



REEFS: Racial Equity, Economics, Finance & Sustainability



The **Racial Equity, Economics, Finance, and Sustainability (REEFS)** program is designed to encourage investors to think holistically about integrating racial equity across their investment portfolios. Modeling our initiative after the successful fight against apartheid, REEFS partners with investors well-positioned to advocate against race-based discrimination in the US. We believe impact and ESG investors armed with the right tools can make significant contributions to the movement for racial equity.

REEFS has three focus areas:

1. **Creating tools for investors** that help accelerate investment capital to address racial inequality
2. **Tackling systemic racism within financial services** by building a pipeline of talent among financial professionals of color
3. **Developing place-based solutions** to deepen financial resilience in black and brown communities

REEFS is guided by a diverse Steering Committee that includes 9 African-American financial professionals and nonprofit leaders working to dismantle systemic racism.

Andrea Armeni, Transform Finance
Sharlene Brown, Croatan Institute
Keith Beverly, GRID202 Partners
Eric Darrisaw, OMNI Research Group
Erika Seth Davies, Racial Equity Asset Lab
Felicia Davis, HBCU Green Fund
Josh Humphreys, Croatan Institute
Michael Lear, Capital Group
Napoleon Wallace, Frontline Solutions
Henry McKoy, Ph.D., NC Central University
Vicki Lee Parker-High, NC Business Council

Research Priorities: Developing Total Portfolio Approaches to Racial Equity Investing

Leveraging Croatan Institute's frameworks of Total Portfolio Activation (TPA) and Investor Engagement for Impact (Invest-Engage), REEFS is undertaking two major research initiatives that will develop total portfolio approaches to racial equity investing.

Tool 1: Total Portfolio Activation for Racial Equity Investing

To grow opportunities in black and brown communities, significant long-term investments are necessary. Over a 9-month period, beginning in September 2020, we will conduct a comprehensive analysis to develop the REEFS TPA Toolkit that will identify relevant investment impact and activation opportunities integrating racial equity as an explicit criterion across asset classes.

The Nathan Cummings Foundation has provided the initial foundational funding to advance the development of the REEFS TPA Toolkit. Once it is developed, it will be promoted as an actionable resource for investors seeking to allot capital in pursuit of a racial equity dividend.

Initial support for Tool 1 provided by:



Tool 2: Racial Equity Investor Engagement for Impact

Building on the completion of the TPA for Racial Equity, the Institute will develop the REEFS Investor Engagement for Impact Toolkit, applying Croatan Institute's well-established Investor Engagement for Impact (Invest-Engage) framework. The framework measures the outcomes of historical investor engagement strategies and focuses opportunities to expand impact on racial equity and diversity, equity, and inclusion (DEI) issues.

The REEFS Invest-Engage Toolkit will review corporate diversity shareholder resolutions focused on equity issues tied to hiring practices of diverse candidates, promotion of minority and women employees in management, recruitment of diverse board of director candidates, support of minority-women business enterprises through business practices, among other things. This Toolkit will also explore opportunities to leverage other asset classes to increase impact to create a more equitable society.

Croatan Institute is seeking sponsors to support the development of REEFS as we expand the tools available to investors seeking a racial equity dividend. The REEFS team will engage asset owners and intermediaries to develop investor tools to transform investment decisions thereby expanding economic opportunities for minority and low-income communities. Sponsors will be recognized during the research process, at the time of release, and through online and in-person events.

To learn more about partnering with REEFS, please contact program director Sharlene Brown at reefs@croataninstitute.org or (941)313-7021.



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