

IMPACT INVESTING MONTHLY

May 2025

Your monthly update on impact investing

Impact Investing at AOWM

Seeking companies that
turn a profit making a
sustainable impact on
society and the
environment

May's update includes a company highlight on Amalgamated Financial Corp, an overview of middle class income, and links to further resources on these fronts. As always, if you would like to talk about impact investing in general or your impact portfolio specifically, please do not hesitate to email me.

Grace and Peace,



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Amalgamated Financial Corp

With roots back to 1923, Amalgamated Bank (amalgamatedbank.com) started in New York as a bank for the Amalgamated Clothing Workers of America with a focus on “affordability and accessibility in banking.” Amalgamated offers a traditional suite of banking services, including consumer banking, commercial banking, and trust and investment management, and its main branches are in New York City, Boston, San Francisco, Washington D.C., and Boston.



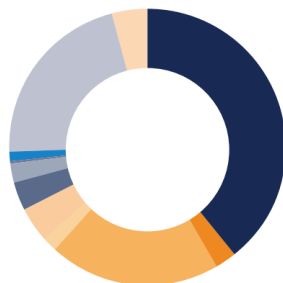
Amalgamated’s mission is “to be America’s socially responsible bank” and its vision is “banking that furthers economic, social, racial, and environmental justice.” Amalgamated is also a [Certified B Corporation](#) and incorporated in Delaware as a [public benefit corporation](#). See more about Amalgamated [here](#).

Lending Activities in 2023

As of December 31, 2023, 69.0% of our lending book meets our definition of “High Impact” and is 100% mission aligned. Additionally, 39.17% of our loans (including PACE assessments) were dedicated to the category of climate protection and 20.05% to workforce & affordable housing.

Climate Protection*	39.2%
Education & Community Empowerment*	2.5%
Health & Wellness*	0.2%
Workforce & Affordable Housing*	20.0%
Labor*	1.6%
Other (Non-Impact)	4.0%
Commercial Real Estate	3.4%
Land Development	0.1%
Multi-Family Housing	2.1%
Political*	0.3%
Sustainable Commerce*	1.1%
Residential Mortgages	21.4%
First Time Home Buyer*	4.1%
High Impact	69.0%

* Indicates high impact



69%

High Impact

100%

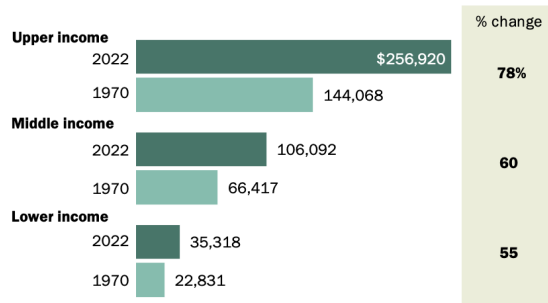
Mission Aligned

Chart of the Month

(Click on the charts for a larger view and citations)

Incomes of upper-income U.S. households increased the most of any income tier from 1970 to 2022

Median household income, by income tier, in 2023 dollars and scaled to reflect a three-person household



Note: Households are assigned to income tiers based on their incomes in the calendar year prior to the survey year, after incomes have been adjusted for the number of people living in each household.

Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplement (IPUMS), 1971 and 2023.

PEW RESEARCH CENTER

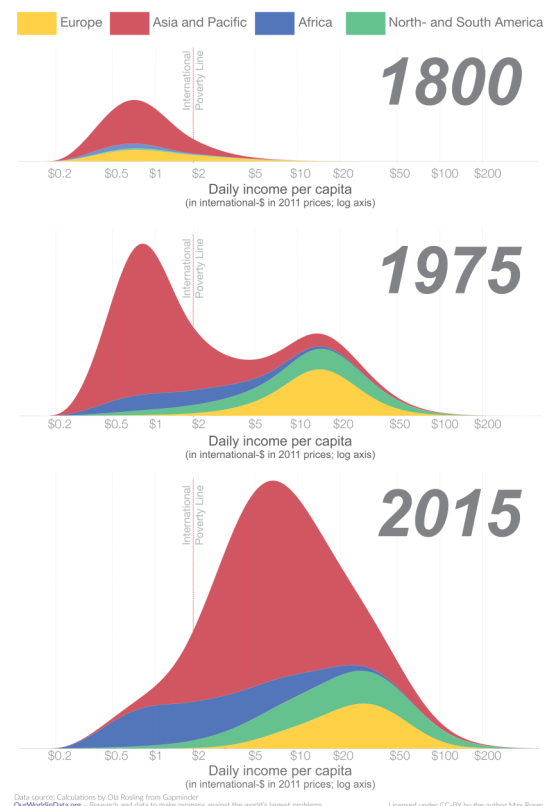
Our charts of the month for May have to do with income and the middle class. The first chart (to the left) comes from Census data and the Pew Research Center's article "[The State of the American Middle Class.](#)" Adjusting for inflation, it shows the median growth in income between 1970 and 2022 for upper, middle, and lower income households. Based on income amounts, the middle-income range came out to roughly \$61,000 to \$187,000 for these households in 2022, with a median of \$106,092 (this amount [varies by state](#)). Even though the idea of "middle class" seems straightforward, defining what middle class means can become complicated and contested. The Brookings Institution's article "[Defining](#)

[the middle class: Cash, credentials, or culture?](#)" overviews the various ways class has been defined. NPR also had a series in 2016 entitled "The New Middle" that asked Americans the question "What does 'middle class' mean in America?" You can hear their answers [here](#).

Household wealth is a related key topic on this front. According to Charles Schwab's [2024 Modern Wealth Survey](#), Americans think it takes at least \$2.5 million in wealth to be considered "wealthy" and at least \$778,000 to be "financially comfortable," with answers varying pretty widely across different generations. [Census data](#) shows that median household wealth in 2022 was \$176,500, with householders age 18-35 having a median wealth of \$31,110 and householders age 70-74 holding median wealth of \$403,000. On a tangential note, according to Bankrate's annual "[Emergency Savings Report](#)," only 41% of U.S. adults could currently use savings to pay for an unexpected emergency expense of \$1,000, the rest needing to borrow or cut expenses elsewhere to cover that payment.

Our second chart from [Our World in Data](#) provides a global context on all of the above. The UN defines [extreme poverty](#) as living on less than \$2.15 per day (i.e., the equivalent in goods and services of \$2.15 per day in the U.S.). In 2015 about 10% of people globally fell below this line (~8.5% today). You can see more on global poverty [here](#), as well as the World Bank's [Poverty, Prosperity, and Planet Report](#) and the [UN's Sustainable Development Goals](#).

Global income distribution in 1800, 1975, and 2015 [Our World in Data](#)
Income is measured by adjusting for price changes over time (inflation) and for price differences between countries (purchasing power parity (PPP) adjustment). These estimates are based on reconstructed National Accounts and within-country inequality measures. Non-market income (e.g. through home production such as subsistence farming) is taken into account. The International Poverty Line is set by the United Nations and is the poverty line that defines extreme poverty.



Data source: Calculations by Our World in Data from Capgemini. OurWorldinData.org - Research and data to make progress against the world's biggest problems. Licensed under CC-BY by the author Max Roser.

Resources

“The Death of ESG”

How We Survive podcast
April 16, 2025
(28 min listen)

“Defining the middle class: Cash, credentials, or culture?”

Reeves, Guyot, and Krause
Brookings Institution
May 7, 2018

Middle Class

Pew Research Center
All “Middle Class” Publications

“A Brief History of America’s Middle Class”

NPR All Things Considered podcast
July 5, 2016
(5 min listen)

See full **The New Middle** series [here](#)

What is Impact Investing?

The term **“Impact Investing”** focuses on investments made *“with the intention to generate positive, measurable social and environmental impact alongside a financial return.”*¹ Many people talk about this intersection of social, environmental, and financial values as a focus on the **triple bottom line of people, planet, and profit.**² Others also highlight the ways that environmental, social, and financial values are really **“blended values,”**³ given that the operations, products, and services of any business always have effects (whether positive or negative) on society, the environment, and the financial bottom line.

“ESG” is a term that stands for “Environmental, Social, and Governance” factors that can affect a company’s long term financial health as well as well-being for broader society and the environment. The term ESG was coined in a 2004 United Nations report entitled, “Who Cares Wins: Connecting Financial Markets to a Changing World,” and this report highlights the ways *“successful investment depends on a vibrant economy, which depends on a healthy civil society, which is ultimately dependent on a sustainable planet.”*⁴

ESG analysis usually focuses primarily on how a changing world (socially and environmentally) might affect a company’s financial return. Impact analysis usually focuses on how a company’s operations and products affect society and the environment. The two types of analysis are distinct but complementary and can be used to help you blend your values with your investments. A guiding definition for **“sustainability”** is “meeting the needs of the present without compromising the ability of future generations to meet their own needs.”⁵

Sources

¹ [Thegiin.org](https://thegiin.org); see also rockefellerfoundation.org/from-the-archives/global-impact-investing-network-giin/

² “Triple bottom line,” *The Economist*, Nov 17, 2009. economist.com/news/2009/11/17/triple-bottom-line

³ [Blendedvalue.org](https://blendedvalue.org)

⁴ [UNepfi.org/fileadmin/events/2004/stocks/who_cares_wins_global_compact_2004.pdf](https://unepfi.org/fileadmin/events/2004/stocks/who_cares_wins_global_compact_2004.pdf)

⁵ *Our Common Future*, UN World Commission on Development and Environment, 1987

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