

EDUCATING THE NEXT GENERATION OF RESPONSIBLE INVESTORS

LABOR CAPITAL STRATEGIES FELLOWSHIP



A PROJECT OF HEARTLAND CAPITAL STRATEGIES
AND THE KALMANOVITZ INITIATIVE FOR LABOR AND
THE WORKING POOR AT GEORGETOWN UNIVERSITY

Paying it forward



Heartland CAPITAL STRATEGIES

The Heartland Network was founded by the Steelworkers, AFL-CIO and Steel Valley Authority in 1995 to explore and promote capital strategies to rebuild America. Over two decades, Heartland has established itself as a leader in labor's capital strategies, community development and impact investing through its research and actions. With its recently published *Responsible Investor Handbook*, commissioned by the AFL-CIO, Heartland has established its national leadership in the workers' capital field. We have a unique mission and vision:

Our Mission: To mobilize responsible investments by capital stewards/ institutional investors in the real economy, achieving competitive financial returns and positive ESG impact.

Our Vision: To help workers secure better retirement benefits by sustainably investing in the real economy, securing good jobs, and ultimately rebuilding and strengthening our communities.

Today, Heartland fosters a "Community of Practice" for responsible investments, working in a united front to invest in the built environment, renew the industrial commons, grow the clean economy, and make the "boss" more accountable.



KALMANOVITZ INITIATIVE for Labor and the Working Poor GEORGETOWN UNIVERSITY

Founded in 2009, the Kalmanovitz Initiative for Labor and the Working Poor was created as a space to engage questions of workers' rights and the future of the labor movement. Since then, the KI has taken on special projects that explore policies supporting workers' rights, coalition building between labor and community groups, and connecting students to local advocacy and organizing opportunities.

Georgetown University holds a unique position due to its rigorous academic programs and location in Washington, DC. Within the university, KI develops creative strategies and innovative public policy to improve workers' lives in a changing economy.

The Initiative draws on Georgetown's distinctive identity - its commitment to intellectual excellence, grounding in the Catholic and Jesuit traditions, history of inter-religious cooperation, global reach, and prominence as an arena of policy debate in the nation's capital - to advance prosperity, broadly-shared economic justice, and respect for the dignity of labor.

The millennial generation is eager to change the world, to build a more inclusive and sharing economy, and to re-grow a sustainable planet. They are attracted to projects that foster entrepreneurial solutions to today's problems, and to community organizing that achieve tangible goals such as a Living Wage. They value doing business with companies that utilize sustainable business practices and are accountable to employees and communities. Young people are not just invested in society and politics, but they recognize the need to learn financial, legal and governance strategies to advance a fairer economy.

Recognizing this opportunity, Heartland Capital Strategies (HCS) and Georgetown University's Kalmanovitz Initiative for Labor and the Working Poor (GU) met in mid-2016 to lay the groundwork for a new impact investment fellowship for **college-aged students**. The mission of the fellowship would be to identify and educate a new generation of capital stewards and responsible investors, and to construct a new, diverse talent pipeline.

In December 2016, a group of investment, labor, business, and academic leaders convened at Georgetown. The **Labor Capital Strategies Fellowship** plan was met with enthusiastic support and given a green light for Summer 2017. HCS and KI began actively recruiting for fellow hosts, program sponsors, and students. Drawing upon prestigious practicum placements, focused classroom instruction, and unique and exciting learning experiences, students in the fellowship would develop the background they need to design and implement responsible investments throughout their professional careers.

The inaugural class of fellows in 2017 came from finance, economics, and public policy backgrounds. They worked with Heartland hosts AFL-CIO Housing Investment Trust, LiUNA, Ullico, KPS Capital Partners, and Smart Growth America.

During the course of their 8 weeks, they had the opportunity to lunch with esteemed colleagues such as Tom Perez, and toured the Federal Reserve Bank of New York and Amalgamated Bank.



2017 Fellows

A distinguished Fellowship Advisory Board was established in December 2017 in order to assist with facilitation of the program. Members meet twice a year at the Georgetown campus.

"You're making companies profitable, you're creating and saving jobs, you're making a difference. You can be proud of what you do!"

*Ed Smith, CEO of Ullico
& Fellowship Founder*

The Labor Capital Strategies (LCS) Fellowship matches undergraduate students from numerous universities with progressive investment houses and top labor groups advocating for working people. The LCS Fellowship provides an opportunity for students to observe the impact of finance and capital strategy, introduce students to key issues affecting work, the labor movement and community, participate in progressive corporate governance, and responsible investments..

The LCS Fellowship:

- provides an experiential learning opportunity through the summer
- develops students' understanding and research skills through hands-on work
- allows fellows to mold their own understanding, interests, and skill-set
- helps students evolve the soft-skills needed in a professional work environment

Through their involvement in the practicum and with our partners, students will develop their own view of the challenges facing working families in the modern economy and the role of responsible investment and good corporate governance. From these experiences, students can contribute to the next generation of the worker justice movement.

The Kalmanovitz Institute recruits students from their network of undergraduate programs and community partners. They match applicants with those who best fit with a particular organization. The student's credentials are shared with the host for vetting and/or interviewing. If it is not a good fit, additional applicants are screened until the match is found.

Once an applicant has been selected, Georgetown KI makes the arrangements with the fellow for the stipend and other logistics.

Eli was our second Summer Fellow, after Dalric Fields last summer. We really saw something special in both of them, and they both worked on compliance tracking. Before their efforts, 70% of our clients were in compliance. This year, it's up to 95%! These fellows are helping to light a fire around social investing!

Jonathan McKetney, Ullico

This summer, I learned a lot about commercial real estate. I worked on compliance reviews of clients and their compliance with loan docs. But I also learned about the power of a value lender, and the great work and history of ULLICO.

Eli Lopez, 2018 Fellow

Meet the 2018 Fellows

Our 2018 Labor Capital Fellowship brought new partners and a stunning class of students. Fellow hosts included AFL-CIO Housing Investment Trust, LiUNA, Ullico, KPS Capital Partners, and new organizations the Teamsters and Segal Marco.

Our students came from not only Georgetown University, but Howard, Bryn Mawr, Bates, and UCLA. Read more about each of them below.



Zeke Gutierrez
Georgetown University
International Politics
Host: Teamsters



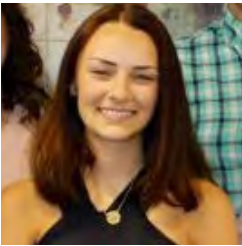
Noah Ruffin
Howard University
Finance
Host: KPS Capital



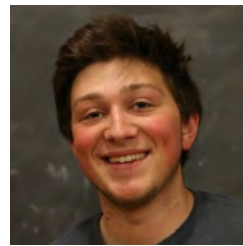
Eli Lopez
University of California,
Los Angeles (UCLA)
Political Science
Host: Ullico, Inc.



Marion Silas
Bryn Mawr College
Growth & Structure of Cities
Host: AFL-CIO HIT



Hannah Lynch
Georgetown University
Psychology
Host: LiUNA



Ryan Whittemore
Bates College
Political Science
Host: AFL-CIO HIT



Matthew Maury
Georgetown University
Math & Economic
Host: Segal Marco

The Labor Capital Strategies fellowship through the KI was an incredibly formative summer experience. It developed my skills and knowledge of the financial sector, introduced me to private sector companies working for the public good, and gave me access to guest speakers at the top levels of their fields. This program reaffirmed my commitment to labor and working class issues.

Claire Heine, 2017 Fellow

The 2018 Fellowship orientation was held June 4th and 5th on Georgetown's Main Campus with an opening session for introductions and some time for the fellows to get to know each other. It was clear from this first session that we had an outstanding group of fellows who were engaged and ready to learn!

DAY ONE

Session: Building a Professional Community:
Presenter **Rebecca Cassidy, Director**, Georgetown McDonough Office of Professional and Leadership Development gave examples of how the fellows can build their professional community with tips on communications, collaboration and how to navigate the corporate/business world. Practical advice included touching base with one's manager, proper office attire, email etiquette, and networking.

Session: History of the Labor Movement and Its RI Strategies:
Patrick Dixon, Ph.D., Research Analyst, GU, presented a timeline of the Labor movement focusing on Labor's role in RI, ETI's, and where it stands today. This session helped the fellows begin to understand the working world.

Session: Finance, Investing and ESG:
Dawn Carpenter, Doctoral candidate in Liberal Studies, GU, gave a comprehensive introduction to finance with emphasis on the vocabulary and terminology of finance and responsible investing that generated much interest, many questions, and great discussions.

Session: Labor Responsible Investing:
Thomas Croft, Managing Director, Heartland Capital Strategies, enlightened the fellows on responsible investing and its variants which include ethical and impact investing. Tom talked about the characteristics of RI and the current drivers galvanizing around it.

Session: Collective Action for Safe Spaces (CASS):
Fellows were schooled on by-stander prevention of workplace harassment. (Fellows only)



Jenny Waits (PRI), Lesylee White (AFL-CIO HIT), and Steve Sleigh (Sleigh Strategy)

DAY TWO

Session: Pensions:

Steve Sleigh, Owner, Sleigh Strategy, LLC and **Debbie Nisson, CRE**, representing Ullico. Steve and Debbie are Co-chairs of the Heartland Governing Board. They presented a primer on pensions, what they are, how they are governed, sources of capital, and the flow of that capital. The fellows learned that workers and citizens are the actual owners of trillions of dollars of pensions and institutional investments.

Session: Case Studies:

Lesyllee White, Executive Vice President/Managing Director of Defined Benefit Marketing, AFL-CIO Housing Investment Trust (HIT), gave an overview of HIT and examples of the many commercial real estate investments, including affordable housing, they have made responsibly using primarily labor's capital.

Debbie Nisson, CRE, consultant for Union Labor Life Insurance Co. (ULLICO) talked about Ullico's J for Jobs construction and permanent loan program that also invests responsibly using primarily labor capital in commercial real estate. Debbie also gave an overview of the Ullico Infrastructure Fund, which has invested in renewable energy projects.

Steve Sleigh, representing Amalgamated Bank, gave an overview of the Bank and its mission as America's largest socially responsible bank, its long history as a labor-owned bank and the exciting plans to go public.

Session: Consultants World View:

Allan Emkin, Managing Director and **Sarah Bernstein, Principal, Ph.D**, Pension Consulting Alliance (PCA) via telephone from Los Angeles, talked about how consultants assess responsible investment and what they, as consultants, expect when they recommend RI managers to their clients. There were excellent questions posed by the Fellows and a good exchange of information.

Session: Corporate Governance/Shareholder Advocacy:

Moderated by **Steve Sleigh**

Jennifer O'Dell, Assistant Director, Corporate Affairs, Laborers International Union of North America (LIUNA), described the work they do on behalf of all LIUNA's pension funds, which include shareholder activism and campaigns. **Carin Zelenko, Director**, Capital Strategies Department, International Brotherhood of Teamsters (Teamsters), talked about the work they do on behalf of the Teamster's funds, specifically discussing a campaign for accountability and reform at pharma companies for their role in the opioid crisis.

Sarah Lewis, Senior Lead Researcher, Corporations and Capital Strategies, AFL-CIO, also discussed shareholder activism and corporate campaigns with examples of recent successes.

Session: Professional Development:

Rebecca Cassidy, GU, rejoined us to talk about careers in responsible investment and what she calls a different business/financial education. Rebecca told the Fellows to ask themselves what they are trying to get out of their careers and gave many examples of alternatives to a career on Wall Street.

Session: Wrap up and Expectations:

Dawn Carpenter, GU, gave an overview of the schedule for the summer and two mandatory assignments, a placement essay and a podcast pitch.



Jennifer O'Dell
(LIUNA) and Sarah
Lewis (AFL-CIO)

Fellowship Activities

7

The Fellows were provided an opportunity by Sleigh Strategies and the G Street Collaborative to participate in Brown Bag Lunches with leaders from different parts of the capital stewardship world. The focus was primarily on the career paths of these diverse leaders.

- **Thea Mei Lee, President, Economic Policy Institute** (top) who encouraged the students to do what they are passionate about, allowing their career to unfold over time.
- **Lori Wood, Executive Director of the Sheet Metal Workers' National Pension Fund** (middle) inspired the fellows with her story of determination to continually learn and improve and to also provide opportunities for new employees.
- **Ray Whiteman, Managing Partner of Stellex Capital Management** (bottom) explained to the students his humble upbringing in Brooklyn and how he always kept his eye on learning and working hard.



I worked at the Laborers Union and researched road flagger conditions in Philadelphia this summer, and I learned how to issue FOIAs to document injuries and workers' comp claims. Men and women flaggers, including single mothers, were working for low wages in what is a very dangerous job. We won a campaign and now 150 workers have a union and received a raise from \$11 an hour to \$15! I really enjoyed the great learning opportunities that the Fellowship provided this summer, especially the Bag Lunch with Lori Wood from the Sheet Metal Workers' Pension Fund.

Hannah Lynch, 2018 Fellow

When you've been working in Labor for awhile, you struggle to new ways to change minds. Hannah and our other fellow, for the past two summers, have come in with a burst of energy and creativity, which just helps so tremendously to increase our capacity. And, Hannah helped us achieve a rare victory in organizing!"

Erin Hudson, LiUNA

In July the Fellows took a trip to New York City where they participated in several activities including:

A stop at Blue Wolf Consulting for a presentation by **Adam Blumenthal, Co-Founder and Managing Partner** (top photo)



A visit to Amalgamated Bank to meet with **Peter Neiman, Executive Vice President & Chief Marketing Officer** and **Katie Franger, Assistant Vice President** (photo on cover)



A visit to the offices of Segal Marco with presentations from **Bob Krinsky, Former President and Chairman**, **Seth Almaliah, CFA, Senior Vice President**, and **Taya Laytin, Associate Consultant** (right)

In late July, an end of year dinner was hosted at LiUNA in Washington, DC. Hosts, partners, and fellows reflected on their experiences throughout the 8-week program



I assisted in researching and writing part of the New Markets Tax Credit (NMTTC) proposal for the Housing Investment Trust and its CDE subsidiary, Building America. I really appreciated the opportunity to support the development of multi-family and affordable housing, and to help low-income people.

Marion Silas, 2018 Fellow

9

As a host, you will be asked to create a job description for your intern. It is understood that not all organizations will have the same needs, but below is a list of some basic questions to think about in formulating the plan:

- How can an fellow help with business goals?
- Do you have enough work to justify an fellow (think long & short term projects)?
- Who will supervise the fellow and where will they work?
- What type of training will you need to provide and how long will that take?

Previous fellows received experience with their respective hosts on assignments including:

- Reviewing performance of portfolio companies and organizational case studies
- Conducting company and industry research on potential investment targets
- Projects with corporate affairs on research, trustee outreach and service provider engagement
- Creating presentations for elected officials on legislative and policy issues



Also consider what an fellow may want to gain from their placement with your organization. This can include:

- Challenging assignments that will build transferable skills
- A well-organized program with clear expectations and consistent feedback
- Exposure to senior leaders, multiple departments, and outside partners in order to build a network
- Strong organizational interest in coaching and mentoring

It is extremely important to remember that the fellows are young college students who are building a portfolio. They are eager to learn, meet people, and gain as much knowledge as they can while in the program.

If you have difficulty with compiling a job description, staff from Heartland can provide you with samples from previous fellowships.

The main thrust of Heartland's *Responsible Investor Handbook* is that responsible and impact investors could accelerate our shared progress in creating a more livable, habitable, hopeful planet. The "Labor Capital Fellowship" at Georgetown, is an amazing new initiative to educate the next generation of responsible investors and capital stewards while supporting their early career development. Ultimately, the program aims to spur active engagement and action, and elevate this discussion into our national conscience and in conversations...so that as a society, we can 'pay it forward.'

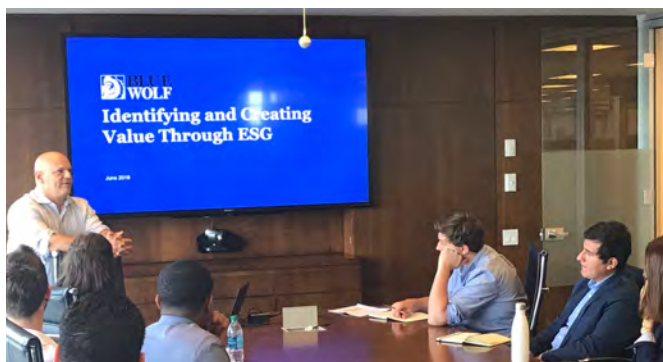
How Can Your Organization Become Involved? Become a Program Partner

Heartland Fellow Hosts: \$5,000

Covers all costs for hosting a Fellow at your organization for 8 weeks during the summer

Heartland Sponsors: \$5,000 - \$25,000

Supports additional expenses related to paying it forward in the education of a new generation of responsible investors.



Program partners will collaboratively:

- Work with sponsors to assist in constructing a high-value, multi-stakeholder advocacy board;
- Contribute talent and resource development
- Enlist practicum placement partners for Fellows to carryout their fieldwork
- Recruit guest lecturers for innovative, real-economy classroom experiences
- Create the orientation, texts, and learning tools

Your money supports:

- A collaboration with Fellows on an academic capstone project
- The development and maintenance of a communications platform and program website

"KPS is proud to be a sponsor of the Labor Capital Strategies Fellowship – in partnership with Heartland Capital Strategies and Georgetown University. Throughout our Firm's history, KPS has maintained constructive working relationships with the major manufacturing, industrial and service unions in North American and Europe. Our investment strategy demonstrates the power that results from labor and capital working together constructively. To that end, we look forward to continuing to support the Fellowship program."

KPS Capital Partners, LP

I worked at KPS in New York City this summer, and I learned a lot and really enjoyed the experience. I really liked what KPS stood for. KPS is a worker-friendly private capital company and it has saved many companies and tens of thousands of jobs. I was assigned case studies and learned how to use some of the finance tools I studied in high school, such as a balance sheet, income statement, cash flow, and shareholder equity. These are tools KPS uses to do turnarounds and stabilize and re-grow businesses.

Noah Ruffin, 2018 Fellow

"To create a moral and sustainable economy in the 21st century economy we need a new generation of leaders who are able to grasp the dynamics of the financial world, align themselves with workers who struggle for economic justice and a voice in their work, and utilize the tools of finance in ways that respect and reward the dignity of labor. Georgetown University's Kalmanovitz Initiative for Labor & the Working Poor is proud to join with Heartland Capital Strategies in creating a fellowship that helps train these future leaders. This unique fellowship does more than introduce students to the exciting world of innovative labor-oriented capital strategies; it provides a doorway into careers that can help build a better world."

**Joseph A. McCartin, Executive Director
Kalmanovitz Initiative for Labor & the Working Poor**



"An emerging new generation of responsible investors is mobilizing capital for complex smart buildings, community infrastructure projects, wind and solar projects, electric and hybrid vehicles, and other inventive solutions. These investors are applying a more holistic and integrated investment approach to the challenges facing cities, industries and our environment, and reaping the financial benefits. They are joining coalitions to pool capital to rebuild cities, make companies more humane and efficient, and address climate change. They are amalgamating resources and investment capacity across borders, as evident from the rapid spread of the UN-launched Principles for Responsible Investment (PRI)."

**Tom Croft and Annie Malhotra, Co-Authors
"The Responsible Investor Handbook"**

Fellowship Hosts & Sponsors

