

2020 Report on US Sustainable and Impact Investing Trends

EDUCATIONAL INSTITUTIONS HIGHLIGHTS

Sustainable investing in the United States continues to expand at a robust pace. Total US-domiciled assets under management (AUM) using environmental, social and governance (ESG) strategies grew from \$12.0 trillion at the start of 2018 to \$17.1 trillion at the start of 2020, a 42 percent increase. This represents 33 percent – or 1 in 3 dollars – of the total US assets under professional management.

US SUSTAINABLE INVESTING GROWTH 1995-2020

Since 1995, when the US SIF Foundation first measured the size of the US sustainable investment universe at \$639 billion, assets have increased more than 25-fold, a compound annual growth rate of 14 percent.



SOURCE: US SIF Foundation.

BREAKDOWN OF US SUSTAINABLE INVESTING ASSETS

- Institutional investors, money managers and community investing financial institutions consider ESG issues in their investment research, analysis and decision making across portfolios totaling \$16.6 trillion. This is a 42 percent increase from the \$11.6 trillion reported in 2018.
- Institutional investors and money managers that file or co-file shareholder resolutions on ESG issues represent \$1.98 trillion.
- After eliminating double counting for assets involved in both strategies, the net total of sustainable investing assets under management at the beginning of 2020 was \$17.1 trillion.

EDUCATIONAL INSTITUTIONS FINDINGS

Educational institutions in aggregate held \$378 billion in assets at the start of 2020 that were subject to various ESG criteria—an increase of 19 percent from the \$317 billion identified in 2018.

In 2020, **climate change and carbon emissions** was for the first time the top criterion reported by educational institutions, affecting \$233 billion, a 63 percent increase from the \$143 billion identified in 2018.

Conflict risk, which had been the top issue from 2010 to 2018, followed, affecting \$185 billion, although this was a decline of 36 percent from 2018.

Two other social issues in the top five are **human rights**, accounting for \$185 billion, and **equal employment opportunity and diversity**, affecting \$175 billion.

In terms of specific ESG criteria, **sustainable natural resources and agriculture** was also identified in the top five, addressed across \$176 billion.

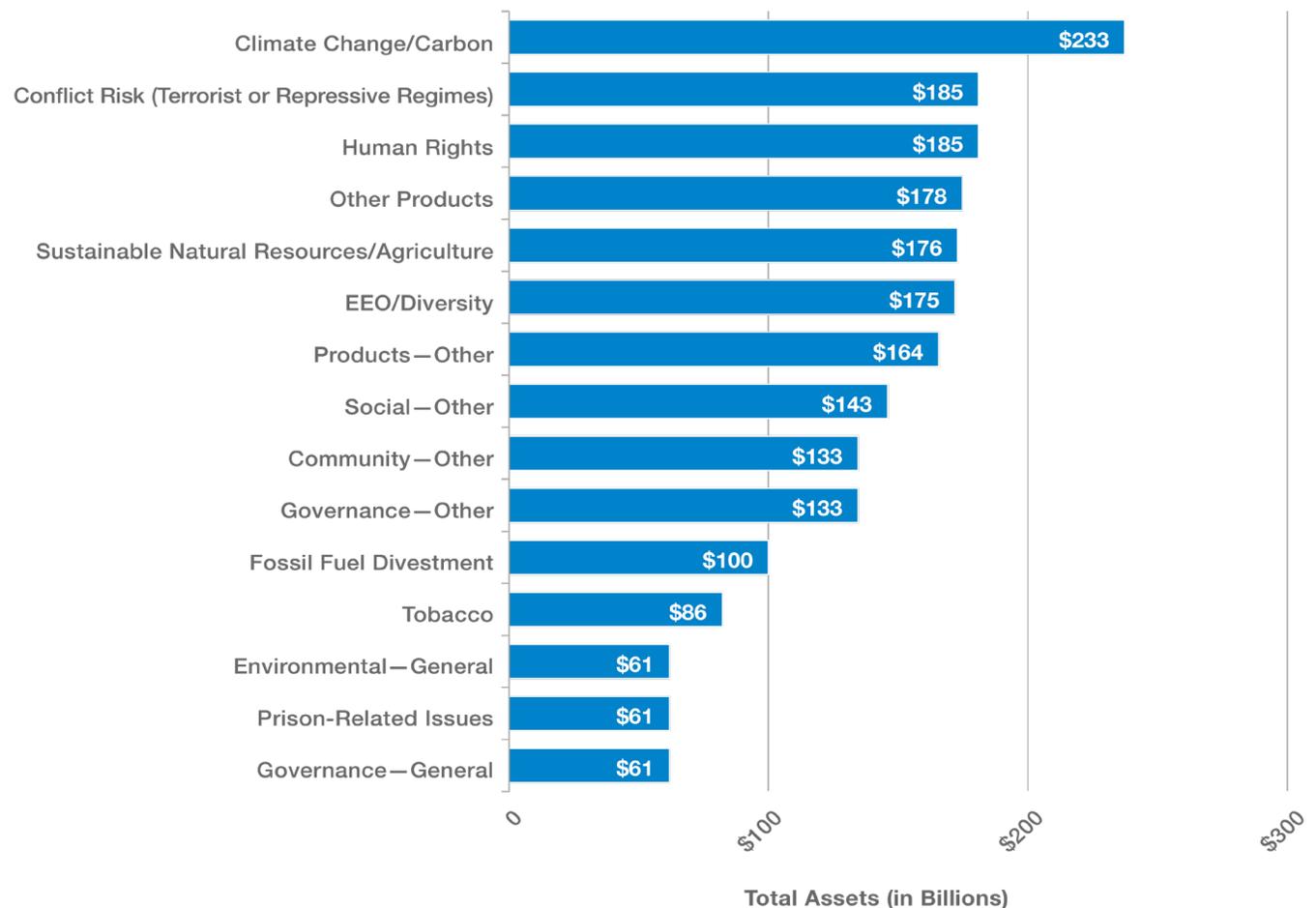
As of 2020, **more than 100 educational institutions** have convened official committees on investor responsibility, compared with about 80 in 2018.

Educational institutions are increasingly mentioning ESG considerations in their investment policy statements, and more are committing money to sustainable investment funds.

Several nonprofit organizations and networks such as the Sustainable Endowments Institute and the Intentional Endowments Network provide endowments, students and other stakeholders with support, data and research on sustainable investment issues.

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FIGURE 3.16
Leading ESG Criteria for Educational Institutions 2020



SOURCE: US SIF Foundation.

About the 2020 Trends Report

The US SIF Foundation's biennial Trends Report provides extensive data on the numbers of institutional asset owners, money management firms and investment vehicles using sustainable investment strategies. It also distills the range of significant environmental, social and governance (ESG) issues that investors consider.

The report is the only report of its kind in the United States. It is extensively used by other institutions and organizations. To obtain a copy, visit www.ussif.org/trends.

About US SIF

US SIF: The Forum for Sustainable and Responsible Investment is the leading voice advancing sustainable and impact investing across all asset classes. Its mission is to rapidly shift investment practices towards sustainability, focusing on long-term investment and the generation of positive social and environmental impacts.

The US SIF Foundation undertakes educational, research and programmatic activities to advance the mission of US SIF.

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