

# HEARTLAND CAPITAL STRATEGIES

---

2017-18 IMPACT REPORT

---



**Rebuilding  
Sustainable  
Communities**

**Investing  
Responsibly**



# HEARTLAND

## TABLE OF CONTENTS

- 01 Thought Leadership
- 02 Education
- 03 Broadcasting
- 04 Fellowship
- 05 Rebuilding Sustainable Communities
- 08 Our Supporters



## Heartland Capital Strategies c/o Steel Valley Authority

1112 S. Braddock Avenue | Suite 300 | Swissvale PA 15218  
412-342-0534 | [www.heartlandnetwork.org](http://www.heartlandnetwork.org)

# INVESTING RESPONSIBLY

## HEARTLAND CAPITAL STRATEGIES (HCS)

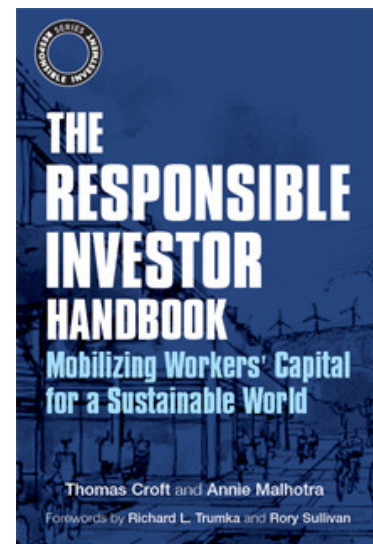
Heartland Capital Strategies (HCS) fosters a Community of Practice for responsible investments. We are growing a national labor/capital network to rebuild our cities, renew our industrial commons, grow the clean economy and make the “boss” more accountable. Heartland’s members are pioneers in capital stewardship and corporate governance, and they have been on a long-term quest to mainstream and strengthen responsible investments in the real economy.

Heartland’s Mission: To mobilize responsible investments by capital stewards in the real economy, achieving competitive financial returns and positive ESG impact. Heartland’s achievements fall into four main categories: thought leadership, education, field work, and communications.

### THOUGHT LEADERSHIP

Tom Croft and Annie Malhotra presented, in October 2017, a new paper called *Suggestions Toward Commonwealth Companies*, commissioned for the “Many Futures of Work Conference.” possibly a chapter in a new compendium on that topic. The paper makes the case that shareholder and stakeholder rights should be balanced. Senators Elizabeth Warren (D-MA) and Senator Tammy Baldwin (D-WI) have both introduced legislation that make the case for stakeholder governance, and they called for companies to add workers to corporate boards and other proposals to increase workforce participation.

In July 2016, the Heartland Network released its third book on capital stewardship, *The Responsible Investor Handbook: Mobilizing Workers' Capital for a Sustainable World*, co-written by Tom and Annie. Published by Routledge/Greenleaf (UK) and commissioned by the AFL-CIO, this book is an essential read for capital stewards seeking a better understanding of the importance of responsible investment and its impact on capital markets.



The logo for Heartland Capital Strategies (HCS) is a blue circle with a stylized green and yellow swoosh or arrow passing through it from the bottom left to the top right.

# INVESTING RESPONSIBLY

## HEARTLAND CAPITAL STRATEGIES (HCS)

### HEARTLAND EDUCATIONAL PLATFORM

As part of Heartland's agenda to convert good research into action, we launched a global book campaign. Deploying the Handbook, we're delivering conference presentations and a multi-media curricula to educate capital stewards, investment professionals and business/other college students.

#### **Global Committee on Workers' Capital**

With the support of Ron Auer, director of CORPaTH (and Heartland board member), we distributed 100 copies of the Handbook to members of the ITUC Committee on Workers Capital (CWC) at their September 2018 conference in San Francisco.

#### **Labor Capital Strategies Fellowship**

HCS and Georgetown's Kalmanovitz Initiative for Labor and the Working Poor (KI) successfully realized, for a second summer, its remarkable new college fellowship program (see next page).

### HEARTLAND FIELD WORK

Since 2012, Heartland has hosted "RoadShows to Renew America" in nine hard-hit cities across the U.S. In 2017-18, Heartland joined with the Century Foundation and other partners to visit three Midwest manufacturing cities and construct a new, sustainable industrial policy framework (more on page 7).

- **Pittsburgh/Cleveland Capital Roundtables:** After the Pittsburgh Summit in October 2017, PNC Bank commissioned Heartland/SVA to stand up a Steel Cities Capital Roundtable as a sustainable impact investment hub to inclusively invest in our communities. The Roundtable will work with distressed community leaders and the stewards of the region's institutional capital, including pension funds, to explore transformational responsible investment partnerships and new training pipelines to create family-sustaining jobs. We are working with Heartland partners like the AFL-CIO HIT, whose Midwest@Work program is investing \$1.2 billion to spur economic development in nine Midwest cities, including steel cities.
- **Pennsylvania's Pension Funds:** We have engaged with the Governor's Policy Office and Pittsburgh Mayor's Office, as part of coalition that includes the PA AFL-CIO and Keystone Research Center, to promote responsible and in-state investment for the state's pension funds.

# INVESTING RESPONSIBLY

## HEARTLAND CAPITAL STRATEGIES (HCS)

### BROADCASTING

Our book campaign sold over 2,000 book copies and deploys viral channels to market the book to labor leaders and capital stewards, investment decision-makers, responsible finance advocates and sustainable business innovators and students. Our website, [www.heartlandnetwork.org](http://www.heartlandnetwork.org) and popular Thursday Espresso blog features our work across the country, part of a social media platform designed to promote the book and the workers' capital view.

**Heartland Webinar and E-Books:** In 2017-18, we kicked off a responsible investing webinar series to break down some common and persistent barriers to the greater integration of responsible investing practices among labor's pension plans. The webinars have been planned, written, formatted and moderated by our *Handbook* co-author Annie Malhotra, COS Carrie Mihalko and Heartland Communications Co-Chair David Keto. They have also created a series of free mini-books to accompany each webinar which track chapters in the Handbook. The topics covered thus far have included:

#### **Jul 20, 2018: Corporate Governance**

Sarah Ann Lewis, Senior Lead Researcher for the Corporations and Capital Markets Team at the AFL-CIO, and David Webber, law professor at Boston University and author, *The Rise of the Working Class Shareholder: Labor's Last Best Weapon*, spoke on the value of workers having a "voice" in corporate decisions.

#### **May 04, 2018: Waiting for Godot: How to Reclaim Our Money Now**

Dr. Tessa Hebb, Senior Research Fellow and past Director of the Carleton Centre for Community Innovation, Carleton University, Ottawa, and Jim Hawley, Head of Applied Research at TruValue Labs, San Francisco and Professor Emeritus School of Economics and Business, St. Mary College, addressed fiduciary duty and the legality of utilizing ESG investing.

#### **Feb 16, 2018: Responsible Investing & Labor: A Love Story**

Keith Mestrich, CEO of Amalgamated Bank, and Brian Hale, VP of ULLICO, discussed the historic role of labor in responsible investing through investments in affordable housing, industrial revitalization and other economically-targeted investments.

#### **Nov 17, 2017: Tackling Terminology & Busting Myths!**

Heartland GovBoard Co-Chairs Steve Sleight and Debbie Nisson provided an introduction to responsible investing and the various challenges and opportunities in this space.



# INVESTING RESPONSIBLY

## HEARTLAND SUMMER FELLOWSHIP



Heartland's Labor Capital Strategies (LCS) Fellowship at Georgetown University welcomed a remarkable second groups of students in 2018. The fellows came from Georgetown, Howard, Bryn Mawr, Bates College, and UCLA. During their 8-week program, they participated in Brown Bag Lunch sessions meeting with national investment and policy leaders. A trip to New York City provided an audience with representatives from Amalgamated Bank (on cover page), Segal Marco Advisors (below), and Blue Wolf Consulting (shown above with Adam Blumenthal, President).

The Fellows were hosted at six responsible investment organizations including AFL-CIO Housing Investment Trust, LiUNA, Ullico, KPS Capital Partners, Segal Marco Advisors, and the Teamsters with additional support from Amalgamated Bank and Blue Wolf Capital Partners. Major projects completed by our fellows included:

- Helping communities create affordable, transit-oriented housing
- Winning a union campaign for better wages and safe working conditions
- Supporting the growth of responsible businesses and good jobs



# REBUILDING SUSTAINABLE COMMUNITIES

NATIONAL, STATE AND REGIONAL POLICY WORK

The Heartland Network took part in a remarkable 18-month road show through midwest manufacturing cities-connected to a research collaborative with The Century Foundation about the state of the economy, one decade after the onset of the Great Recession. We heard from 500 local stakeholders who talked about the continuing anger and distress of workers and citizens in communities left behind. Resoundingly, they also called for new, sustainable industrial investment policies to retrain and re-employ workers in higher wage jobs, revitalize Heartland cities and rebuild America.

In all, our five summits drew three U.S. Senators, including Senators Bob Casey and Sherrod Brown, Congresswoman Marcie Kaptur, USW President Leo Gerard and Illinois Treasurer Michael Frerichs as headliners, with some 700-800 participants in Pittsburgh, Cleveland, Chicago, and the nation's Capitol.

*"Ordinary Americans can do extraordinary things, if you just give them a chance. This is not beyond our capacity. There is so much we can do to begin to change things."*  
-Joe Biden



We adopted a set of bottoms-up best practices as the fountainhead for this new innovative strategy and on September 13th shared this framework with 150 guests in Washington D.C., as well as leadership in the new Congress. Our keynote speakers, Vice President Joe Biden and New York Senator Kirsten Gillibrand, kicked off a set of panels that articulated this new vision.

Garnering extensive national press and media coverage from the Washington Post, Morning Joe, Newsweek, USA Today, Politico, ABC News Radio, C-Span, and The Hill and with more than 350,000 people live-streaming the event, the **High Wage America** initiative officially unveiled its new federal agenda for revitalizing America's manufacturing communities.

# REBUILDING SUSTAINABLE COMMUNITIES

## NATIONAL, STATE AND REGIONAL POLICY WORK

Heartland board member David Wilhelm of Hecate Energy spoke at the DC summit about his years-long campaign to land an amazing 400 mw solar farm on mined over lands in Appalachian Ohio, and a Heartlander opened the remarkable video produced by Century and shown at the beginning of the summit.

When we started the road shows, we didn't know if there would be interest in exploring economic revitalization policies and practices that help communities that have been left behind. We were humbled at the reception we found all across the Northeast, Midwest and Great Lakes states as we talked to local change-makers who are fighting to rebuild their communities. We want to sincerely thank Century and EPI and our other co-sponsors, including PNC Bank. But we want to especially express our gratitude to the fighters who are working to take back the Heartland!



Pittsburgh, October 2017



Chicago, June 2018



Cleveland, March 2018

Visit the Heartland website to read a recap of the events or view the Voices of the Heartland video.

The comprehensive strategy papers *Revitalizing America's Manufacturing Communities* and *A Federal Agenda for Revitalizing America's Manufacturing Communities* are available for download.



# REBUILDING SUSTAINABLE COMMUNITIES

## NATIONAL, STATE AND REGIONAL POLICY WORK

As a result of the Century Foundation partnership and the Pittsburgh Summit from October 2017, PNC Bank commissioned Heartland/SVA to stand up two Steel Cities Capital Roundtables in Pittsburgh and Cleveland. The Roundtables will work with community leaders and the stewards of the region's institutional capital, including pension funds, to explore transformational, investment partnerships and inclusive training pipelines to create family-sustaining jobs.

We are working with Heartland partners like the AFL-CIO HIT, whose Midwest@Work program is investing \$1.2 billion to spur economic development in nine Midwest cities, including steel cities. We have engaged with the Governor's Policy Office and Pittsburgh Mayor's Office, as part of coalition that includes the PA AFL-CIO and Keystone Research Center, to promote responsible and in-state investment for our pension funds and endowments.

We imagine the Roundtables as sustainable impact investment hubs to invest in clean jobs in businesses and our communities. They are to serve as forums to facilitate the exchange of experience, encourage self-organized investment standards and provide a platform for capital partnerships. The financial sector has a strategic role to play within the fabric of interlinked economic relationships, and their effects on regional economies and society. Sustainable finance can make a key contribution to the transformation towards a sustainable, inclusive society.

The goal of the Roundtables is to foster impact capital and public partnerships to invest advanced manufacturing, technology, smart buildings and affordable housing, civic infrastructure, wind and solar energy, and transportation initiatives. The Roundtable will also organize pipelines for good jobs, apprenticeships and career opportunities for dislocated, women and minority workers in our region. Finally, the Roundtable will generate reports and learning opportunities for stewards of the region's capital.



# OUR SUPPORT NETWORK

## HEARTLAND CAPITAL STRATEGIES (HCS)

The staff wishes to thank our Governing Board and Fellowship Advisory Board for your generous support to our common cause; we express our deepest gratitude to you and the institutions that have sponsored our earnest endeavors. You have all made a difference in this great fight...we are forever indebted!

### HEARTLAND GOVERNING BOARD OFFICERS

Deborah Nisson, Consultant - Board Co-Chair  
Steve Sleigh, Sleigh Strategy LLC - Board Co-Chair  
Ted Chandler, AFL-CIO HIT - Vice Chair  
Michael Ibarra - Treasurer  
David Pollak, Reverence Capital - Development Chair  
David Keto, SRI Group - Marketing Co-Chair  
Ron Auer, CORPaTH - Marketing Co-Chair

### ADJUNCT MEMBERS

Chris Chafe, Growth Squared  
Tyler Gellasch, Myrtle-Makena  
Bracken Hendricks, Urban Ingenuity  
Monica Parikh, Consultant

### FELLOWSHIP ADVISORY BOARD

Tom Croft, Heartland - Co-Chair  
Joseph McCartin, Georgetown - Co-Chair  
Juan Belman, Georgetown KI  
David Blitzstein, Blitzstein Consulting  
Adam Blumenthal, Blue Wolf Capital Management  
Daniela Brancaforte, Georgetown Business School  
Dawn Carpenter, Georgetown KI  
Rebecca Cassidy, Georgetown Business School  
Ted Chandler, AFL-CIO HIT  
Jessica Chilin, Georgetown KI  
Shavonne Correia, KPS  
Allan Emkin, Pension Consulting Alliance  
Joe Enright, GCM rosvenor  
Tyler Gellasch, Myrtle Makena  
Patricia Grant, Georgetown Business School  
Brian Hale, Ullico  
Barron Harvey, Howard University

### MEMBERS

Leo Gerard, USW  
Brian Hale, Ullico  
Michael Musuraca, Blue Wolf Capital Management  
Dan Pedrotty, NABTU  
Michael Psaros, KPS  
Brandon Rees, AFL-CIO  
Bob Samuel, CIM Group  
Michael Stewart, Stellex Capital Management  
David Wilhelm, Hecate Energy

Paul Quirk, Pegasus Capital Advisors  
Sarah Stettinius, Landon Butler  
Rob Witherell, USW

Jim Hawley, St. Mary's College  
Erica Hunter, AFL-CIO HIT  
William Jannace, Fordham Law School  
Annie Malhotra, Heartland  
Maureen McCoy-Schafer, Segal Marco  
Adam Munder, The Sterling Organization  
Mike Musuraca, Blue Wolf Capital Management  
Debbie Nisson, Consultant  
Jennifer O'Dell, LiUNA  
Dan Pedrotty, NABTU  
Mike Psaros, KPS  
Brandon Rees, AFL-CIO OWI  
Katie Rosenthal, AFL-CIO HIT  
Steve Sleigh, Sleigh Strategy LLC  
David Webber, Boston University  
Carin Zelenko, Teamsters



# OUR SPONSORS

HEARTLAND CAPITAL STRATEGIES (HCS)

## Champions



## Partners



## Advocates



## Supporters



## Fellowship Hosts & Sponsors

