



ACTIVATE

INVEST TO GROW YOUR WEALTH
AND BUILD A BETTER WORLD



YOUR

JANINE FIRPO



MONEY

WILEY

Table of Contents

[Cover](#)

[Title Page](#)

[Copyright](#)

[Dedication](#)

[Welcome to a Brave New World](#)

[Feel Good About Your Financial Decisions](#)

[Live Your Values](#)

[How This Book Came to Be](#)

[How to Use This Book and Our Companion Website](#)

[Endnotes](#)

[PART 1: Establishing Your Foundation](#)

[CHAPTER 1: Values-Aligned Investing](#)

[Women Think Differently About Money](#)

[You Already Have a Lot of Financial Power](#)

[What About Financial Returns?](#)

[Some Terms You Need to Know](#)

[Even Small Investments Make a Difference](#)

[Attaining Financial Fulfillment](#)

[Prepare to Learn, Experiment, and Have Fun](#)

[Take Action](#)

[Endnotes](#)

[CHAPTER 2: Your Relationship with Money](#)

[We All Have Money Stories](#)

[Integrating Your Values](#)

[Putting Your Heart and Mind into Your Investments](#)

[Take Action](#)

[CHAPTER 3: Your Financial Foundation](#)

[Before You Invest](#)

[How Much Money Do You Have?](#)

[Your Investment Criteria](#)

[Introduction to Asset Classes](#)

[Designing Your Portfolio](#)

[Tracking How Your Investments Perform](#)

[Your Investment Policy Statement](#)

[Take Action](#)

[Endnotes](#)

[PART 2: Crafting an Aligned Portfolio](#)

[CHAPTER 4: Cash](#)

[Cash Is Ready Money](#)

[Traditional Options: The Mega-Bank](#)

[Other Banking Options](#)

[Values-Aligned Banking Options](#)

[Aligning Your Cash](#)

[Take Action](#)

[Endnotes](#)

[Notes](#)

[CHAPTER 5: Cash Alternatives](#)

[What Are Cash Alternatives?](#)

[Fully Insured Cash Alternatives](#)

[Non-Insured Cash Alternatives](#)

[Take Action](#)

[Endnote](#)

[Notes](#)

CHAPTER 6: Fixed Income

Non-Bond Options: CDs, CDFIs, and Notes

Bond Basics

Finding Values Alignment in Bonds

Investing in Individual Bonds

Values-Aligned Bonds

Investing in Bond Funds

Values-Aligned Bond Funds and Bond ETFs

Assessing and Mitigating Bond Risks

Making Fixed Income Investment Decisions

Take Action

Endnotes

CHAPTER 7: Public Equities

Why Should You Spend Time Learning About Public Equities?

Trade-Offs in Investment Approach

Investing with a Financial Advisor

Diversifying Your Portfolio

Putting It All Together

Take Action

Endnotes

CHAPTER 8: Public Equities

The Current State of Values-Alignment in Public Equities

Finding Values-Aligned Stocks

Finding Values-Aligned Stock Funds and ETFs

Special Categories of Stock Funds and ETFs

On the Horizon

Investments That Require a Financial Advisor

[Engaging in Shareholder Advocacy](#)

[Take Action](#)

[Endnotes](#)

[CHAPTER 9: Private Investments](#)

[Anyone Can Invest in Private Companies](#)

[Given the Risks, Why Make Private Investments at All?](#)

[What Are You Buying?](#)

[Private Debt](#)

[Private Equity](#)

[Revenue-Based Investments](#)

[Summing Up Private Debt and Private Equity](#)

[Getting Started as a Private Investor](#)

[Crowdfunding](#)

[Female-Focused Angel Groups](#)

[Private Investment Funds](#)

[Take Action](#)

[Endnotes](#)

[Notes](#)

[CHAPTER 10: Alternative Investments](#)

[Alternatives Come in Many Forms](#)

[REITs' Cross-Impact Categories](#)

[Renewable Energy](#)

[Residential and Commercial Real Estate](#)

[Sustainable Agriculture](#)

[Sustainable Forestry](#)

[Water](#)

[Some Thoughts on Due Diligence](#)

[Take Action](#)

[Endnotes](#)

[CHAPTER 11: Maximize Your Philanthropy](#)

[Develop a Personal Giving Plan](#)

[Join a Giving Circle](#)

[Open a Donor-Advised Fund](#)

[Take Action](#)

[Endnotes](#)

[Note](#)

[PART 3: Building a Community of Support](#)

[CHAPTER 12: Professional Support](#)

[When Should You Hire a Financial Advisor?](#)

[What Services Can Financial Advisors Provide?](#)

[Seven Attributes of a Values-Aligned Advisor](#)

[Bring Impact into Your Advisor Relationships](#)

[Create a Successful Relationship](#)

[Take Action](#)

[Endnotes](#)

[CHAPTER 13: Retirement Accounts](#)

[Making the Most of Your Retirement Accounts](#)

[Retirement Account Models](#)

[Types of Retirement Accounts](#)

[Bringing Values-Aligned Investments into Your Retirement Accounts](#)

[Self-Directed IRAs and Solo 401\(k\)s](#)

[Activating Your Employer Accounts](#)

[Advocating for Change Where You Work](#)

[A Range of Options](#)

[Take Action](#)

[Endnotes](#)

[CHAPTER 14: Gather Your Friends](#)

[Why Women Come Together to Discuss Their Money](#)

[Starting an Investment Club](#)

[Using a Curriculum](#)

[Take Action](#)

[Endnotes](#)

[Stepping into Your Financial Future](#)

[Glossary](#)

[Acknowledgments](#)

[The Writers](#)

[The Reviewers and Thought Partners](#)

[About the Author](#)

[Index](#)

[End User License Agreement](#)

List of Tables

Chapter 2

[TABLE 2.1 The Eight Financial Archetypes](#)

Chapter 3

[TABLE 3.1 Wealth Percentiles](#)

[TABLE 3.2 Asset Class Returns](#)

[TABLE 3.3 Extremely Conservative Asset Allocation](#)

[TABLE 3.4 Conservative Asset Allocation](#)

[TABLE 3.5 Moderate Asset Allocation](#)

[TABLE 3.6 Moderately Aggressive Asset Allocation](#)

[TABLE 3.7 Aggressive Asset Allocation](#)

Chapter 4

[TABLE 4.1 Impact Goals by Financial Institution](#)

Chapter 5

[TABLE 5.1 Money Market Deposit Accounts vs. Money Market Mutual Funds](#)

[TABLE 5.2 Cash Alternative Product Comparison](#)

Chapter 6

[TABLE 6.1 Impact Note Rates](#)

[TABLE 6.2 Bond Ratings from S&P, Moody's, and Fitch](#)

[TABLE 6.3 Treasury Bills, Notes, and Bonds](#)

[TABLE 6.4 Bond Comparison](#)

[TABLE 6.5 Sustainable Bond Fund Comparison](#)

[TABLE 6.6 Green Bond Fund Comparison](#)

[TABLE 6.7 Gender and Social Bond Fund Comparison](#)

[TABLE 6.8 Fixed Income Investment Examples](#)

Chapter 7

[TABLE 7.1 Public Equity Product Comparison](#)

[TABLE 7.2 Trade-Offs between Public Equities Investment Products](#)

[TABLE 7.3 Market Cap Size](#)

[TABLE 7.4 Sector Diversification](#)

[TABLE 7.5 Public Equity Investment Examples](#)

Chapter 8

[TABLE 8.1 Gender Fund Comparison](#)

[TABLE 8.2 Renewable Energy Fund Comparison](#)

Chapter 9

[TABLE 9.1 Company Life Cycle](#)

[TABLE 9.2 Revenue-Based Debt](#)

[TABLE 9.3 Private Investment Model Comparisons](#)

[TABLE 9.4 Private Investment Approaches](#)

Chapter 10

[TABLE 10.1 Real Estate Investment Trusts](#)

[TABLE 10.2 Renewable Energy ETFs](#)

[TABLE 10.3 Water Mutual Funds and ETFs](#)

Chapter 11

[TABLE 11.1 Charitable vs. Philanthropic Giving](#)

[TABLE 11.2 Sample Annual Giving Plan](#)

[TABLE 11.3 Stock Donation Example](#)

[TABLE 11.4 DAF Provider Comparison](#)

Chapter 12

[TABLE 12.1 Financial Advisor Service Comparison](#)

[TABLE 12.2 Robo-Advisors: Are They for You?](#)

[TABLE 12.3 100% Values-Aligned Robo-Advisors](#)

Chapter 13

[TABLE 13.1 Retirement Account Summary](#)

List of Illustrations

Chapter 2

[FIGURE 2.1 Sustainable Development Goals](#)

[FIGURE 2.2 Applying SDGs to Investment Lenses](#)

[FIGURE 2.3 Values-Aligned Investing Landscape](#)

Chapter 3

[FIGURE 3.1 Risk-Return Spectrum](#)

[FIGURE 3.2 Morningstar Snapshot](#)

Chapter 7

[FIGURE 7.1 Morningstar Style Box](#)

Chapter 11

[FIGURE 11.1 How Donor-Advised Funds Work](#)

Praise for *Activate Your Money*

“I am delighted to see *Activate Your Money* breaking down barriers that keep women from being confident, inspired investors. This book can empower all of us.”

— Rachel Robasciotti, Founder & CEO, Adasina Social
Capital

“As women, we have the ability to use our financial power to shape an economy that truly works for all people and the planet. In this empowering book, you'll find the inspiration and information you need to flex that power!

— Alisa Gravitz, President and CEO, Green America

“I have sought to better align my investments with my values and have been looking for a roadmap to do so. *Active Your Money* is a detailed, hopeful, and inspiring compilation of information for others, like me, who see greater potential in the world and are determined to be part of the positive change.”

— Lynn Frair, Nurse and Founder, fihealthcare.com

“*Activate You Money* is about more than putting your money where your values are — it offers a roadmap for ethical investing, regardless of how much money you make. This is a must-read book to make sure your financial portfolio is good for you and good for the world.”

— Joe Sanberg, Entrepreneur and Co-Founder, Aspiration
Partners

“*Activate Your Money* shares Janine's personal journey and will give you the knowledge, confidence, and inspiration to start in her footsteps and end by creating your own path.”

— Eileen Freiburger, CFP[®], Partner, Abacus Wealth Partners

“This book really spoke to me emotionally in a way that I was not expecting. I think it's going to help a lot of women and their families.”

— Cheryl Contee, CEO, Do Big Stuff and Author, *Mechanical Bull: How you can Achieve Start-up Success*

“Financial fulfillment is about more than having enough money. It means feeling confident about your investments and knowing that your money is working as hard as you are to leave the world a better place than you found it.”

— Kat Taylor, Co-Founder and Board Chair of Beneficial State Bank, a Community Development Financial Institution and Certified B Corporation

“So excited to have Janine Firpo's voice and the voice of so many smart, engaged contributors helping us all on our path to activate and build a better world with our financial resources. Tools like this are just what we need to inspire us to action, help us to know how it's done and learn from our peers.”

— Suzanne Biegel, CEO Catalyst At Large & Co-Founder GenderSmart.

“Many women believe they are not good investors and shy away from discussions about money. This book busts that myth and shows that not only can you do this, you don't have to go it alone. There is a growing community of women you can tap into that will help you and cheer you on.”

— Michelle Best, Director, Social Impact Partnerships, Facebook

“For generations, women have faced systemic barriers to building wealth; for women of color, it's been centuries. By

exercising our own financial power with the guidance in *Activate Your Money*, each of us can build a better world for ourselves and our families and, collectively, we can create an equitable financial system that works for all.”

— Heather McCulloch, Founder and Executive Director,
Closing the Women's Wealth Gap

Activate Your Money

***Invest to Grow Your Wealth and Build
a Better World***

BY JANINE FIRPO

WILEY

Copyright © 2021 by Janine Firpo. All rights reserved.

Published by John Wiley & Sons, Inc., Hoboken, New Jersey.

Published simultaneously in Canada.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the Publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, (978) 750-8400, fax (978) 646-8600, or on the Web at www.copyright.com. Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, (201) 748-6011, fax (201) 748-6008, or online at www.wiley.com/go/permissions.

Limit of Liability/Disclaimer of Warranty: While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives or written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

For general information on our other products and services or for technical support, please contact our Customer Care Department within the United States at (800) 762-2974, outside the United States at (317) 572-3993, or fax (317) 572-4002.

Wiley publishes in a variety of print and electronic formats and by print-on-demand. Some material included with standard print versions of this book may not be included in e-books or in print-on-demand. If this book refers to media such as a CD or DVD that is not included in the version you purchased, you may download this material at <http://booksupport.wiley.com>. For more information about Wiley products, visit www.wiley.com.

Library of Congress Cataloging-in-Publication Data is Available:

ISBN 9781119777083 (Hardback)

ISBN 9781119777090 (ePub)

ISBN 9781119777106 (ePDF)

Cover Images and Design: Noushin Pourmirza

Activate Your Money is dedicated to my strong, fierce mother, Kay Firpo, and all the women like her who came before us to pave the way and to make our roads less rocky.

My mom taught me about money from an early age and set me on the path to financial freedom. I am so appreciative of her openness and transparency around the subject of money. She took it from being a taboo subject to something we spoke about freely. She taught me to save, live below my means, and to invest wisely. She also taught me to step out of my comfort zone and take informed risks. I would not be where I am today without her.

“When money flows into the hands of women who have the authority to use it, everything changes.”

—*Melinda Gates*

Welcome to a Brave New World

Women have been left out of the financial conversation for far too long, and it is time for our voices to be heard and our needs to be addressed. Collectively, our money has the power to change the economy and create a world that better addresses our needs and priorities.

You picked up this book because you want to know more about how to invest your money in a way that resonates with your values. Putting your money to work this way is called values-aligned investing. Just because this is not the way that investing has been traditionally practiced does not mean it cannot be the way you invest. It is time for women to own their assets and to become confident investors while using their money to create a world that reflects their values. This book will show you how to invest with confidence and invest your values—without giving up your financial returns.

You may be single, partnered, or married. You may be a parent, childless, or an empty nester. You may be well informed about money, or you may be just a beginner. You may have a financial advisor or be in the market for one. Regardless of your personal situation, this book is intended to help you feel empowered around your money and help you think—and act—in new ways around your investments and your ability to use them as a force for good.

Feel Good About Your Financial Decisions

We all want to feel good about our financial decisions, and increasingly we want to know that our money supports the

things we care about. Yet, many of us are unsure. Perhaps you don't think you have enough money to invest. Maybe your usual reaction to conversations about money is throwing up your hands in despair because you simply don't know what to do or you don't have the time to figure it out. You might find the thought of taking responsibility for your investing overwhelming and fear inducing. Maybe you are ashamed, because you think you should know more than you do, or you incorrectly believe that other people are just smarter than you are about money. Or maybe you already take responsibility for your investing and just want to know more.

I'm here to tell you that you can learn to invest wisely, just like you have learned everything else in your life. If you lack confidence, don't worry. There are lots of other women who are in the same boat as you. Even women who are worth tens of millions of dollars, women with MBAs, and women who work in the financial industry can feel uncomfortable when it comes to making investment decisions about their own money.

These feelings are not surprising, given our history as women. We are often not trained in finance and investing, but that doesn't mean that we are incapable. When we do take control of our money, we outperform men by as much as 0.40% to 1.8%, according to recent studies conducted at the University of Warwick and Fidelity Investments.^{1 2} While this may appear to be a minor difference, it can have a significant impact over time. The old messages about our abilities with math, numbers, and investing are fallacies. Not only can we do well when we invest, we can do better!

Live Your Values

If you've picked up this book, chances are you're someone who lives her values. You care about your family, friends, and communities. You want to see the world be a better place for future generations. You care about the planet—the quality of the air, the water, and all living things. You are interested in sustainability and justice. You already do a lot to live your values, through the choices you make and the way you spend your money. You're beginning to realize that how you invest your money, and what you support with your assets, matters. And now you are ready to know more.

This book will help you build your confidence about investing *and* show you how to invest in ways that support the things you care about *without* giving up financial return. I am a testament to this practice. I have been working to align all of my money with my values for more than 10 years, but I am not a professional financial advisor. For that reason, I reached out to the incredible network of women that I have developed over my professional career. More than 150 amazing women (and a few men) contributed to this book. Some wrote a few pages, others a chapter, and still others served as reviewers, commenters, and thought partners. I could not have created this book without them, and I owe them all an enormous debt of gratitude.

How This Book Came to Be

This book grew out of my own investment journey. I wrote it to make investment know-how more transparent and easily understandable. I didn't want learning how to invest according to your values to be the steep uphill climb for you that it was for me.

In 1995, after a four-month solo backpacking trip through sub-Saharan Africa, I stepped out of a successful career in the computer industry to redirect my work toward addressing issues of global poverty. Not only did I take a significant pay cut when I embarked on this new venture, I also left the high-tech industry just as the Internet came on the scene. Some of my former colleagues thought I was crazy. But I was passionate about making the world a better place, and I was willing to bet my future on the potential that I saw. Over 20 years later, I couldn't be happier with the outcome of that choice.

Among other things, my new career gave me entree to many of the early discussions about transforming philanthropy and what became known as impact investing. One of the premiere conferences related to these conversations was the Global Philanthropy Forum. Around 2009, I stood up at their annual meeting and announced to the audience of foundation CEOs, ultra-high-net-worth individuals, and large institutional investors that I wanted to invest my own assets in alignment with my values. I was greeted with mute surprise. The impact investing community at that time was not a place for those without *very* deep pockets, which I did not have. But I was unfazed. After all, I had made a major career pivot to align my life's work with my values. Why should my money be supporting the social injustices I was striving to change?

Since then, I have been working to align all of my assets—from my checking and savings accounts to stocks to real estate—with my values. I want all of my financial resources to support the things I care about—the things I would like to see created, elevated, and empowered. Over the years, I have worked with three different financial advisors, all of whom assured me they would help me reach my goals. Unfortunately, *they didn't*. The reasons are as varied as the advisors themselves, but after a decade of depending on them, I found that less than a third of my assets were helping to create the world I wanted to see. The majority of my money was still in the service of banks, financial institutions, and companies I did not want to support. In some cases, my investments were upholding industries and companies I actually abhor. Now I'm changing that, and I'm finding it does not have to be that hard.

How did this happen? Why wasn't I more successful sooner? The answer to those questions is partly an issue of timing. When I started on this path 10 years ago, there were not many socially responsible investment options for individuals, particularly if you did not have extraordinarily high net worth. Fortunately, things are changing. As you will discover in this book, socially responsible investing is becoming mainstream, and there are investment options across all asset classes. With the passage of the 2012 JOBS Act, investment opportunities that were previously available only to people with \$1 million or more in net worth are now available to anyone. There has been a sea change in terms of values-aligned investment opportunities over the past 10 to 15 years, and the level of innovation is accelerating.

In addition to the timing issue, I think I was less successful back then than I wanted to be because I was trapped between wanting to trust my financial advisors and wanting to wait and know more before I invested. I did not feel

comfortable just doing as I was told. I wanted more knowledge, but my advisors were not providing me with the depth of information that I needed to feel secure and confident. It seemed the only way to learn was to figure the details out myself. Crazy, right? So I asked my advisors to hold off making investments until I had the time to learn more. Other things got in the way, time passed, and my money sat in cash or other low-yielding assets, waiting for me to make a decision.

This pattern was extremely frustrating, and I found it difficult to find the time to get educated. The financial knowledge I craved was hard to locate. It was dispersed among a wide variety of sources, presented in a complex manner, and challenging to distill in a meaningful way. My advisors weren't that helpful, either. I once asked my advisor about the risk related to an investment they were recommending and was told there was no risk. I knew that could not be true, but when I asked for more detail, I was told the risk was complicated to explain and I should just trust the advisor. I did not make that investment, because I didn't want to invest in something that I couldn't understand.

Although it was often slow going, over the years my knowledge grew. As a result of my self-directed education, I interacted with many leading thinkers in social investing, some of whom are contributors to this book. They helped me learn. And in late 2017, when I retired from my career in international development, I reclaimed control over most of my assets. Since then, I have been moving toward my values-aligned goals at an accelerated pace.

I've learned that investing for positive impact does not have to be difficult. You shouldn't have to tease out information about values-aligned investment options from the knowledge banks of financial advisors or disparate online

sources. Through direct experience, I know it is possible to invest with conscience as a guide *and* to achieve market-rate financial returns across most asset classes.

How to Use This Book and Our Companion Website

There is no silver bullet to achieving financial freedom. If you want to achieve financial fulfillment, you're going to have to do some work. You're going to need to learn things and practice what you've learned. This is a process. But it does not have to be onerous or fear inducing. Nor does it have to be mind-numbingly boring. It can actually be fun, particularly if you join other women and learn together. As you see your money growing and positively influencing the world, it can give you great joy as well.

The book is divided into three parts. You can read the book cover to cover, or you can jump to a section or chapter that most appeals to you. Each chapter has a stand-alone quality, enabling you to approach the book in the manner that seems most appropriate to your needs. You can pick it up, take some action, put it down, and then pick it up again when you are ready.

- **[Part 1](#), Establishing Your Foundation**, you'll learn what values-aligned investing is and discover how you can engage in socially responsible investing. You'll identify beliefs around money that may be sabotaging you and can select the values you would like to integrate into your future investments.
- **[Part 2](#), Crafting an Aligned Portfolio**, will walk you through each asset class in which you might want to invest—from cash to stocks to real estate and beyond—to help you understand their dynamics. Each chapter in this section will show you where to find values-aligned investment options, regardless of the amount you want to invest.

- **Part 3, Building a Community of Support**, will show you how you can work with financial advisors, friends, and employers to strengthen your investing muscles. We love the idea of shifting discussions of money from being taboo to something that empowers you and builds your confidence. And that can happen as you build trust with family, friends, and trusted advisors.

This book will introduce you to a new way of thinking about money. It will show you that you have a choice about how—and where—you invest your assets. Your investment choices can bring your money into alignment with your values. When you feel good about what your money is doing in the world, it makes the entire process of investing more fun and engaging.

Our companion website, *activateyourmoney.net*, has downloadable resources that build on the themes introduced in each chapter. Be sure to visit it when you find a topic of particular interest as you are reading. Here you will find worksheets, spreadsheets, and other tools to help you take actionable steps toward your investment goals.

While writing this book, the contributors and I took great care to include information that was current. Given the dynamic nature of finance and the investing world, some of the information in this book, such as interest rates, returns, and fees, was obtained at the time the book was written and is subject to change. Therefore, we encourage you to check the current rates and fees, in case anything has changed since this book was written.

We're excited to take this journey with you. By investing according to your values, you can literally change the world.

Let's get started.

A Final Note

This book is designed to provide information on the subjects of personal finance and values-aligned investing. The information is offered for general educational purposes only and is not intended to provide financial planning, legal, tax, accounting, or investment advisory services. Each person's financial needs, goals, and circumstances are unique. Therefore, if financial, tax, legal, and other advice is required, a licensed professional should be consulted.

The information in this book was gathered from sources deemed reliable at the time of writing. However, accuracy and completeness cannot be guaranteed. Tables reflect only a snapshot in time and do not indicate future performance, which may vary substantially. References to companies and investments are for illustrative or informational purposes and do not constitute a recommendation or endorsement of any kind. Neither the author nor the publisher will be liable or have responsibility of any kind for any loss, expense, or other damage you incur, either directly or indirectly, as a consequence of the use or application of any of the contents of this book. Any investment you make is at your sole discretion and risk.

In keeping with the collaborative nature of this work, the author is donating 100% of the net income from sales of *Activate Your Money* to organizations that are advancing women's economic empowerment and values-aligned investing.

Endnotes

- <https://www.wbs.ac.uk/news/are-women-better-investors-than-men/>.
- <https://www.fidelity.com/about-fidelity/individual-investing/better-investor-men-or-women>.

PART 1

Establishing Your Foundation

In Part 1 you will be introduced to key concepts that will be referenced throughout *Activate Your Money*. You'll learn what values-aligned investing is, how it works, and why women should care. In addition, you'll discover how the pieces of a values-aligned portfolio fit together and become inspired to incorporate this type of investing into your own financial life. Along the way, we will debunk several myths related to values-aligned investing and show how you can achieve both financial and social returns.

You will also have an opportunity to identify the beliefs you have around money that may be sabotaging you, as well as to consider the values you would like to integrate into your future investments.

Even though this book is not intended to teach the basics of personal finance, there are a few critically important concepts that anyone diving more deeply into their investments needs to understand. The final chapter in Part 1 touches on those fundamentals. It also explores the theory behind portfolio diversification and asset allocation. And, finally, it steps you through the process of taking an inventory of your current investments and points you to tools you can use to set realistic savings and retirement goals.

CHAPTER 1

Values-Aligned Investing: *Step into Your Financial Power*

Whether you realize it or not, you're already an investor. Your money is having an impact somewhere, somehow. This is true even if all you have is a savings account. Every entity in which you save or invest your money is using your assets for some purpose. The question is whether this supports the things you value—or undermines them.

When you take greater responsibility for understanding your investments, you can use the power of your capital to make a difference in the world. Values-aligned investing, while novel, is not a new practice. In the US, it can be traced back to 1758 when religious societies like the Quakers didn't allow their members to invest in companies involved in the slave trade.¹ The momentum picked up in the 1960s when opponents of the Vietnam War blacklisted weapons manufacturers and continued into the 1980s as students demanded divestiture from South Africa as a response to apartheid. Today many people are interested in “voting with their dollars” and boycott companies that do not support their values and patronize the ones that do.

In the best-case scenario, 100% of your portfolio would be invested in the things that matter to you. Personally, I have made a pledge to invest all of my assets in alignment with my values. But you don't have to make the same commitment I did. You might prefer to make a smaller commitment initially and take this step-by-step. Perhaps you could start by shifting some of your assets into investments that create positive change. Or you might decide to keep the investments you already have and