



The White House recently announced the first-ever National Strategy on Gender Equity and Equality. The Strategy, which is designed to include all government agencies, is intended as a long-term roadmap for the U.S. to close persistent gender gaps. The principles of the Strategy are designed to promote equity and equality for all genders, with acknowledgment of longstanding systemic discrimination and barriers affecting women and girls. In addition, it seeks to address the impact of intersectional discrimination on the basis of gender, race, ethnicity, sexual orientation, religion, socioeconomic status, and other factors. There are ten interconnected priority areas aimed at advancing equality in the U.S. and globally:

- (1) improving economic security and accelerating economic growth;*
- (2) eliminating gender-based violence;*
- (3) protecting, improving, and expanding access to health care, including sexual and reproductive health care;*
- (4) ensuring equal opportunity and equity in education;*
- (5) advancing gender equity and fairness in the justice and immigration systems;*
- (6) advancing human rights and gender equality under the law;*
- (7) elevating gender equality in security and humanitarian relief;*
- (8) promoting gender equity in mitigating and responding to climate change;*
- (9) closing gender gaps in science, technology, engineering, and mathematics (STEM) fields; and*
- (10) advancing full participation in democracy, representation, and leadership.*

## What can the principles of private and public sector gender lens investing contribute to this Strategy?

### 1. Gender lens investment philosophy: Diverse leadership outperforms.

Public equity and debt investing with a gender lens grew from a wide body of research demonstrating that higher levels of corporate women in leadership (WIL) are related to better financial results on several metrics. Studies have shown a connection between gender-diverse leadership - and recently gender + racial diversity - and stronger returns on equity and assets, better profitability, deeper innovation, lower incidences of fraud, and better risk management. [The Strategy seeks to raise gender, racial, and all types of diversity within federal workforce, establishing a path to the organizational rewards of diversity. The ten core initiatives should measure and communicate the outcomes of diversity in workforce leadership and supporting ranks.](#)

### 2. Investing with a gender lens boosts economic growth.

Research consistently shows that global GDP will be significantly boosted by narrowing or closing gender gaps. Bank of America recently estimated that 2019 U.S. economic output would have been \$2.6 trillion higher if gender and race gaps had been closed. Persistent gender and racial inequality may cost the U.S. over \$1 trillion over the next decade. [The Strategy's policies, together with all types of investing in women, will raise economic output.](#)

### 3. Investing in women-led and women-focused climate solutions has a role to play.

The unequal impact of climate change events on women has been well researched. At the same time, an outgrowth of this impact is the increased presence of women as agents of climate solutions. Recent studies have demonstrated that global companies with strong board diversity also have better environmental practices. In addition, women comprise approximately 32% of the workforce in renewable energy, higher than the 22% of energy companies overall. As clean and renewable energy jobs continue to gain policy spotlights, these industries have an opportunity to create diverse workforces and leadership from the start. *As part of its focus on gender equality and climate change, the Strategy should promote a full range of public and private investments in clean and renewable energy companies with diversity in leadership and workforce.*

### 4. Closing the STEM gap requires private gender lens investing.

Persistent gaps face women in STEM education and training, in technology workplaces, and in venture funding. Female representation in computing and mathematical roles has been largely unchanged in the past 15 years. The gap for women founders of technology-related companies has been stubborn. Despite increasing attention on the gaping lack of funding for women entrepreneurs, funding for sole female founders represented 2.4% of all venture capital in 2020, down from a notably low peak of 3.4% in 2019. *Closing the STEM funding and workforce gaps will require a public-private partnership. The Strategy's initiatives must be combined with - and supportive of - much higher levels of gender lens venture investing.*

### 5. Gender lens investing boosts workforce participation for women.

Women must be full participants in education and the workforce in order to reap the economic rewards of equality. In the U.S. and globally, a lack of safety and health keep women out of education and the workforce. Gender-based violence reduces economic security and labor force participation. Lack of access to health care, justice and immigration systems, and humanitarian relief all keep women out of education and the workforce. *The Strategy's priorities will lay the groundwork to bringing women in the workforce. In turn, gender lens equity and debt investments serve to keep them there.*

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