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Boston Common's Geeta Aiyer uses her shareholder platform to effect social change

Re: Geeta Aiyer (MBA 1985)

Topics: Organizations-Corporate Social Responsibility and Impact Relationships-Business and Shareholder Relations Finance-Impact Investing

In the early 1990s, **Geeta Aiyer (MBA 1985)** was an analyst and portfolio manager at the United States Trust Company of Boston. Among her investments was Albertsons, a rapidly expanding supermarket chain. Aiyer knew that one of the chain's competitors had recently been forced to pay a record $108 million to settle a class action suit brought by female employees who had been denied advancement opportunities. Aiyer wanted to know what Albertsons was doing to avoid this costly business risk, so she asked.

"Company leaders came all the way to Boston to meet with me," she recalls with some amazement. "And I suddenly realized the power, the reach we had as shareholders." Aiyer demonstrated to Albertsons that unfair employment practices were a financial liability, and the company made a commitment to gender equity.

FEATURED ALUMNI

Geeta Aiyer
MBA 1985

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After that experience, "the idea of being a passive investor, along for the ride, no longer appealed to me," Aiyer says. Shareholders were owners, she realized, and they had a say in how a company ran as well as the ability to influence everything from labor practices to environmental policies. Although it would be years before the model Aiyer envisioned would be christened "impact investing," she launched Walden Capital Management in 1994 to pursue these dual goals of financial return and social change on behalf her clients.

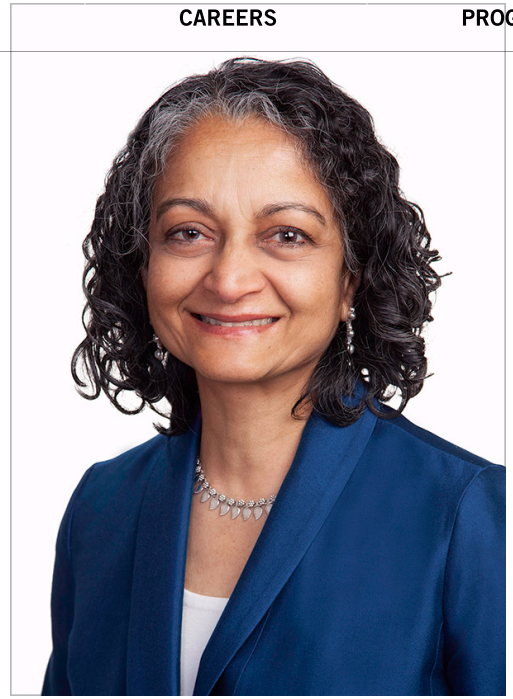

Photo courtesy Geeta Aiyer

Following Walden's acquisition, she founded Boston Common Asset Management, in 2003. By the fall of 2020, Boston Common had $3 billion in assets under management and a mission to be, as Aiyer explains, "responsible investors who pursue financial returns but who also use the unique access and voice we have as investors to engage management and redirect corporate efforts toward long-term sustainability."

The power of the mission-driven shareholder was on full display recently, when Boston Common took a prominent role in years-long efforts to rebrand the Washington, DC–area football franchise. For many Native Americans, the team's long-time moniker was a racial slur, but decades of social-pressure campaigns and legal challenges to the team's trademark had not been enough to bring about a change. Dan Snyder, the team's owner of 20 years, dug in. "We will never change the name," he told the *USA Today* in 2013.

But activists had another tool of persuasion: money. In 1999, FedEx purchased the naming rights to the team's Maryland stadium and, in 2003, FedEx's CEO became a minority owner in the team. In protest of the shipping-services giant's involvement with the football team, a group of impact investors—including the Oneida Trust Enrollment Department and Boston Common—did something counterintuitive to those outside the sector: They used FedEx stock to encourage change. Slowly, starting in 2009, through shareholder proposals, investor statements, and presentations at FedEx annual meetings, the group convinced other investors that being affiliated with a football team with a racist name was bad business. Still, FedEx did not act.

Finally, in late June 2020, in the wake of Black Lives Matter protests, Boston Common and a coalition of 86 other investors—among them Native American leaders—again asked FedEx, and several other prominent companies in which they were shareholders, to sever ties with the team. For many businesses, the protests had underscored the case for racial equity, and the companies finally heeded their investors' call. FedEx threatened to remove its name from the stadium, and Nike stopped stocking the team's gear in its online store.

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Less than two weeks later, the team abruptly announced it would abandon its controversial name and logo. The decision was so sudden, in fact, that the organization offered only a temporary replacement. It would be known, in the interim, as the Washington Football Team. “There comes a tipping point when, after a company has been fighting you, they suddenly let go because it becomes obvious to them that it’s not worth continuing the fight,’’ Aiyer explains. “That’s how we win.’’

“This is the sort of thing that gets a lot of attention,” Aiyer observes, but she is quick to highlight the long-term, behind-the-scenes work of impact investment firms and the wins that aren’t so public. “There’s been so much work done with regard to indigenous people’s rights everywhere, from the Amazon to the Dakota Access Pipeline,” she says by way of example. Boston Common has also been active in encouraging companies to be leaders on issues of climate change, human rights, and environmental solutions, among many others.

Aiyer sees these efforts as a partnership between a company and its investors. “These kinds of changes are positive for the company's fundamentals—to its profitability, its long-term success, its consumer and employee loyalty, the brand equity it has built. And if you take a slightly longer-term view, you see that,” she observes. “We’re in the business of asking our companies for more accountability and transparency, and really empowering their ability to act for the long term.”

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