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# COVID-19's Disproportionate Impact on Women Raises Tough Questions for a Philanthropic Community Wary of Applying a Gender Lens to its Investments

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Published in: *The Philanthropist*, COVID-19

ISSN: 2562-1491

Date: May 12, 2020

Original Link: <https://thephilanthropist.ca/2020/05/covid-19s-disproportionate-impact-on-women-raises-tough-questions-for-a-philanthropic-community-wary-of-applying-a-gender-lens-to-its-investments/>

Date of PDF Download: June 3, 2020

In the fall of 2018, during a plenary session she hosted at a philanthropy conference, Sharon Avery asked about 300 leaders of private Canadian foundations to raise their hands if their organizations considered gender equity in their granting or investing. Only three or four hands went up.

It was one of several “aha” moments Avery has had over the three and a half years she’s been president and CEO of the Toronto Foundation. Before joining it, she had spent eight years at UNICEF, where funding aimed at women and girls has long been a priority.

“I was stunned to see that, in our local and national foundations, gender is almost invisible, even though women are disproportionately affected by poverty and violence,” she says. “Even when I’d ask our grantees — all these social service and poverty-oriented organizations — about their gender lens, they’d look at me like, ‘what are you talking about?’”

Definitions, then, may be the best place to start. At its core, gender-lens philanthropy means donating to organizations that help women and support gender equality.

But it goes beyond that, to considering how women are affected by issues and uniquely positioned to help solve them, ensuring grantee organizations foster gender equity in their work, and monitoring for gender bias within an organization’s own operations and decisions.

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The COVID-19 pandemic and the resulting economic crisis has hit women disproportionately: more of them rely on food banks, shelters, and other support services; provide unpaid care; or work in retail businesses that have largely shut down. Women between the ages of 25 and 54 accounted for more than two-thirds of the job losses (298,500) in March in that age group, according to [Statistics Canada](#). The gender gap narrowed in April's data, with employment losses affecting more men. However, the agency found that overall numbers still hit women harder: total job losses from February to April were 1,537,000 (-16.9%) for women, compared to 1,468,000 (-14.6%) for men.

“Survival-type jobs have been the first to go, especially in the service industries,” notes Deborah Bell, president and CEO of Mothers Matter Centre, a national charity based in Vancouver that helps at-risk mothers. “Low-income, low-literacy, and new immigrant women are vulnerable and isolated in the first place, because of language, cultural mores, economics, fear. This [pandemic] exacerbates it.”

Gender-lens investing is one of the newest (and lesser-known) ways to advance social equity goals. A subset of so-called impact investing, it covers mutual funds, exchange-traded funds (ETFs), and other financial vehicles that screen companies based on how they treat and promote women, as well as direct investments in companies that meet such criteria. As of 2018, gender-focused financial products held [US\\$2.4 billion in assets](#) globally, often relying on [special indices](#) that track metrics such as gender balance in leadership and pay.

To date, however, few Canadian philanthropic organizations have embraced such vehicles. When Philanthropic Foundations Canada (PFC) produced a [guide to gender-lens philanthropy](#) last fall, it couldn't find a single foundation that applied a gender lens to its endowment investments.

This failure to explicitly embrace female equity in its practices arguably puts the foundation community out of sync with the times, characterized by the #MeToo movement, regulatory measures aimed at promoting female corporate leadership, and Canada's self-proclaimed feminist prime minister.

“There is a real shift happening,” says Jessica Houssian, co-CEO of the Equality Fund, a consortium of foundations spearheaded by the federal government to support feminist organizations.

In addition, the role of women in philanthropic giving is growing – along with their personal wealth – and influencing the priorities of global organizations such as the Bill & Melinda Gates Foundation and the Ford Foundation. “In the past, it was women funding women's rights,” says Houssian. “Now, big institutional foundations are coming together as they realize that a gender lens across their entire portfolio increases the impact in many global issues.”

So why hasn't Canada's philanthropic community embraced gender screening?

Some foundations may see their cause, such as fighting disease or hunger, as more “hard core” than gender equality. Others dismiss the focus on gender equity as a fad, or argue that they don't want to discriminate.

When Bell led a rebranding of her organization – from Home Instruction Program for Parents of

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Preschool Youngsters (HIPPIY) Canada to Mothers Matter – to recognize mothers as catalysts for change, “the pushback was horrendous,” she says. “What about the fathers?!” stakeholders asked her.

“And this [question came] from well-educated women,” she notes.

Gender-lens advocates note that women are at the intersection of many of the world’s most intractable problems. For example, poverty disproportionately affects women and, as a result, their children. Additionally, natural disasters harm more girls, partly because parents often do not teach their daughters life skills such as swimming or climbing.

Women are also more likely to give back, volunteer, and engage in unpaid care work. “They mobilize to help their communities when they have the freedom to do so,” says Avery. [Research](#) even shows that political outcomes improve when peace negotiations include women – and peace lasts longer. Yet women often lack the power, resources, and voice to intervene. Only about 0.5% of international aid earmarked for gender equality goes to women’s rights organizations, according to the OECD.

The pandemic has starkly highlighted the unique barriers and risks women face. China has seen a [spike in domestic violence](#) following the imposition of quarantines. In [a recent article](#) published in the medical journal *The Lancet*, a group of public health experts urged stakeholders to factor gender into the pandemic response and pay attention to “the gendered implications of quarantine, such as whether women and men’s different physical, cultural, security, and sanitary needs are recognised.” The authors pointed out that, during the 2014-16 Ebola outbreak in West Africa, women were more likely to be infected but “were less likely than men to have power in decision making around the outbreak, and their needs were largely unmet.”

Andrea Gunraj, vice president of public engagement at the Canadian Women’s Foundation, observes in a recent blog that [“poverty itself is gendered,”](#) noting that reductions in empowerment and job training programs, as well as services to the poor, hit low-income women hardest.

Bell agrees, worrying about her clients at Mothers Matter as COVID-19 has forced the organization to stop in-person visits. “I live in a nice home, I stand out on my lawn, talk to my neighbours. But if I’m in a basement suite with six people, with bed bugs and no fresh air, and now I can’t take my kids to park, it compounds an already complex situation.”

Newcomers to Canada, including those coming directly from crowded refugee camps, are especially affected by the sudden isolation. “You’re finally getting your feet on the ground, learning to take the bus, and now you can’t,” says Bell. “It must be horrifying.”

Like other groups, Mothers Matter is setting up virtual visits in the hopes of providing some relief.

However, as the economic downturn hits investment portfolios, there is a risk that many foundation executives will push gender-lens considerations even further to the sidelines. Some continue to maintain that investing in companies that prioritize environmental, social, and governance (ESG) factors — gender equity among them — means accepting lower returns, even

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though numerous studies have dispelled that notion.

When Credit Suisse updated its global [Gender 3000 report](#) on gender diversity in corporate governance last year, it found that, since 2014, companies with more women on management teams outperformed their less-equitable peers by more than 4% a year. Those with higher gender diversity also tend to score better on the bank's measures of "quality," such as low debt, stable earnings, and consistent asset growth — metrics that are especially important during times of market volatility.

Other studies show that gender diversity on boards correlates with [long-term value creation and lower stock price volatility](#), and that shares of companies with female CEOs and CFOs outperform the market average. "If companies are focusing on gender inequality, they're also more likely to run themselves in a sustainable way," says Marc Foran, chief investment officer at Rally Assets, a Toronto impact investment firm. "They tend to be more nimble and people want to work for them."

The four Canadian gender-lens funds have struggled to attract investor money, however. Earlier this year, Evolve Funds Group shut down its gender-diversity ETF, the first such fund to launch in Canada, after it managed to attract only \$4.3 million in assets since 2017. Investors' reluctance may stem from the small size of these funds and, in some cases, their weaker performance. Additionally, some fear that a gender lens significantly limits the universe of potential investments given the corporate world's slow progress in increasing the number of female leaders.

These are reasonable concerns. However, Foran argues that many companies around the world could qualify for inclusion in a diversified gender-lens portfolio, such as public companies in Africa with large numbers of women in leadership. It's also important to look beyond simple metrics and assess how a company does business, he says. Does it market its products to women as well as men? Does it promote female employment and education in the regions in which it operates?

Foran blames the limited interest in gender-lens funds on their lack of this kind of comprehensive approach. Many of the existing funds tend to invest in large multinationals based solely on quantitative data points such as percentage of female employees or board members. "That doesn't tell you about the culture or policies of the business and how they are enforced," he says.

While a company's ads may promote female empowerment, its organizational values may be toxic to women. But discovering this often requires an investment advisor to scour employment websites and social media.

Foundation executives concede that gender screening in grants is far ahead of gender screening in investments. "On investing, my [foundation] peers won't be convinced: 'No, my board won't go there,'" reports Avery, adding, "A lot of money that's put into private, often family, foundations is made by men, the family patriarchs, and that influences giving patterns."

PFC's report [Diversity, Equity, & Inclusion in Canadian Philanthropy](#) backs her up, finding that family foundations tend to be governed by "a group of men and women who are predominantly older, white and with little other diversity," and most board members and executives are male. It

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doesn't help that fewer than 10% of all investment portfolio managers are women.

But some funders are taking steps to implement change. When Engineers Without Borders (EWB) Canada decided to investigate gender-lens investing, its team worried the concept would prove ill-suited to its work with early-stage social enterprises in Africa, narrow the pool of eligible businesses, and impose unrealistic demands on the portfolio companies. However, with further exploration, they realized that a gender lens “recognizes that all investments have gendered impacts on our economic, financial, and social systems,” [writes](#) Brittney Dudar, the organization's former investment officer.

Employing a gender lens does not mean that a foundation must invest exclusively in companies with female executives or women-focused products. It could mean including equity as one of the factors in a foundation's research on donation recipients and embedding an equity focus in the foundation's own culture. EWB now uses a gender lens in its investments and it has hired a “Gender Inclusion Fellow” to assist in developing criteria for selecting donees.

Some foundations and donors are also starting to warm to the concept. Recently, Avery organized a group of 16 Toronto-based non-profits – ranging from organizations that advocate for feminist causes to charities that provide food – that are adding a gender lens to their programming and plan to measure the outcomes. She has also recruited 40 high-net-worth women donors who have committed to fund these organizations and include gender in their philanthropic philosophies.

Prioritizing female donors could pay off in the coming years. A 2018 [study](#) by Boston Consulting Group projected that women will soon control \$72 trillion in global private wealth, and most of the private assets that change hands in the coming decades will go to women. Meanwhile, a recent [TD report](#) estimates that an “unprecedented” \$900 billion will flow into the accounts of Canadian women of all ages by 2026 as they inherit from both spouses and parents.

“Women who are coming into wealth are wanting to play a greater role in making a difference through their donations,” explains Juniper Glass, a Montreal-based consultant, in an [online interview](#). “This has led to more women-focused initiatives within non-profits to improve their engagement with women donors.”

Lauren Albert, principal in philanthropic consultancy ImpACT Giving, is seeing some of these patterns in her work. She recently met a woman with two young children whose childcare challenges inspired her to help others. “She's incredibly successful and passionate about providing support to women who need daycare,” says Albert, noting that younger women in particular are interested in female-focused causes. “It's part of my generation's DNA to be very mindful.”

The TD report echoes Albert's comments: “The marked increase in the influence of millennial women suggests that, in the years ahead, the importance of women as financial supporters of charities will continue to rise.”

As women gain a bigger voice in philanthropy, they may well put pressure on charities to shift their donation approaches and apply a gender lens. A similar shift may emerge in how foundations invest their endowments, perhaps expedited by the financial implications of COVID-19 on the social sector.

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Avery recalls reading about a continuum in philanthropic investing that starts with doing no harm to your organization, then doing no harm to the world. “The new stage we aspire to is to do good for the world,” she says. “Most traditional charities today sit in the ‘Do no harm to your organization’ category. That’s no longer an acceptable message.”

## **The Gendered Impact of COVID-19**

We spoke with Anjum Sultana, director of public policy and strategic communications for YWCA Canada, to get her perspective on how the COVID-19 [crisis is affecting Canadian women](#).

### ***How is gender a factor in Canadians’ experience of this crisis?***

It’s showing us that inequities and vulnerabilities present prior to the pandemic worsen the plight of some people. I come from a public health background, so I’m seeing my two worlds almost collide. Women are on the frontlines, and not only in healthcare. When we talk about essential workers, we’re largely talking about women. In Canada, more than half of women work in the five “Cs:” caring, catering, clerical, cleaning, and cashiering. Seventy-one percent of cleaners are women; 99% of childcare is done by women. More than 70% of frontline healthcare workers are women.

Women are also most at risk of job loss. More than 60% of Canadians who have lost their jobs are women. Women are overrepresented in food and hospitality industries, and in tourist hot spots such as Banff, [where] we are seeing astronomical layoffs, affecting 80% to 90% of the workforce. Often their housing is tied to employment, so not only are people losing their jobs but their places of residence. In March, 1.8 million women either lost their jobs or lost hours. And women are overrepresented in precarious and low-income work, which means if they lose their jobs, many may not have much money saved up.

Additionally, for women the home is not always a safe place. Statistics show a rise in domestic violence — a 22% increase in March alone. Now that people must stay home, women and children are trading one risk, coronavirus, for another, which is domestic violence. The abuser could be controlling their social media, withholding sanitizers, threatening to kick them out of the home. It’s a perfect storm of different vulnerabilities exacerbated at this moment.

### ***Is the government sufficiently addressing these unique challenges?***

I see some good measures. One promising piece is the \$50 million investment in domestic violence shelters. But that’s addressing the problem after it happens rather than preventing it. Another challenge is that we focus on the healthcare system, which is important, but what about grocery stores, cleaning? Not enough is being done for those workers. The class analysis element is missing. Low-income women are often racialized women, newcomer women, and I’m seeing different groups impacted differently.

### ***What can foundation leaders do help address the gender inequality in the pandemic’s impact and government response?***

One important area is reskilling. Will those women workers who have lost their jobs be able to

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get them back? Will the economy change dramatically? We know this outbreak is going to be with us for a year or so in some shape or form. How do we reskill and do that gender analysis so these groups are more resilient to economic changes?

This crisis is also showing how important housing is. Rents are very high, and part of the reason is a lack of supply. We need investment in housing from foundations and donors. Additionally, many workers in low-wage jobs don't have access to paid sick leave. We need to push for legislation that provides paid sick leaves for everyone, especially at pandemic time. A critical policy window is opening up, and it's up to us to reimagine a society that puts care at the centre.

*The charitable sector is responding rapidly to the expanding impact of the pandemic, in terms of outreach, operations, and advocacy. In the coming weeks, The Philanthropist will provide up-to-date coverage, as well as our usual reporting and commentary on other news of relevance to foundations, charities, and non-profits. [Read more of our COVID-19 coverage.](#)*