RESOLUTION URGING SOCIALLY RESPONSIBLE INVESTMENT PRACTICES

A Resolution of Witness

Submitted by
United Church Funds, Inc. and The Pension Boards – United Church of Christ, Inc.

SUMMARY

Almost 50 years ago, the struggle of apartheid in South Africa brought socially responsible investment to new awareness in the life of the church universal and the United Church of Christ — germinating the seeds of three widely recognized tenets of socially responsible investing:

- the financial assets of the faith community could become a powerful tool in bringing about social and political change (sustainable investment)
- as shareholders in publicly traded companies, faith communities could leverage change by taking their witness directly to management, board and other shareholders through the power of ownership (shareholder advocacy)
- if a community so chose, it could sell its holding in a company to make a statement about disapproved practices (divestment).

As time went on, techniques for leveraging assets for change became more sophisticated, varied and influential as a new coalition formed around the Interfaith Center for Corporate Responsibility, of which the UCC is a founding member. But while this group grew and was nurtured by Covenanted, Affiliated and Associated Ministries— principally the United Church Board for World Ministries (Wider Church Ministries), The Pension Boards and United Church Funds — it labored in obscurity to its wider church community.

This resolution seeks to encourage a comprehensive understanding of socially responsible investing by—
1. Naming the full range of complementary strategies of asset leverage
2. Encouraging each body and ministry of the church to employ socially responsible investing strategies according to its own purpose, charter and legal responsibilities
3. Calling upon the General Synod to recognize the diversity of strategies, and the particular resources and obligations of each ministry, to avoid creating unnecessary conflict or adopting future resolutions that will unduly encumber partner ministries.

BIBLICAL, THEOLOGICAL AND ETHICAL RATIONALE

Our biblical, theological and historical heritage calls us to responsibility in all areas of life — recognizing the holiness of all of God’s gifts and honoring our obligation to love as Jesus loved. Our responsibility extends to management of our financial gifts and to ensuring the sustainability of the resources over which we are stewards.
In the Bible, prophetic ministry is not limited to the contentious confrontation of evil or moral wrongdoing in order to make bold witness, proclamation and statement. Prophetic witness includes the welcoming of transformation, changes to structures of society and political power, and negotiation of peaceful resolution and reconciliation of peoples and institutions with their rightful calling and responsibility. Jonah tries to escape and evade direct witness to Nineveh, but is drawn by God to return and speak directly with those affected by their own condition. Jesus, under protest from his disciples wishes not to avoid the tax collector Zacchaeus, but to enter his home, sit at his table, break bread and seek the healing and transformation that can only come from a welcoming encounter. Through a ministry of conversation and communion, Paul journeys out from those of his own community to seek transformation in a broader community to whom the love of God may extend, using language and symbols native to each community’s understanding. Addressing church conflict in Corinth, Paul affirmed the diverse gifts of the members, correcting the tendency to give primacy to one gift over another, and calling for the body to be united by love which was neither rude nor demanded its own way.

The Biblical witness speaks to a form of dialogue and resolution beyond protest alone, and into the hard work of engagement directly with the people whom we would seek to influence and change. The unbounded love of God knows no particularity — God’s love extends even to those with whom we disagree. Failing to engage in meaningful ways relegates these fellow travelers to a status of “lost” — a characterization our extravagant hospitality cannot tolerate. Redemption, and the possibility for transformation, belong to all when we are called to love as God loves.

Engagement with those with whom we invest our assets offers a direct witness that stands beside bold proclamation. After the sin or evil has been named, the work of transformation into actions for good is just beginning. Working together in coalitions to pool assets to leverage influence for change can and has resulted in new policies, better working conditions, an increase in human rights, a decrease in human suffering, and care for the well-being of Creation.

The United Church of Christ has historically embraced congregational polity and autonomy, balanced by — and sometimes in tension with — covenantal responsibility and mutual accountability to the whole church and among its members. Employing the surfeit of tools of sustainable investment and financial management may amplify the response of ministries to social and political challenges. At the same time, sensitivity may be required to permit others the freedom to act in response to an authentic calling, within the limits of cooperative ministry and covenant.

For these reasons, socially responsible investing practices must be lifted up as a vibrant and powerful component of the work for social justice.

**MUTUAL ACCOUNTABILITY**

A Still Speaking church must use its voice in myriad ways to do God’s work of transforming the world. There is a seat at the table for all who use the abundance of their faith to advocate for peace, justice, and a hopeful future for creation and humankind. Socially responsible investing offers an established and internationally recognized way to concurrently call for change while respecting the economic realities of resource stewardship. We welcome those of our churches...
that have not explored or accessed the benefits of socially responsible investing practices to join
this movement and commit to transformation.

In order to fully accept the call to responsible ownership, the church must seek to engage in all
aspects of socially responsible investing, judiciously limiting the call for divestment to those
issues with little hope of being addressed effectively by other methods. Collectively, the church
must exhaust all possibilities for personal accountability, coordinated activism, sustainable
investment and economic leverage to address social and environmental issues. However, to
further our goals of a Just Peace, we must create the space to hold our varying responsibilities as
parts of our ministries, recognizing that our paths are in part defined by law, regulation or moral
obligation in addition to covenantal responsibility.

The financial world, like the rest of society, has evolved tremendously. (See *Evolutions in
Sustainable Investment* by Cary Krosinsky). A faithful response to issues of justice and
investment must include meaningful efforts — including robust conversation, education and
dialogue — to evaluate the most effective methodologies for achieving a particular social
transformation while maintaining the resources needed to achieve mission priorities and sustain
ministry. Faith-based socially responsible investors are both the vanguard of sustainable
investing as well as creators of novel ways to use assets for addressing societal needs. It is in this
knowledge that our church can acknowledge that socially responsible investing is one powerful
way to further the transformational ministry of the United Church of Christ.

**INSTITUTIONAL CAPACITY**

The resolution would require no additional financial or staff support. The resolution advances the
wholeness and fullness of the public witness of the UCC, and provides a new focus for
partnership and advocacy on sustainable investing and financial responsibility.

**PROBABILITY OF INFLUENCING SOCIAL CHANGE**

With this Resolution of Witness, the General Synod affirms its shared commitment to the
responsible utilization and application of financial resources and sustainable investment. The
resolution also affirms the maximum effectiveness of multiple, evolving strategies, and
acknowledges mutual respect for the unique witness of ministries according to their purpose,
charter and calling. By multiplying the impact of cumulative strategies, the probability increases
of influencing social change and moving a step closer to God’s vision for the world.

**THE TEXT OF THE MOTION**

*Whereas* the historic social justice witness of the United Church of Christ (UCC) has manifested
itself in multiple strategies for social, political and environmental change inspired by the biblical
writings, the prophets, the teachings and life of Jesus, the historic cloud of witnesses to the
Christian faith, and the leaders and the witness of transformational movements for peace, justice
and equality for all, and in the light of God’s unbounded love for all creation;
Whereas we who are blessed with financial assets — from those with modest incomes to those entrusted with substantial wealth — bear a God-given responsibility to use our economic power to further the realm of God: *From everyone to whom much has been given, much will be required; and from the one to whom much has been entrusted, even more will be demanded.* (Luke 12:48, NRSV); and

Whereas the economic power derived from the ownership of financial instruments presents a unique opportunity to speak truth to power and advance the cause of justice for the earth and the women, men and children of every nation; and

Whereas the principles of socially responsible investing — using the power of ownership to improve environmental, social, and governance (ESG) behaviors — align with the mission of members and ministries across the United Church of Christ; and

Whereas the United Church of Christ’s Council on Financial Investments (1969) recognized that in order to invest in a manner that lives out our faith in the marketplace, “*All Instrumentalities and Conferences should actively seek involvement consistent with General Synod policies to achieve socially beneficial change in corporate practice through their ownership*” of financial instruments; and

Whereas widespread acceptance of the benefits of socially responsible investing have led to a growing amount (currently over 12%) of the investable assets in the United States being intentionally invested in a way that is socially responsible; and

Whereas the United Church of Christ is recognized as a founding member of the Interfaith Center on Corporate Responsibility (ICCR), a vanguard organization dedicated to engaging the assets of faith-based and values-driven investors in calls for corporate change; and

Whereas the witness of the United Church of Christ through ICCR continues through the work of current members The Pension Boards–United Church of Christ, Inc. (PBUCC), an Affiliated Ministry of the United Church of Christ, and United Church Funds (UCF), an Associated Ministry of the United Church of Christ, both of which have practiced the principles of socially responsible investing for more than 40 years on behalf of plans and assets of the UCC, respectively; and

Whereas socially responsible investing includes many practices and actions taken at many levels, including but not limited to —

- proactive investment in socially beneficial endeavors, behaviors and opportunities
- dialogues with corporate leadership in pursuit of ESG changes
- shareholder resolutions that call for better practices and more complete disclosures
- exclusionary screens which seek to limit or avoid investment in certain industries for moral or performance bases
- divestment as a last resort, when other means of engagement and witness have failed over time to achieve the desired goal(s); and

Whereas
Whereas shareholder advocacy, alongside other strategies of economic leverage for social justice witness, is important because of its direct engagement of publicly traded corporations with the witness of the church and the particular call to justice that the prophetic voice may bring to other shareholders, boards of directors and managers of companies in ways that cannot be duplicated by other forms of social justice action by the church; and

Whereas socially responsible investors use internationally accepted guidelines and norms to determine the environmental, social and governance impacts of corporations and invested assets and do not rely on anecdotal evidence; and

Whereas UCF and PBUCC seek to invest in ways that are consistent with the resolutions of General Synod and the witness of the United Church of Christ while maintaining the fiduciary controls appropriate for the particular kind of assets entrusted to each organization; and

Whereas, UCC polity permits and encourages different ministries of the UCC to advocate and be a witness in ways that are unique to each ministry;

Whereas socially responsible investing — alongside personal and corporate activism, intentional purchasing decisions, legislative improvements, awareness raising and prayer; all established parts of the United Church of Christ’s witness of faith — demonstrates the commitment of individuals, churches, ministries and institutions to the work of justice to which all believers are called.

THEREFORE BE IT RESOLVED that the Thirtieth General Synod of the United Church of Christ calls upon all Members, Local Churches, Associations, Conferences, Agencies, and Associated, Affiliated and Covenanted Ministries to examine and adopt socially responsible investing practices appropriate to their individual assets, retirement accounts, and endowments; and

BE IT FURTHER RESOLVED the Thirtieth General Synod urges all settings and ministries of the United Church of Christ to implement investment and financial policies and practices that promote socially responsible investment, guidelines and commitments, and to continue shareholder advocacy for social justice witness on issues that the UCC has made known in past pronouncements and resolutions of General Synod in ways that are appropriate to each one; and

BE IT FURTHER RESOLVED that the Thirtieth General Synod acknowledges, recognizes, respects and affirms that each setting and ministry of the church has unique and appropriate ways of responding to the call to implement strategies of socially responsible investing within each setting’s particular charter, purpose, restrictions and resources; and

BE IT FURTHER RESOLVED that the Thirtieth General Synod recommends to all settings and ministries of the United Church of Christ the partnership inherent in the ministries of UCF and the PBUC/CC, whose products and services offer socially responsible investing vehicles worthy of consideration; and
BE IT FURTHER RESOLVED that a choice to invest in a socially responsible manner cannot stand alone, but must be complemented by those other acts of witness that speak truth to power — using the ways and means available to each individual or organization to demand justice and bring to life God’s vision for the world, by sharing efforts, policies, results and experiences of social justice witness through socially responsible investing through regular reporting and presentations at future General Synods as an important overall witness of the UCC to advocate for justice, peace, human rights and the environmental well-being of the planet; and

BE IT FURTHER RESOLVED that the Thirtieth General Synod requests future General Synods to develop and implement guidelines, policies and procedures for the consideration of future resolutions and pronouncements submitted that may address issues of socially responsible investing so that care is taken and intentions understood, to respect the limitations, unique gifts, historic witness and positive contribution of the many UCC ministries and settings that seek to lift up the social justice commitments of the United Church of Christ.

FUNDING

The funding for the implementation of the resolution will be made in accordance with the overall mandates of the affected agencies and the funds available.

IMPLEMENTATION

The Officers of the Church, in consultation with appropriate ministries or other entities within the United Church of Christ, will determine the implementing body.