



Investing in Education – Saint Mary’s College

Since our very first year as a 501.c.3 Operating Foundation we have invested heavily in the education of today’s students as a means of bringing about a more hope-filled tomorrow. Saint Mary’s College of California is among the many educational institutions we have supported.

Elfenworks Center for Responsible Business

An Elfenworks Center for Fiduciary Capitalism at Saint Mary’s College was rededicated to focus on Responsible Business in 2014. To mark the launch event on Tuesday, March 25th, a panel discussed “Responsible Business: What It Is and Why It Matters,” featuring leading executives from responsible businesses in the Bay Area, moderated by Elfenworks Center Executive Director Saroja Subrahmanyam, and featuring Elfenworks Center Senior Fellow James Hawley. At that time, Provost Beth Dobkin noted that the Center, “...expands on our prior focus on fiduciary capitalism. The research and educational programs of the ECRB will reflect the mission of the College by encouraging businesses, through the scholarship of our faculty and engagement of our students, to develop innovative solutions to help solve social and environmental problems in their immediate communities and across the globe.” Even as the Center’s mission and scope have expanded, its original work on Fiduciary Capitalism and activist investors continues, providing a firm foundation on which the new Center can build and grow.



Figure 1: Elfenworks Center. Our Executive Director, third from left, and our CEO, third from right.



FEEDBACK FROM SAINT MARY'S COLLEGE

- I am delighted that the Elfenworks Foundation has named the Center and elected to be a guardian in our efforts to study ethics and social justice in the corporate world and within capitalism itself. The 'fiduciary capitalism' of large institutional investors and other 'universal owners' plays an increasingly important role in the world, and we look forward to how this role responds to pressing social issues such as poverty, inequality, and climate change, among others. There is no doubt that your gift will advance the mission of Saint Mary's College and the Elfenworks Foundation. The Elfenworks Center at Saint Mary's College is uniquely placed to make a positive difference in the business community and in the field of higher education."
—Brother Ronald Gallagher, President
- The Elfenworks Center will allow our students to partner with, invest in and advise various enterprises that meet the criteria for responsible businesses in the Bay Area and internationally," said Li. "These are important educational opportunities and they are an outgrowth of the ongoing focus on the global leadership and responsible business orientation in the School of Economic and Business Administration at Saint Mary's.
— Zhan Li, Dean, Graduate School of Business
- "Our plans are for the Center to take a leadership role promoting and inspiring sustained research, advancing responsible business pedagogy and fostering ongoing partnerships among academics, students and businesses."
- Subrahmanyam, Center Director

The Center's Historical Roots: Fiduciary Capitalism

When originally launched, the Center was known as the Elfenworks Center for the Study of Fiduciary Capitalism. At its heart was the premise that institutional investors such as pension funds can also promote a more socially responsible agenda. Fiduciaries who manage today's huge pension and mutual funds, by virtue of owning large portions of the global economy, can take a long-term investment outlook, noting that what harms the "public good" will also mean greater costs of doing business over time. For reasons of bottom line alone, they are motivated to reduce what were once termed externalities, left to be borne by society as a whole. This translates into more socially responsible investment policies and corporate governance. The fiduciary capitalism model also calls for a process of engagement with corporate managers rather than divestiture as the means to change corporate governance. It's an idea so powerful that, in 2006, the United Nations used it to develop their six "Principles for Responsible Investment," which provides institutional investors with a much-needed framework for their investment decision-making. The New York Stock Exchange has signed on to those principles.

About Saint Mary's College of California

Saint Mary's College of California is a Lasallian liberal arts college with a strong commitment to service and social justice. For example, CILSA, Catholic Institute for Lasallian Social Action, promotes, organizes, and supports service on behalf of social justice by members of the SMC community. The college intentionally fosters a strong culture of service and social justice. For example, in 2009, over a thousand students contributed over forty-five thousand hours of service in the local community, at the state level, and internationally. In addition, 21 SMC graduates signed on for year-long commitments to the Peace Corps, AmeriCorps, Capuchin Franciscan Volunteers, and Lasallian Volunteers. The Saint Mary's High Potential Program is a leader in educating inner-city minority students, and the college has received national recognition for its Katrina relief efforts. The college has signed the California Energy Pledge for energy conservation and is in the process of adopting principles of campus sustainability.