Time: 6:10 p.m. – 8:20 p.m., Tuesdays and Thursdays
Location: Phillips Hall (801 22nd St. NW), Room 217

Professor: Joseph Firschein
joseph.a.firschein@frb.gov
703-731-5992 (cell)
202-736-5531 (work)
Office hours by appointment

Course Description:
This course examines the role of the public and nonprofit sectors in supporting corporate and investor activities that are intended to have social and environmental in additional to financial benefits. These activities -- often referred to as “Corporate Social Responsibility” (CSR) and “impact investing” -- have been described as having significant potential to create social benefits in addition to being in the financial best interests of the corporation or investor. At the same time, some critics of these activities have said that they are less about producing social benefits and more about marketing private sector activities that are primarily designed to produce corporate financial gains. The course explores what is meant by these two terms, what steps the public and nonprofit sectors have taken to support the wide range of activities that these terms encompass, and what have been the results of this work both in the United States and in other countries. The course also addresses emerging trends that are likely to affect the public and nonprofit role in CSR and impact investing in the future.

Although the course includes a discussion of financial terms used in the CSR and impact investing fields, no previous finance or investing experience is required. In addition to lectures, in-class discussions, and case studies, the course features interactive discussions with leading practitioners currently working on these issues in the public sector, at nonprofit organizations, and at for-profit firms.

Course Prerequisites: None

Required Texts:

2) Harvard Business Publishing Coursepack. The coursepack includes the eight cases listed below – the first three are focused on CSR and the remaining five are focused on impact investing:


The coursepack is available from the following Harvard Business Publishing link. The link requires students to register with a username and password (if you don’t have a username, you can create one on the site the first time your register):

https://hbsp.harvard.edu/import/626278

For other required readings available for free via the web, see details below under each class. Note that in addition to the required class readings, in some cases there are a number of “additional optional readings.” These readings are for students seeking additional information on a particular topic.

**Student Learning Outcomes:**
As a result of completing this course, students will be able to:

1) Understand the terminology commonly used to describe CSR and impact investing and the activities typically categorized as being part of these fields;

2) Identify and understand the public policy issues associated with CSR and impact investing, including steps have been taken to date by the public sector and nonprofit organizations to facilitate CSR and impact investing;

3) Understand the available evidence on the effectiveness of public and nonprofit sector actions undertaken to date to facilitate CSR and impact investing and the limitations of these activities to produce social benefits;

4) Describe some of the challenges of public sector and nonprofit organizations working to facilitate CSR and impact investing in developing countries; and

5) Understand and analyze strategies employed by high performing public and private sector organizations working in the CSR and impact investing fields and describe some of the new approaches being pursued by these organizations.
Class Requirements:
Students are expected to complete the following requirements:

1. **Class Participation (15%)**: Regular course attendance is required. The class participation grade will be based on students’ informed participation in the class discussions of the assigned required readings and cases. In class, students may be called on to answer questions or summarize assigned articles and cases. In addition, there may be periodic unscheduled in-class writing assignments on the required readings and these assignments will considered as part of the participation grade. Note: students will not be expected to read the “additional optional readings” listed on the syllabus. As noted above, those optional readings are for students seeking more information on a particular topic.

2. **Policy Memo (25%)**: Students will write an individual case memo on an assigned policy issue related to CSR and impact investing. Detailed instructions for the memo will be posted on Blackboard.

3. **Midterm Exam (30%)**: The exam will include materials covered in the class sessions prior to the midterm exam. It will focus on items discussed in class and in the assigned readings.

4. **Final Exam (30%)**: The exam will focus on materials covered in the class sessions after the midterm exam.

Blackboard Site:
A Blackboard course site is set up for this course. Each student is expected to check the site throughout the semester as Blackboard will be the primary venue for outside classroom communications between the instructors and the students.

Background on Instructor:
Joseph Firschein is Deputy Associate Director and Community Affairs Officer at the Federal Reserve Board’s Division of Consumer and Community Affairs. He leads the Board’s Community Reinvestment Act (CRA) team that is responsible for developing and implementing CRA regulations to support bank lending, investment, and services in low- and moderate-income communities. He also oversees the Board’s community development team that engages, convenes, and informs a range of stakeholders on consumer and community development issues and opportunities to promote the economic mobility of low-income and undeserved individuals and communities.

Prior to joining the Federal Reserve Board, Joseph served as a Director in Fannie Mae’s Housing and Community Development Division where he managed the business segment responsible for financing community development financial institutions and led the company’s efforts to sell foreclosed single family homes to public entities and nonprofits. Prior to joining Fannie Mae, Joseph managed lending to community development financial institutions at the U.S. Treasury Department Community Development Financial Institutions (CDFI) Fund and served as lead community development analyst at
the U.S. Office of Management and Budget (OMB) Housing Branch. Joseph has served as a board member of several local nonprofit community development and policy organizations and is an adjunct professor at Georgetown University and George Washington University, where he teaches courses on community development finance and policy. Joseph has an MBA in Finance from the University of Maryland, Robert H. Smith School of Business; a Masters in Public Policy from the University of California, Berkeley, Goldman School of Public Policy; and a B.A. in Psychology from Stanford University.
# Class Schedule
*(Note: Guest speakers are still being confirmed)*

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<th>Topic</th>
<th>Reading</th>
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| May 21 | Introduction and overview: Review of course organization and assignments. What is meant by the terms “CSR” and “impact investing”? What are examples of how public sector and nonprofit organizations have been involved in facilitating this work? What are some of the challenges facing policymakers and practitioners working in this area? How have the public and private sector roles evolved over time? | 1) Vogel, D. “The Market for Virtue: The Potential and Limits of Corporate Social Responsibility.” Chapter 1 (pgs. 1-15).  
| May 23 | Focus on Impact Investing: How has the impact investing industry defined itself? How does it differ from more traditional community development lending and investing efforts? What is the current size of the industry and how has the public and nonprofit | 1) Leonard, H. “Frameworks for Dialogue and Research about Social Impact Investing.” Harvard Business Publishing Coursepack. To purchase, use link under “required texts” section of syllabus.  
sector been involved to date?


Additional Optional Readings:


May 28  
Class 3  
The Challenge of Measuring Nonfinancial Impact:  
What steps have been used to date to measure the community impact of impact investments? To what extent are there standards or independently verified certifications in place to make clear what qualifies as an impact investment and what does not qualify? What are the key takeaways from the Acumen Fund cases?

1) Veldman, P. “Learning Social Metrics from International Development.” Pgs. 71-112. SF Fed Community Development Investment Review.


Additional Optional Readings:


May 30  
Class 4  
Focus on CSR:  
How has the public and nonprofit sector been involved in CSR to date? Is it appropriate for the public sector to support CSR activities? What are some current examples of corporate CSR efforts with a significant public sector and nonprofit component? What are the key takeaways from the Timberland case?


5) Mohn, T. “Howard Schultz, Starbucks and

**Additional Optional Readings:**


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<tr>
<th>June 4</th>
<th>Midterm Exam</th>
<th>No assigned readings</th>
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<td>3) Stid, D. “<a href="#">Pay for Success is not a Panacea</a>.” SF Fed. Community Development Investment Review.</td>
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Additional Optional Readings:


are the lessons learned from the international context on the role of public and nonprofit activities that support these activities? What are the key takeaways from the Omidyar Network and Crown Worldwide cases?


Additional Optional Readings:


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June 13

No class – office hours available for student questions (by appointment)

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June 18

Class 8

Case Study on Benefit Corporations and B Lab: Future Issues in CSR: We will use this class to drill down on the question of whether states should enact Benefit Corporation legislation and the extent to which B Lab fulfils a valuable role in encouraging the development of Benefit Corporations. In addition, we will explore key future issues in CSR.


| June 20 | Small Business Lending and Investing: What are the key challenges associated with small business credit access? How is the small business credit landscape changing? What is the role of Community Development Financial Institutions (CDFIs) in small business lending and how have CDFIs partnered with banks and fintech players? What are the current policy issues associated with small business lending? |


**Additional Optional Readings:**


**Policy Memo due in class**


**Additional Optional Readings:**


Fintech: What are the implications for public policy of the proliferation of venture capital-funded technology companies seeking to provide lending and financial services (often referred to as fintech)? In particular, what challenges and opportunities do these firms pose for a range of stakeholders, including banks, regulators, and consumers?

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**Additional Optional Readings:**


5) “A Smart Loan For People With No Credit History (Yet).” Shivani Siroya Ted Talk on lending to people with no credit history. February 2016.
Other Class Information:

Policy Memo Grading Rubric:

- Content – 80%
  - Complexity, depth of the response, and demonstrated understanding of the subject and assigned readings
  - Clarity and accuracy when describing key concepts
  - Making conclusions and/or recommendations that are supported by examples and/or by cited references

- Quality of Writing – 20%
  - Following the page length and/or format requirements
  - Grammar and punctuation, spelling, and sentence structure
  - Organization and coherence of ideas
  - If applicable to the assignment, supporting the writing with references that add value to the analysis and support the conclusions/recommendations

University Policies:

University Policy on Religious Holidays
1. Students should notify faculty during the first week of the semester of their intention to be absent from class on their day(s) of religious observance.
2. Faculty should extend to these students the courtesy of absence without penalty on such occasions, including permission to make up examinations.
3. Faculty who intend to observe a religious holiday should arrange at the beginning of the semester to reschedule missed classes or to make other provisions for their course-related activities.

Support for Students Outside the Classroom
1. Disability Support Services (DSS): Any student who may need an accommodation based on the potential impact of a disability should contact the Disability Support Services office at 202-994-8250 in the Rome Hall, Suite 102, to establish eligibility and to coordinate reasonable accommodations. For additional information please refer to: http://disabilitysupport.gwu.edu/

2. Mental Health Services 202-994-5300: The University's Mental Health Services offers 24/7 assistance and referral to address students' personal, social, career, and study skills problems. Services for students include: crisis and emergency mental
health consultations confidential assessment, counseling services (individual and small group), and referrals. [counselingcenter.gwu.edu/](counselingcenter.gwu.edu/)

**Academic Integrity Code**
Academic dishonesty is defined as cheating of any kind, including misrepresenting one’s own work, taking credit for the work of others without crediting them and without appropriate authorization, and the fabrication of information. For the remainder of the code, see: [studentconduct.gwu.edu/code-academic-integrity](studentconduct.gwu.edu/code-academic-integrity)

**Out of Class Learning**
Average minimum amount of independent, out-of- class, learning expected per week: In a 15 week semester, including exam week, students are expected to spend a minimum of 100 minutes of out-of- class work for every 50 minutes of direct instruction, for a minimum total of 2.5 hours a week.