

IMPACT INVESTING MONTHLY

July 2024

Your monthly update on impact investing

Impact Investing at AOWM

Seeking companies that
turn a profit making a
sustainable impact on
society and the
environment

July's update includes a company highlight on Cisco, charts on a living wage, and links to further resources on this front. As always, if you would like to talk about impact investing in general or your impact portfolio specifically, please do not hesitate to email me.

Grace and Peace,



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Company Highlight on Cisco

Cisco ([cisco.com](https://www.cisco.com)) is a communications technology firm that designs and sells networking hardware, software, and services. Cisco's stated **purpose** is to "power an inclusive future for all," and its products cover five categories: Secure, Agile Networks; Internet for the Future; Collaboration; End-to-End Security; and Optimized Application Experiences. Headquartered in San Jose, CA, and incorporated in 1984, Cisco's roots lie in building network infrastructure and software at Stanford (the name "Cisco" also



stems from San Francisco).

Cisco ranks **64th** on **Corporate Knights Global 100**, a list of public companies that are "driving the transition to a low-carbon, circular economy" according to research by Corporate Knights. Cisco also ranks **#2 on the Fortune 100 Best Places to Work For** list.

ESG focus areas*

Environmental

- **Climate change and GHGs**
- **Circular economy**
- Operational waste
- Environmental regeneration and protection
- Water

Social

- **Inclusion and diversity**
- **Talent**
- **Human rights and working conditions in the supply chain**
- Employee wellbeing
- Employee health and safety and labor rights
- Digital inclusion
- Community impact
- Critical human needs and disaster relief
- Economic empowerment

Governance

- **Corporate governance**
- **Data security and privacy**
- **Business ethics**
- Innovation and responsible technology

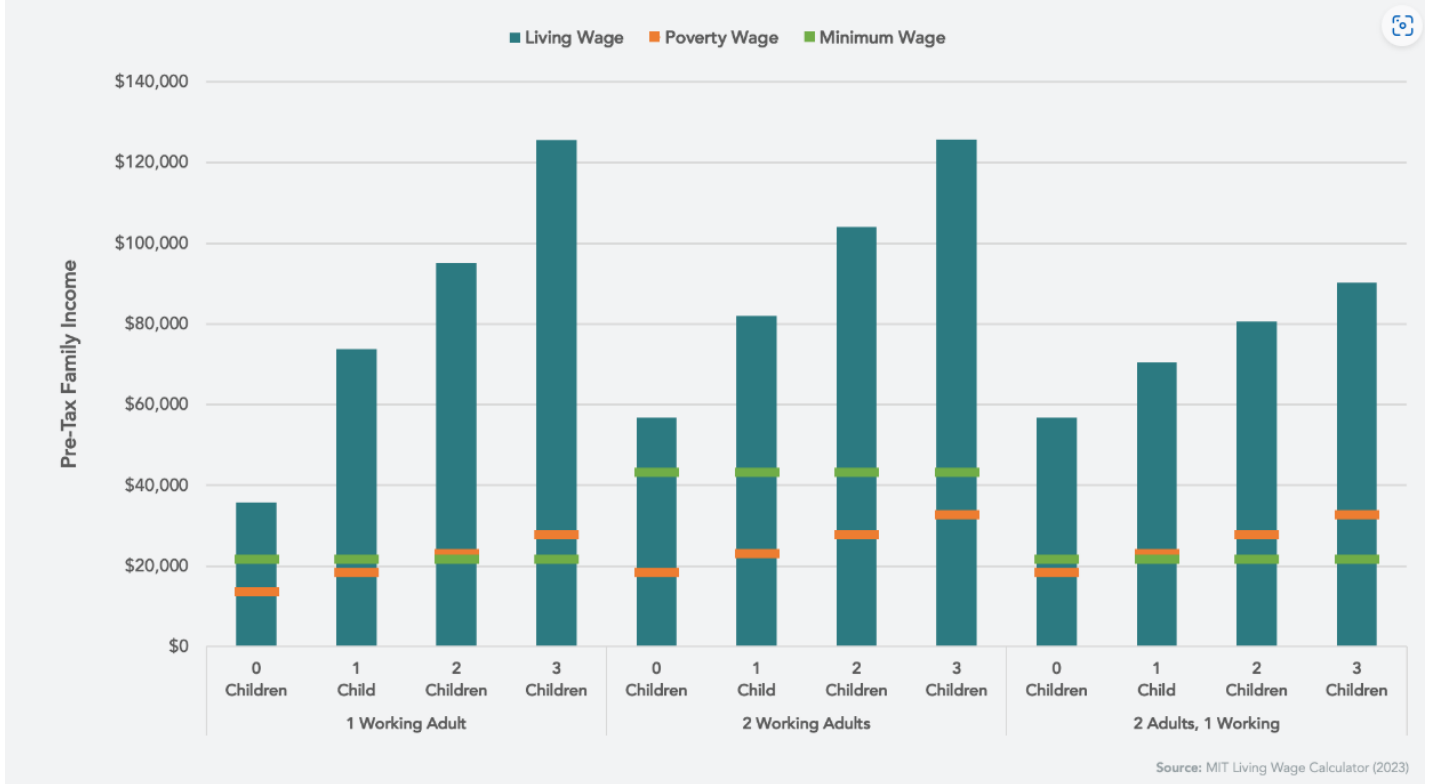
* These ESG focus areas are the topics identified in our fiscal 2023 ESG materiality assessment.† The topics found to be of greater significance are noted in bold.

Charts of the Month

(click on the charts to get a better view and citations)

Living Wage | calculator

Figure 1: State Average Living Wage Before Taxes, with Poverty Threshold and Minimum Wage Comparisons by Family Composition.



The chart this month comes from the [MIT Living Wage Calculator](#), created in 2003 “to help individuals, communities, employers, and others estimate the local wage rate that a full-time worker requires to cover the costs of their family’s basic needs where they live.” A living wage varies depending on family size, number of working adults, and geographic location. The basic costs included cover things like food, housing, health care, transportation, child care, and taxes. You can see more about the Living Wage calculation [here](#). It is important to note that these “living wage” amounts do not even include any savings for the future, nor

discretionary spending on anything like eating out, leisure time, or vacations.

To see how much more income it would take hit the “50/30/20 budget” that financial advisors often recommend (50% on basics, 30% as you wish, and 20% for savings) check out this recent analysis: [“Income a Family Needs to Live Comfortably.”](#)

THE LIVING WAGE FORMULA



Source: Dr. Amy K. Glasmeier and the Massachusetts Institute of Technology

Resources

“The Income a Family Needs To Live Comfortably”

Visual Capitalist & SmartAsset
February 14, 2024
(3 min read)

“How a Living Wage Differs from a Minimum Wage and Why It Should Be a Business Imperative”

Just Capital
September 3, 2021
(5 min read)

“What is a Living Wage: Definition, History, and How to Calculate”

Julia Kagan, Investopedia
July 26, 2024
(4 min read)

“What is a Living Wage?”

Living Wage Coalition
(4 min video)

What is Impact Investing?

The term **“Impact Investing”** focuses on investments made *“with the intention to generate positive, measurable social and environmental impact alongside a financial return.”*¹ Many people talk about this intersection of social, environmental, and financial values as a focus on the **triple bottom line of people, planet, and profit.**² Others also highlight the ways that environmental, social, and financial values are really **“blended values,”**³ given that the operations, products, and services of any business always have effects (whether positive or negative) on society, the environment, and the financial bottom line.

“ESG” is a term that stands for “Environmental, Social, and Governance” factors that can affect a company’s long term financial health as well as well-being for broader society and the environment. The term ESG was coined in a 2004 United Nations report entitled, “Who Cares Wins: Connecting Financial Markets to a Changing World,” and this report highlights the ways *“successful investment depends on a vibrant economy, which depends on a healthy civil society, which is ultimately dependent on a sustainable planet.”*⁴

ESG analysis usually focuses primarily on how a changing world (socially and environmentally) might affect a company’s financial return. Impact analysis usually focuses on how a company’s operations and products affect society and the environment. The two types of analysis are distinct but complementary and can be used to help you blend your values with your investments.

Sources

¹ [Thegiin.org](https://thegiin.org); see also rockefellerfoundation.org/from-the-archives/global-impact-investing-network-giin/

² “Triple bottom line,” *The Economist*, Nov 17, 2009. economist.com/news/2009/11/17/triple-bottom-line

³ [Blendedvalue.org](https://blendedvalue.org)

⁴ [UNepfi.org/fileadmin/events/2004/stocks/who_cares_wins_global_compact_2004.pdf](https://unepfi.org/fileadmin/events/2004/stocks/who_cares_wins_global_compact_2004.pdf)

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