
Women, Philanthropy & Investments

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STATE STREET GLOBAL
ADVISORS

Women are Playing an Important Role

Controls **\$11T** in investable assets — and **83%** of all consumer purchases

Expected to control **2/3** of nation's wealth by 2030

9 in 10 will be sole financial decision-maker at some point in their lives

\$11T: Daisy Maxey, "Where are the Female Fund Managers?" The Wall Street Journal, July 6, 2015. Accessed at <http://www.wsj.com/articles/SB11670627175020993366304581066292742744646>

83%: "Who Makes the Call at the Mall, Men or Women?" The Wall Street Journal, April 23, 2011, accessed at <http://www.wsj.com/articles/SB10001424052748703521304576278964279316994>

2/3: Boston College's Center on Wealth Philanthropy, 2009

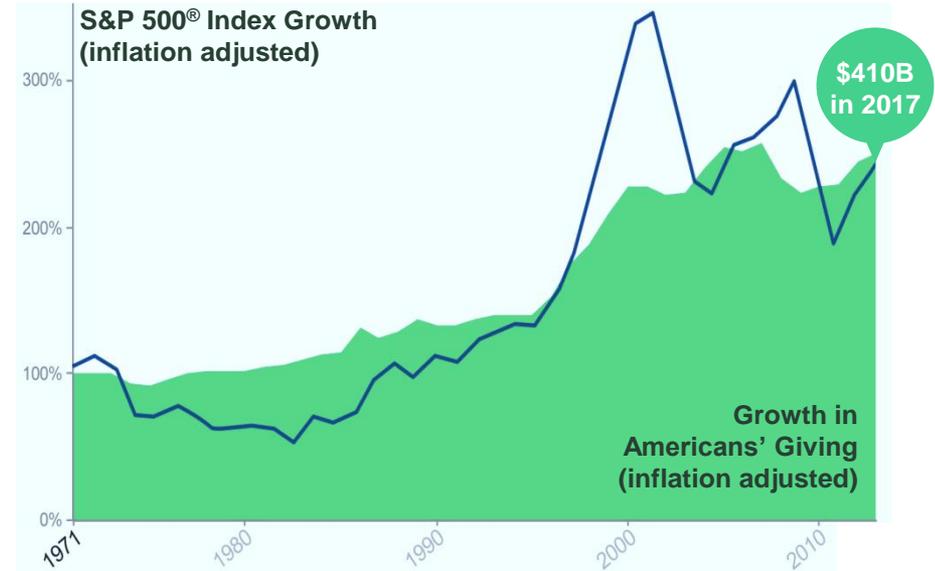
9 in 10: "Women's Financial Power Grows Faster than Savvy," USA Today, August 17, 2012; <http://usatoday30.usatoday.com/money/perfi/basics/story/2012-08-16/womens-financial-literacy-confidence/57104200/>

Image: Sculpture by Kristen Visbal, commissioned by State Street Global Advisors

And with Change, Comes Opportunity — and the Opportunity to Address the Heart of Wealth Management has Never Been Greater

STEADILY INCREASED

Charitable giving has risen since the 1950s by over 6.5 times, after inflation (\$358B total giving). Even on a per capita basis, inflation-adjusted charitable giving has grown by almost 3.5 times.



Source: Giving USA; US Bureau of the Census
The Almanac of American Philanthropy 2015. (www.philanthropyroundtable.org/almanac/statistics/).

Generational Wealth Transfer



The Greatest Generation

\$12T



Baby Boomers

\$30T



501c(3) Charities

???



Heirs/Millennials

Source: The Sharpe Group, 2017

Women and Millennials



Women, across income levels and generations, are more likely to give, and to give more than their male counterparts.¹

- *More altruistic and empathetic, but it's not just a matter of generosity. There is a growing interest in leadership roles within their local and global communities^{2, 3}*



Millennials are more likely to make contributions driven by how they live, work and invest.⁴

- *Motivated to make a difference – and have a greater impact on the world. They want to feel like they are making an investment, not just a donation.*

1 Women's Philanthropy Institute at the Indiana University Lilly Family School of Philanthropy, Gender and Giving Across Communities of Color, 2019.

2 Joseph Quinlan and Jackie VanderBrug, Gender Lens Investing: Uncovering Opportunities for Growth, Returns and Impact, 2017

3 Women's Philanthropy Institute at the Indiana University Lilly Family School of Philanthropy, How and Why Women Give, 2015

4 U.S. Trust Insights on Wealth and Worth, "2017 The Generational Collide", 2017.

Perpetuating the Mission Over the Long-term: *Millennials and Women are Re-shaping the Approach*



Women are nearly **2x** as likely as men to say that giving back is the most satisfactory aspect of having wealth

Millennials are more motivated to give by a **sense of purpose** and by making an **impact globally**



Sources:

(Millennials): State Street Global Advisors Survey, "Money in Motion" 2015

(Women): US Trust, *Insights on Wealth and Worth*, 2013

Women: More likely to Donate than Men — and to Donate More



Baby Boomer and older women give **89% more** to charity than men their age. And women in the top 25% of permanent income give **156% more** than men in that same category.

“ One woman, who graduated from NYU with a degree in game design, became head of her family’s donor-advised fund and shifted the focus to advancing women — providing grants for women in the area of science, technology, engineering and math, and specifically coding. Being in the field herself, she saw how few women had chosen the same path. She hoped to make a difference with her philanthropy.
— Wirehouse Managing Director, Philanthropy Program

Source: The Women’s Philanthropy Institute at the Indiana University Lilly Family School of Philanthropy, Accessed at: <http://www.wsj.com/articles/the-gender-gap-in-charitable-giving-1454295689>

Women Give 2016

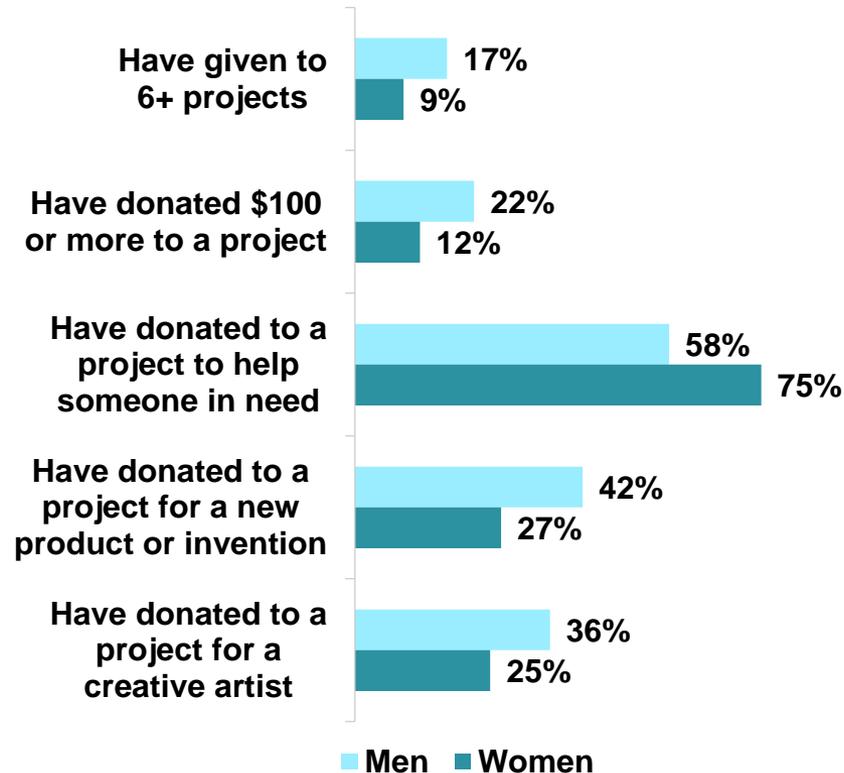
Shifts in charitable giving with GenX/Millennials:

- Married couples whose giving decisions were influenced by women, giving is higher
-
- Married couples who give large amounts, women have more influence
-
- Women's labor force participation and median earnings have seen a steady increase

Source: Women Give 2016, The Women's Philanthropy Institute (WPI) is part of the Indiana University Lilly Family School of Philanthropy

Gender Differences in Crowdfunding Donors

Male and female crowdfunding donors give differently and to different projects
% of male/female crowdfunding donors in US who...



Source: Survey conducted November 24 – December 21, 2015.

“Shared, Collaborative and On Demand: The New Digital Economy”

Pew Research Center

Millennials: Empowerment through Participatory Giving



Sources:

(57%): Blackbaud 2013 Generational Giving Report, "How Millennials Are Reshaping Charity And Online Giving" on NPR October 13, 2014

(67%): US Trust study, *US Trust Insights on Wealth and Worth*, 2014

THE CHALLENGE:

How to make a difference?

Shortly after graduating from New York University with a degree in game design, Stephanie became the head of her family's donor-advised fund. Being in the field herself, Stephanie saw how few women chose the same path and wanted to pay it forward. She aimed to make a difference ***How to make a difference?***



THE SOLUTION:

A creative and wise approach

Searching for a more sustainable means to address gender inequality, she saw an opportunity to shift the fund's focus to advancing women — providing grants for women in the areas of science, technology, engineering and math, specifically coding.

State Street Global Advisors, The Transformative Power of Philanthropy: An Exploration of How the Desire to Make an Impact is Evolving Advisor-Client Relationships, 2016.

What the Numbers Say

 <p>1.2% 8.5%</p>	<p>Online giving increased 1.2 percent, from 2017. 8.5 percent of overall fundraising in 2018 came from online giving—the highest percentage in the nearly 20 years. Technology has increased transparency which helps investors determine their ultimate impact.</p>
 <p>1 in 4</p>	<p>The total US-domiciled assets under management using SRI strategies grew from \$8.7 trillion at the start of 2016 to \$12.0 trillion at the start of 2018, an increase of 38 percent. This represents 26 percent—or 1 in 4 dollars—of the \$46.6 trillion in total US assets under professional management.*</p>
 <p>67% MILLENNIALS AGREE</p>	<p>The next generation of investors is more likely to see socially responsible investing as a natural expression of their own values and beliefs. Millennials place a higher value on making an impact and are investing to pursue values over the long term.</p>
 <p>62% PRUDENT FAMILY WEALTH STEWARDSHIP</p>	<p>62% of investors believe that philanthropy is important to educate the next generation on family values and legacy — why the wealth exists, how to respect it and how to use it wisely. Strategic philanthropy is a way to engage younger generations, through shared values and responsible development.</p>

Source: 2019 Giving USA

<https://www.ussif.org/files/Trends/Trends%202018%20executive%20summary%20FINAL.pdf>

More inclusive opportunities, more engaged investors

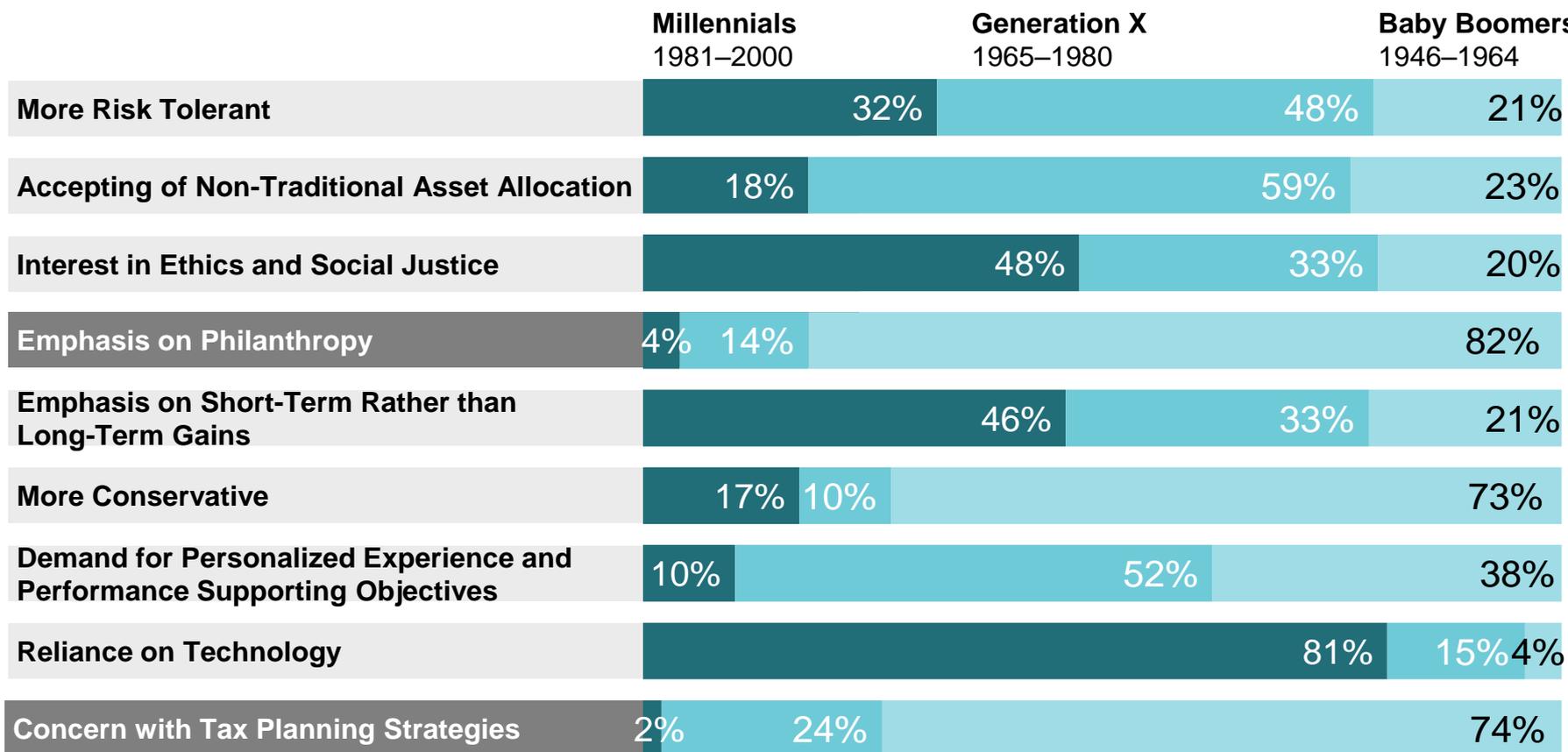
- ✓ Technology has created more transparency
- ✓ Product developments have added simplicity, flexibility and individualization
- ✓ ESG (Environmental, Social, and Governance) Investing is growing in significance



Transformative engagement or hash-tag activism?

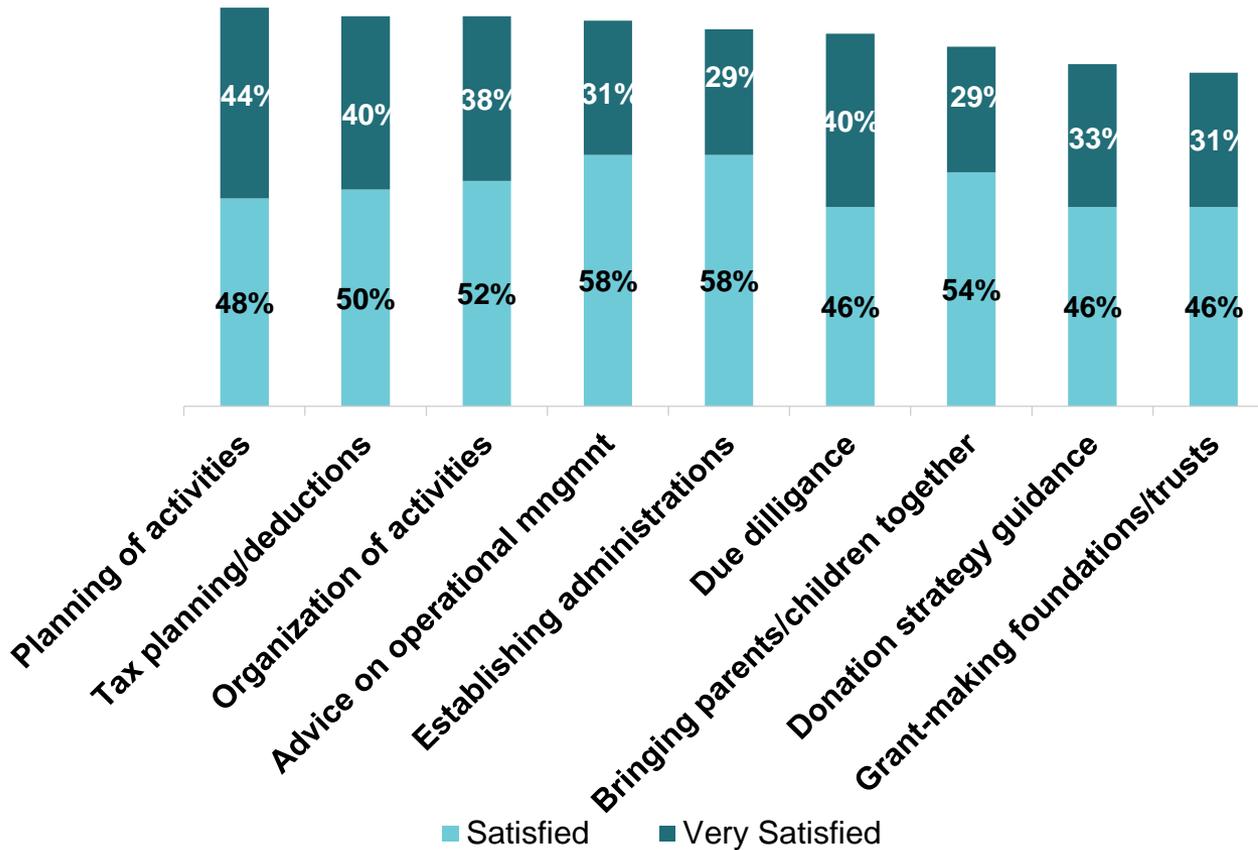
Remember the Ice Bucket Challenge? The 2014 summer social media phenomenon raised nearly \$150 million to fight Lou Gehrig's disease, also known as ALS. These numbers were unheard of for the ALS Association, and led to increased awareness of the disease as well as identification of a new gene behind this neurodegenerative disease. Technology and transparency combined to transform the concept of giving. Social media created a virtual community for the cause. This is what philanthropy is all about.

Advisor-Observed Behavioral Patterns of the Generations



Q: For which of the following three client types are the following factors most commonly reflected?
 Source: State Street Global Advisors' Survey, "Money in Motion," June 2015.

Philanthropy can Strengthen and Transform the Client Relationship in an Extraordinary Way



Among investors whose advisor offers philanthropic management, satisfaction with the role their advisor plays is over

80%

in all areas except two.

State Street Global Advisors Philanthropy Omnibus Survey, 2016. 1,100 investment decision-makers with \$200,000 in investable assets were surveyed nationally.

The Investment Case for Gender Diversity

Executive Summary

SHE is Leadership

- SHE seeks investment in companies with higher levels of senior leadership gender diversity
- SHE is the ticker symbol for the SPDR SSGA Gender Diversity ETF
- SHE tracks a proprietary index of listed US large-capitalization companies (out of the largest 1,000) that are leaders within their respective sectors in advancing women through gender diversity on their boards of directors and in senior leadership

SHE is Influence

- SHE may inspire conversation and action to increase gender equality in company leadership teams

SHE is Impact

- Representing our commitment to the future of women in leadership, SSGA will direct a portion of the SHE revenue to SHE Impacts (a donor- advised fund) to support charities that seek to remove bias and empower young girls and women to take their place in business leadership



Source: SSGA

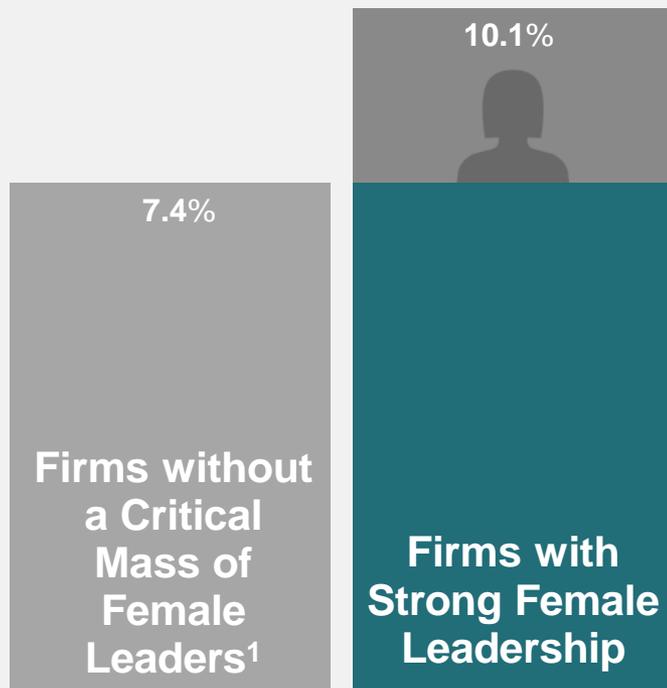
Hunt, Vivian, et al. Diversity Matters. McKinsey & Company. February 2015.

The methodology used in MSCI's and McKinsey's studies is different than that of the index, and as such, the results of the study should not be viewed as indicative of future performance of the index or SHE. Return on equity is not representative of the performance of any investment or the potential return of any ETF.

Why Gender Diversity Matters to Investors

Research has shown that companies with strong female leadership have performed better (as measured by return on equity) than those without a critical mass of female leaders¹

Return on Equity



+36.4%
Higher Return on Equity for companies with strong female leadership compared to companies without a critical mass of women at the top

According to a 2015 MSCI study of 4,200 public companies¹

Return on equity is not representative of the performance of any investment or the potential return of any ETF

The methodology used in MSCI's study is different than that of the index, and as such, the results of the study should not be viewed as indicative of future performance of the index or SHE

For the purposes of the study, MSCI defined strong female leadership as having a board of directors with at least three women, which research suggests comprises a critical mass for decision-making influence, or a percentage of women that's higher than average in the company's country.

¹ Lee, Linda-Eling, et al. Women on Boards: Global Trends in Gender Diversity on Corporate Boards, MSCI, November 2015. Accessed on February 17, 2016. at: <https://www.msci.com/documents/10199/04b6f646-d638-4878-9c61-4eb91748a82b>. Past performance is not a guarantee of future results.

Why Gender Diversity Matters to Investors

Research has show that companies that have increased gender diversity amongst their senior leadership have seen gains in profitability¹

Going from having no women in corporate leadership (the CEO, the board, and other C-suite positions) to a **30% female share** is associated with:



+15%
Increase
in
Profitability

100 bps
Increase
in Net Profit
Margin

According to a 2014 Peterson Institute of International Economics study of 21,980 public companies¹

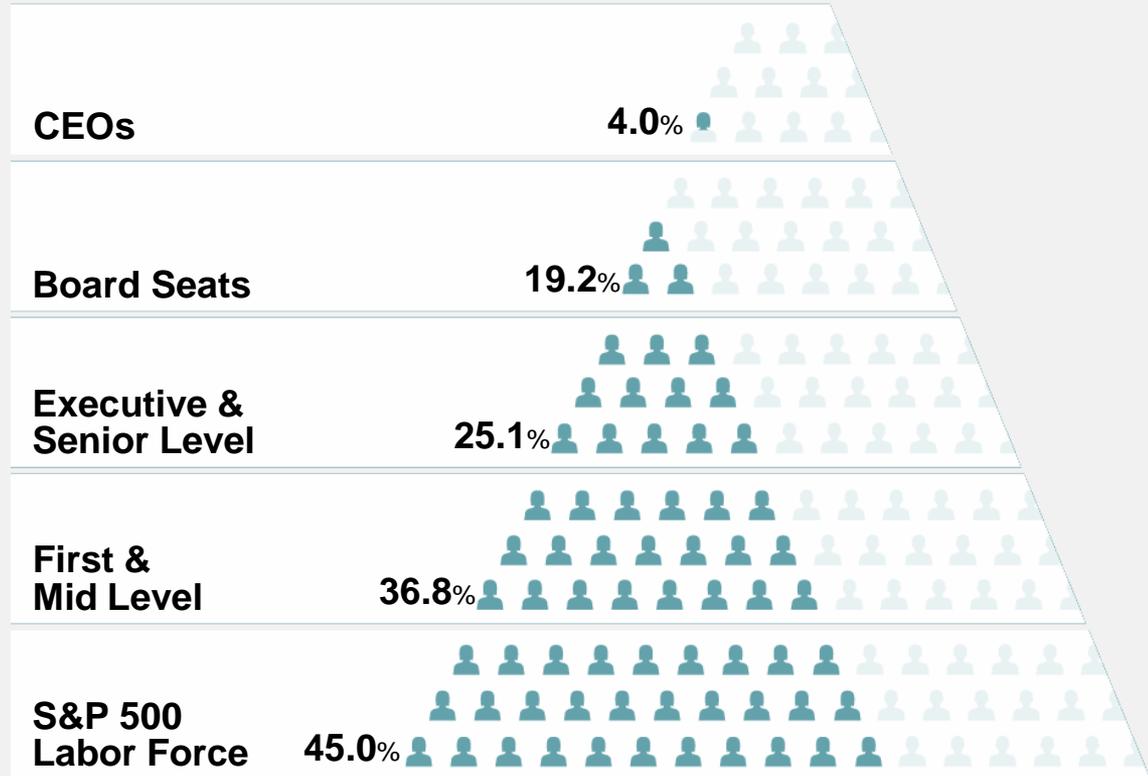
Profitability and increase in profit margin are not representative of the performance of any investment or the potential return of any ETF

The methodology used in this study is different than that of the index, and as such, the results of the study should not be viewed as indicative of future performance of the index or SHE

¹ Marcus Noland, Tyler Moran, and Barbara Kotschwar Is Gender Diversity Profitable? Evidence from a Global Survey, Peterson Institute for International Economics, February 2016. Accessed on February 19, 2016 at: <http://www.piie.com/publications/wp/wp16-3.pdf>. Past performance is not a guarantee of future results.

Despite the Benefits, US Companies have a Dearth of Women in Leadership

Representation of Women in S&P 500 Companies



The graphic above is for illustrative purposes only and is not drawn to scale. Sources: Catalyst. As of September 30, 2015.

Catalyst, Women CEOs of the S&P 500 (2015).

Catalyst, 2014 Catalyst Census: Women Board Directors (2015).

US Equal Employment Opportunity Commission (EEOC), "2013 EEO-1 Survey Data." S&P 500 is owned by S&P Dow Jones Indices LLC.

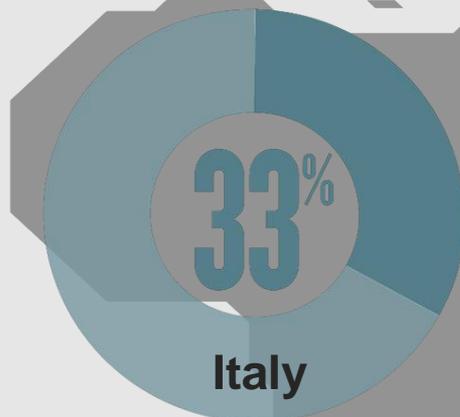
Regulation Trending Toward Gender Diversity — Around the World

Minimum Thresholds on Board Composition

(% of Females Required)



France
Iceland
Norway
Spain



Italy



Belgium
Germany (Largest 100 companies)
Netherlands (Nonbinding)

Source: SSGA. As of December 31, 2015.

New Approaches to Solving the Problem

The 30% Club

- Launched in the UK in 2010 with a goal of achieving a minimum of 30% women on FTSE-100 boards by end of 2015
- As of November 2015, the figures stood at 26.1% up from 12.5% (<http://30percentclub.org/>)

The Thirty Percent Coalition

- National US organization of more than 80 members committed to the goal of women holding 30% of board seats across public companies
- Twenty-seven industry leaders, including senior business executives, national women's organizations, institutional investors, corporate governance experts and board members gathered for a high-level summit in late 2011 to address the lack of gender diversity in corporate boardrooms
- Prompted by what participants called "glacial progress" on increasing the number of women on boards, they formed The Thirty Percent Coalition

Institutional Investor Influence

CalSTRS, CalPERS

131 California companies contacted, 15+ new women board members within 4 months

NY City Pension Fund

Targeting 24 companies with not or minimal gender diversity on the board

Source: SSGA. As of December 31, 2016.

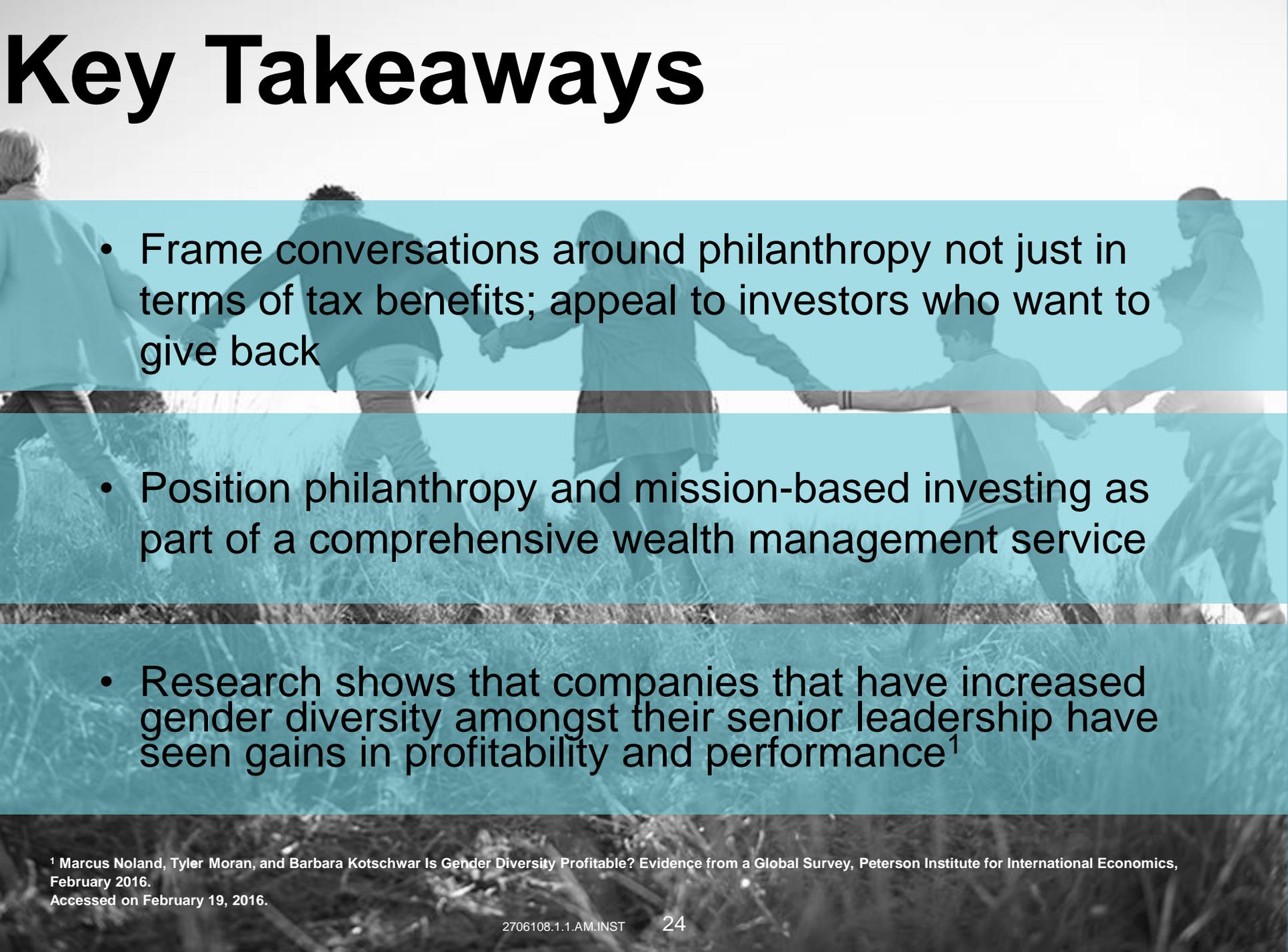
Exerting Influence

Misperceptions still rule at school – and in the media



By investing in companies with gender-diverse senior leadership, we believe investors may inspire conversations and action to increase gender diversity in company leadership teams

Key Takeaways



- Frame conversations around philanthropy not just in terms of tax benefits; appeal to investors who want to give back
- Position philanthropy and mission-based investing as part of a comprehensive wealth management service
- Research shows that companies that have increased gender diversity amongst their senior leadership have seen gains in profitability and performance¹

¹ Marcus Noland, Tyler Moran, and Barbara Kotschwar Is Gender Diversity Profitable? Evidence from a Global Survey, Peterson Institute for International Economics, February 2016.
Accessed on February 19, 2016.

Appendix A: Important Disclosures

Important Disclosures

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Passively managed funds hold a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. This may cause the fund to experience tracking errors relative to performance of the index.

Gender Diversity Risk The returns on a portfolio of securities that excludes companies that are not gender diverse may trail the returns on a portfolio of securities that includes companies that are not gender diverse.

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Expiration Date: February 29, 2020

Appendix B: Biography

Biography



Pamela Yang, CPA, CFA

Pamela Yang, CPA, CFA, is Managing Director, Head of Charitable Asset Management, a division of State Street Global Advisors that invests and administers charitable assets for non-profit organizations in the United States. Prior to this role, she was Senior Vice President, Head of Trust Investment and Operations at Harvard Management Company where Pamela spent eighteen years, overseeing the investment, operation, administration, donor relations and tax teams that manage the charitable assets of Harvard University. At Harvard, Ms. Yang was also responsible for relationship management with the Harvard-Yenching Institute, Harvard University employees defined benefits pension plan and Harvard Club Foundation of New York City.

Ms. Yang joined HMC in 2000 from PricewaterhouseCoopers where she primarily focused on financial services and higher education clients. She is an active volunteer at the CFA Institute, currently serving as Chair of the Disciplinary Review Committee and was named the Volunteer of the Year in 2015 by the CFA Institute. Additionally, Pamela is a former Chair of the Board of CFA Society Boston and served on the board for eight years. Ms. Yang obtained her MBA/MS in Accounting at Northeastern University and did Ph.D. work in French Literature at New York University.