SUSTAINABLE FINANCE AND INVESTMENT IN HIGHER EDUCATION INSTITUTIONS: REASONING AND BEST PRACTICES
Uyen Tran*, Program on the Environment, University of Washington
Site supervisor: Claudia Frere-Anderson, Director, UW Sustainability Office
Faculty Advisor: Yen-Chu Weng, Environmental Studies, University of Washington.

Sustainable finance and investment refers to strategies that are applied to manage existing pools of funds to maximize shareholder’s financial wealth while promoting environmental sustainability and social responsibility. Socially Responsible Investing/Investment (SRI) can be done by applying negative screen against stocks that are issued by fossil fuels companies, or ones that use child labor or revenues from warfare, and positively selecting stocks issued by companies that are invested in the community and the environment. Some institutional investors such as colleges and universities are averse to SRIs due to concerns about mediocre returns. The purpose of this research is to provide reasoning as to why the University of Washington should utilize SRI and what are the best practices to apply this to endowment management. For my internship, I and my cohort filtered and compared US colleges that were ranked gold and platinum on the Sustainability Tracking, Assessment & Rating System (STARS) database and conducted literature research. I then identified and analyzed schools that scored the highest in the sustainable finance and investment category. Through my research and internship, I found out that colleges and universities should employ SRI strategies, since the returns on SRI stocks and funds are not significantly different than those of conventional market index funds. I would advise the University of Washington to set up a socially responsible investment fund as an experiential learning instrument for educational purposes, establish Green Revolving Fund to finance for initiatives on campus, and join coalitions to follow the United Nations Development Program