefits associated with working for a company that not only pays a living wage, but also promotes the welfare of the community in which it operates?

Discuss student answers to the questions above.

Part III: Ask students to do some of their own research on B Corps for homework, suggest starting here: <https://www.bcorporation.net/community/oaklandish>

1. With which of the companies listed are you familiar?
2. Do you own any of the products any of these companies produce? If so, which ones?
3. What questions do you have about the way these companies work?
4. How do the companies you read about contribute to peacebuilding locally, nationally and globally?

Day Two (50-70 minutes)

Objectives:

1. Students will research and explain the role that business schools at national colleges and universities play in the preparation of impact entrepreneurs.
2. Students will locate and describe business schools in their region that invite community members (including aspiring impact entrepreneurs) explore the variety of impact investing opportunities that exist.

Part I: Begin class with this piece from *Wired* magazine. Ask students to annotate the article as they read, looking for specific connections to the content discussed yesterday.

The excerpt below is pulled from:

“What Is Fueling the Growth?” SRI: The Conference on Sustainable, Responsible, Impact Investing. First Affirmative Financial Network. 2000-2015. Web.

As students review the following factors and think about what was discussed yesterday, have them harvest specific language that allows them to develop a working definition of impact investing. Students can take turns reading out loud, or read to themselves. When the reading is done, they will discuss and develop a working definition of impact investing with a partner or in groups of three.

What is Fueling Growth in the Impact Investing World? Information. Investors are significantly better educated and informed today. ESG (environment, social and government) research organizations provide higher quality information than ever before. The better informed investors are, the more responsible our actions tend to be.

Climate Change. As consumers and investors are becoming increasingly aware of both the dangers and business opportunities embodied in the climate crisis, more and more are looking to eschew companies contributing to the problem and invest in solutions.

Performance. An impressive body of academic evidence plus real world results effectively dispels the myth that investing in a more thoughtful, responsible manner will automatically result in underperformance. Investors are realizing that responsibility can walk hand-in-hand with prosperity.

Availability. Responsible investment options are increasingly being offered within retirement plans, and a socially conscious investor can now choose from among hundreds of funds and investment managers to populate a long term investment portfolio—regardless of size.

Values and Authenticity. A large and growing segment of the investing public is seeking to reflect their personal, moral, ethical values in all aspects of their lives. Responsible investors are recognizing that money has impact, and consciously making consumer purchase and investment decisions that enhance the common good.

Corporate Scandals. Numerous recent instances of accounting fraud and other scandals have eroded trust in company leadership. Many investors are attracted to an investment process based on research that goes deeper into corporate behaviors and impacts.

Women. As women have filled the ranks of MBA programs and law schools, climbed corporate ladders, started their own companies, received large inheritances, and assumed roles as fiduciaries, many have brought an affinity for a more caring approach to investing with them.

Millennials. Born between the early 1980s and the early 2000s, at 85 million strong, the millennial generation is the largest in American history. It's a generation that seeks to make a difference in society through the jobs they hold, the products they buy, and the investments they make. Millennials are beginning to inherit trillions of dollars from Baby Boomers—and their influence as impact-oriented investors is already being felt.

<http://www.wired.com/insights/2014/10/the-age-of-the-impact-entrepreneur/>

Part II: Business and finance programs at universities and colleges throughout the country are responding to the following factors as they develop programs to prepare the next generation of impact entrepreneurs.

Part III: Students craft a collaborative definition of impact investing using a google doc that is shared and grants all students editing powers. Each student then has the opportunity to contribute to the definition.

Part IV (This could be Day Three): Students then work in these same teams to identify business programs at universities and colleges that are in their region of the country and offer programs that invite community members and high school students to learn more about impact investing.

An example that exists at Portland State University in Portland, Oregon follows:

Portland State University offers high school students the opportunity to attend an all day seminar entitled “Elevating Impact,” which focuses on the value and benefits of socially responsible investing. There are speakers from throughout the state of Oregon who have excelled in this area of entrepreneurship, presentations that focus on project pitches in

their infancy, and many opportunities to talk with others who are involved in this work at the university level.

Students are invited to identify the connections between socially and environmentally responsible business practices and sustainable peace, which is ultimately an extension of what could begin with Dr. Scherer's posting in the Spring Newsletter on USIP's website regarding economic instruments of peace.

Students use the description above to find similar programs at colleges and universities near them. Again, using a google doc that enables students to share and edit, they can create a resource for their classroom in the future.

Part V: After doing their research on local opportunities, students are ready to discuss how and where companies are using private industry and impact entrepreneurship to peacebuild locally, nationally and internationally.

The following article establishes the importance of a company's willingness to take employment risks in an historically conflict ridden area of the world, in this case, Israel and Palestine. The article serves as an example of how investment in communities can help build sustainable peace.

As they read and annotate, students should make note of the commitment American tech companies demonstrate when choosing to invest in this manner. They are building bridges of peace between Israelis and Palestinians through innovation and employment opportunities.

<http://www.forbes.com/sites/richardbehar/2013/07/24/peace-through-profits-a-private-sector-detente-is-drawing-israelis-palestinians-closer/2/#72a713fe1f2>

Part VI: Have students brainstorm other possibilities for impact investment in their local communities and post their "hopes and possibilities" on the wall.