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New Report Offers Actionable Recommendations for Investors to Advance Racial and Economic Equity

The Investor Blueprint underscores that equitable investing is the most pragmatic approach to securing long-term profits, a healthy society, and a stable economy.

OAKLAND, Calif – Today, research institute PolicyLink, in partnership with CapEQ and FSG, published the [Investor Blueprint for Racial and Economic Equity](#), a comprehensive guide for investors to advance shared prosperity, combat inequality, and help bring about an equitable economy. The *Investor Blueprint* aims to catalyze investors to integrate racial and economic equity holistically within their institutions—from the heart of their purpose to their decision-making processes, investment strategies, and measures of organizational effectiveness.

In conjunction with the release of this report, **on Thursday, March 16, from 3:00 to 4:00 pm ET, the Federal Reserve Bank of New York is [co-hosting a virtual event](#) open to the public to discuss the *Investor Blueprint* and explore how investors and financial institutions can support building an equitable economy for all.**

Currently, nearly [100 million people in the US—about one-third of the population](#)—live in or near poverty. More than half are people of color, but they are not alone. Nearly 25% of all white people in the U.S. also live in economic insecurity. The *Investor Blueprint* is a call to action for investors to champion greater fairness and opportunity through and within their organizations as important components of advancing shared prosperity, tackling inequality, and protecting long-term value creation.

“Widening inequality is a defining challenge of our time, and investors cannot afford to overlook the profound risks it presents to our economy and society,” says **Mahlet Getachew**, Managing Director of Corporate Racial Equity at PolicyLink. “By supporting the systems on which our markets, society, people and planet all depend, investors can play a leading role in combating inequality and unlocking greater potential in our economy. Long-term value creation also depends on this.”

“Investing is a powerful driver of innovation and prosperity in our society, but where capital has landed, or failed to land, and how it has been deployed have fostered inequality across our society,” says **Tynesia Boyea-Robinson**, president and CEO of CapEQ. “Investors’ far-reaching influence over our economy means they are on the front lines of what drives impact and inequity every day. They are, therefore, uniquely positioned to make a positive impact, and the time to act has never been more urgent.”

The *Investor Blueprint* establishes the case for advancing equity and introduces a new mindset for all investors to adopt—that all investing ought to be equitable investing. After answering the “why,” the report shares the “how” with a comprehensive framework for action based on three key levers for investors to bring about positive change:

- **Lever 1: Strengthening Firm Governance & Culture.** Embedding equity in investment decision-making and prioritizing an inclusive firm culture as key precursors to equitable outcomes in investing.
- **Lever 2: Reevaluating Risk.** Transforming the investment lifecycle by reevaluating notions of risk on multiple levels—from recognizing inequality as a profound systemic risk to our markets to combating harmful racial and gender stereotypes around what constitutes a “risky” investment.
- **Lever 3: Building Equitable Portfolios.** Activating the entire portfolio over time toward equitable outcomes, championing racial and economic equity standards for businesses, and embodying good corporate citizenship.

To inspire and guide investors toward the highest impact results over the long term, the report concludes by lifting up 5 bold goals that collectively exemplify equitable and inclusive growth and would signify real progress in dismantling centuries of discrimination and exclusion if achieved. These goals represent the unrealized economic potential of our nation’s diversity:

- **Representative investment leadership:** 40% or more of capital decision-makers within the firm and among asset managers are people of color and 50% or more are women.
- **Representative portfolio company leadership:** 40% or more of portfolio company leadership are people of color and 50% or more are women.
- **Equitable investments:** 40% or more of capital is deployed to businesses owned by people of color and historically underinvested communities.
- **Innovating for greater inclusion:** Investors are designing and deploying new, inclusive investment structures that open up greater opportunities for growth for smaller funds and smaller businesses.
- **Aligning all capital with equitable investing:** More than half of assets under management (AUM) align with the standards in the *Investor Blueprint*, steadily increasing to 100% of AUM over time.

“Inequity in investing is holding back powerful value creation opportunities, and the risks of inaction are growing. To truly advance equity in a way that improves socioeconomic outcomes for all, and strengthens our democracy and economy, investors must rally around clear outcomes and bold goals,” says **Michael McAfee**, president and CEO of PolicyLink. “The *Investor Blueprint* will guide investors on their journey to achieving the outcomes that have the power to lead to shared prosperity, a healthy society, and a stable economy.”

“Capital and investment play a profound role in shaping our society and economy. The *Investor Blueprint for Racial and Economic Equity* offers a practical pathway for investors to harness their greatest skills and expertise toward creating value for their beneficiaries and for society at large,” says **Bobbi Silten**, Interim Co-Chief Executive Officer of FSG. “We are proud to partner with PolicyLink and CapEQ on this publication and look forward to working with investors to drive greater positive change.”

“The *Investor Blueprint for Racial and Economic Equity* gives asset owners, asset managers and investors of all types the tools they need to understand the modern investment climate and actively integrate racially equitable processes into their core operations,” says **Bruce Rosenblum**, managing director at The Carlyle Group. “This is a critical resource for investors in a diversifying society and changing economy.”

“It is more important than ever for investors to consider the ways in which their capital drives positive outcomes in our society or instead may be contributing to growing inequality,” says **Jeff Bradach**, co-founder and former managing partner of The Bridgespan Group. “The *Investor Blueprint for Racial and Economic Equity* is a rich resource for investors to assess their current practices and work toward adopting more equitable ways of investing for long-term value creation and the stability and fairness of our economy.”

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[PolicyLink](#) is a national research and action institute advancing racial and economic equity by Lifting Up What Works®. Our mission is to ensure all people in America—particularly those who face the burdens of structural racism—can participate in a just society, live in a healthy community of opportunity, and prosper in an equitable economy. Our guiding ethos is [Equity](#)—the just and fair inclusion into a society in which all of us can participate, prosper, and reach our full potential.

[CapEQ](#) is an impact investing and advisory firm changing how the world does business by advancing equitable impact.

[FSG](#) is a global nonprofit consulting firm that partners with foundations and corporations to create equitable systems change. Through customized consulting services, innovative thought leadership, and learning communities, we're working to create a world where everyone can live up to their full potential.