JANUARY 2026

# A Deepening Opportunity for Thematic Investors

## 2026 Sustainable Investing Outlook

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# Overview

After several years of recalibration, 2026 represents a renewed thematic clarity in sustainable investing—one increasingly defined by structural demand drivers rather than broad labels or static environmental, social, and governance (ESG) classifications. Today's opportunity set is emerging from the strategic identification of durable trends reshaping how energy is produced and consumed, how health and wellness are delivered and equitably accessed, and how opportunities for economic participation and wealth creation are distributed across communities.

Our 2026 Outlook, "A Deepening Opportunity for Thematic Investors," focuses on three themes we expect will exert an outsized influence on sustainable investment outcomes this year.

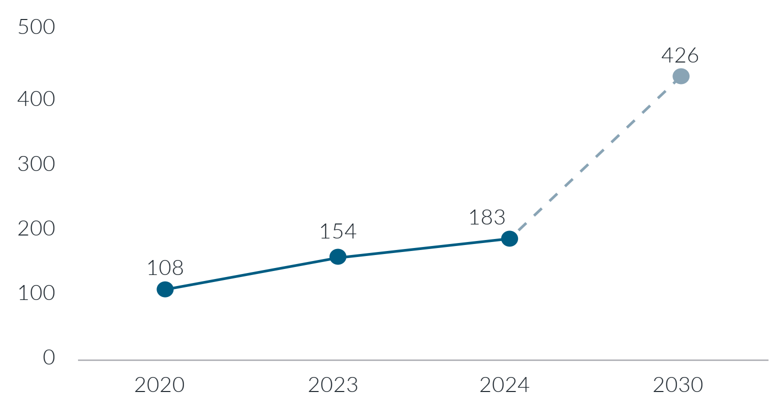
1. **The Accelerating Energy Expansion to Catalyze Artificial Intelligence (AI).** The rapid growth of AI-driven data centers is transforming the U.S. electricity market, creating regionally concentrated demand that is reshaping power prices, grid investment needs, and infrastructure prospects for investors.
2. **From Capital to Care: The Investor's Role in Health Equity.** As public funding priorities shift amid rising healthcare needs, investors have an opportunity to deploy capital toward scalable solutions that improve access to care in women's health, aging, and mental health.
3. **Investing in the Ownership Economy: Pathways to Inclusive Growth.** Against a backdrop of rising affordability constraints and widening wealth gaps, the ownership economy is emerging as a critical pathway to inclusive growth, one that expands access to wealth-building assets through employee ownership, shared real estate models, and small business capital formation.

Together, these themes reflect a deepening opportunity set for thematic investors willing to navigate nuance, regional variation, and policy interaction rather than seek one-size-fits-all solutions. We believe disciplined thematic investing grounded in financial materiality, supported by robust research, and aligned with delivering system-level change offers a pragmatic framework for navigating uncertainty while identifying differentiated sources of return.

# Theme 1: The Accelerating Energy Expansion to Catalyze AI

The U.S. energy market, historically defined by predictable and modest growth, is entering a new chapter of structural changes due to the rapid mainstream adoption of AI. As companies race to deploy more powerful AI models, the demand for data centers, especially large AI hyperscalers (data centers that require far more energy than traditional facilities), is surging. This trend creates new pressure points on energy infrastructure planning, affecting regional power markets and residential electric bills. In 2026 and beyond, AI will fundamentally reshape U.S. electricity consumption.

**Exhibit 1: Projected Electricity Consumption by U.S. Data Centers**




Source: International Energy Agency (2025).

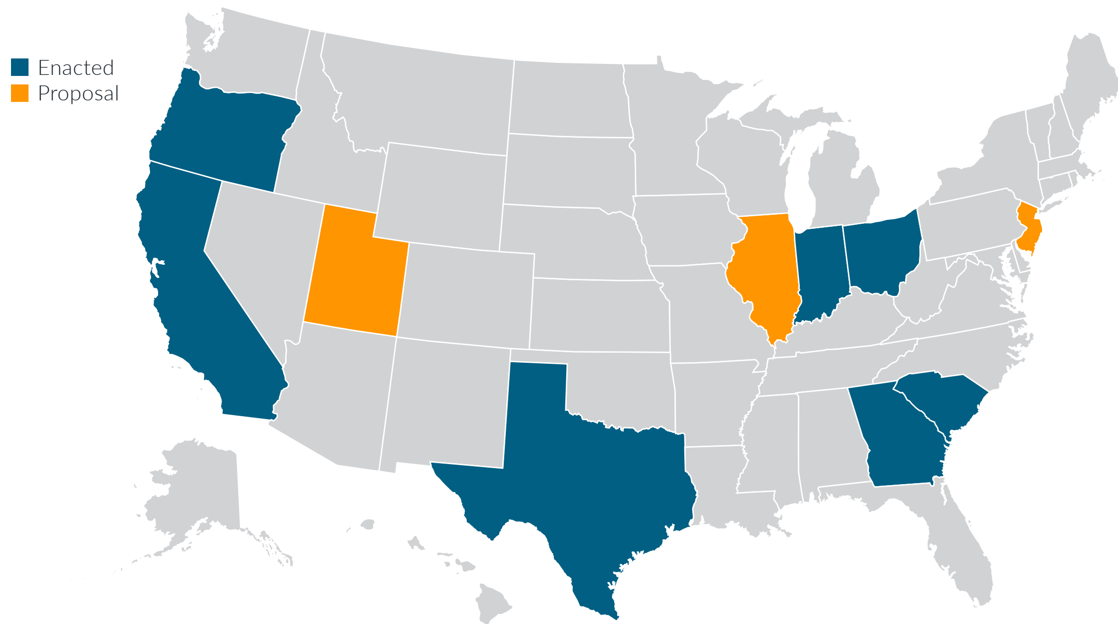
Data centers play a significant role in the digital economy, powering digital data storage, processing, and distribution needs, even as their scale introduces new demands on energy systems. Data centers in the U.S. used approximately 183 terawatt-hours (TWh) of electricity in 2024—nearly equivalent to the annual power consumption for the entire country of Thailand.[1] This represents almost 5% of total U.S. electricity demand today but is projected to more than double to 426 TWh by 2030 (Exhibit 1).[2] This growth in data center electricity consumption is especially attributed to newer AI hyperscalers. Their advanced servers perform trillions of calculations per second, and with this enhanced processing power they require more energy than their traditional counterparts. These data centers also need immense cooling in their facilities, another key attribute to their energy intensity.

[1] O'Donnell, J., and C. Crownhart. "Climate Change and Energy," *MIT Technology Review* (May 2025), https://www.technologyreview.com/2025/05/20/1116327/ai-energy-usage-climate-footprint-big-tech/.

[2] Data centre electricity consumption by region, Base Case, 2020-2023," IEA, updated April 2025, https://www.iea.org/data-and-statistics/charts/data-centre-electricity-consumption-by-region-base-case-2020-2030.

Data centers in the U.S. are not evenly distributed across regions and networks of regulated and unregulated markets, and buildouts are increasingly concentrated across states such as California, Georgia, Virginia, Ohio, Pennsylvania, and Texas. Even though these projects can take years to reach their full operation, local communities are already feeling tangible knock-on effects, including potential utility rate increases for residential users on the grid. The South Atlantic region, for example, has seen electricity bills rise faster than the national median, in part due to Northern Virginia's density of more than 600 data centers.[3] State-level regulations are currently the only line of defense for consumers, represented by a diverse mix of policy levers (Exhibit 2). Texas, Oregon, and Georgia have designed new regulations to classify data centers as large energy load customers, often requiring special rates, additional fees to cover grid connection and infrastructure costs, or longer contract durations.

**Exhibit 2: State Policies Addressing Data Centers' Energy Use**




Source: Mondaq.com

At the local level, data center proposals are causing not-in-my-backyard opposition. Communities are raising concerns not only about passed-on costs but also environmental impacts. For example, there are many questions about what energy sources will be used to meet the surge in power demand from data centers or how water will be supplied for their extensive cooling systems. This pushback is most present in politically significant states such as Georgia, Ohio, and Pennsylvania, further underscoring the intersection of technology deployment, energy policy, and affordability as potentially salient issues in forthcoming state elections this year.

## Investment Implications

Although the AI data center revolution is still in the early stages, the implications for investors are clear:

- Short- and medium-term impacts are already visible: Rising electricity bills and affordability concerns, increasing project proposals, and intensifying policy debates provide actionable insight.
- Regional concentration of data centers matters: Data center growth is uneven across the country, meaning investment opportunities and regulatory risks vary significantly by geography and regional market structure.
- Diversified, resilient energy grids are necessary: Meeting rising demand from data centers while maintaining reliability for other commercial and residential customers will require substantial investment in a diversified range of energy sources.

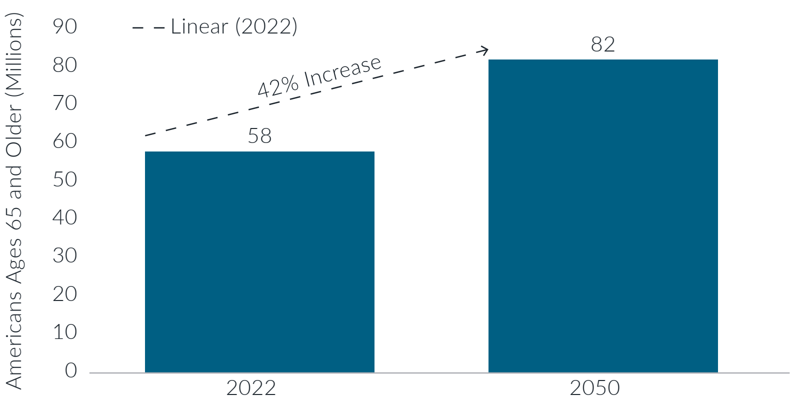
[3] Leppert, R. "What We Know About Energy Use at U.S. Data Centers Amid the AI Boom," Pew Research, October 24, 2025, https://www.pewresearch.org/short-reads/2025/10/24/what-we-know-about-energy-use-at-us-data-centers-amid-the-ai-boom/.

In 2026, investors should closely monitor how the AI data center boom uniquely interacts with evolving U.S. energy infrastructure, power prices, and policy interventions. Investors who understand these dynamics can better anticipate the risks and opportunities in utilities, energy services, and infrastructure investments connected to AI data center growth. For a deeper dive and an actionable investment framework around the broader theme of the energy transition, please see our white paper Navigating the U.S. Energy Transition: Energy Resilience and the Role of Long-Term Investment Strategy.

## Theme 2: From Capital to Care: The Investor's Role in Health Equity

In 2026 the U.S. will navigate a public health inflection point that reflects a convergence of pressures across the health system, spanning gender-based inequities in care, a rapidly aging population facing a caregiving shortfall, and widening gaps in access to mental health services. Large disparities in access to health and wellness were pronounced through multiple crises in recent years, underscored by slashed federal funding budgets for women's and mental health research, a growing aging population facing a caregiving shortfall, and the lingering effects of the pandemic. In early 2025, the U.S. Department of Health and Human Services (HHS) froze funding for the Title X family planning program,[4] resulting in the closure of 879 Planned Parenthood clinics in 23 states.[5] The federal government also moved to defund the National Institutes of Health's (NIH) long-running Women's Health Initiative, gutting longitudinal medical research and clinical trials for women-centered studies on cancer and dementia.[6] Sweeping HHS and Centers for Disease Control and Prevention (CDC) layoffs announced in late 2025 hollowed out services and research addressing mental illness and addiction.[7] These cuts coincided with a massive demographic shift: It is estimated that by 2030 individuals over age 65 will outnumber those under 18 in the U.S.[8] (Exhibit 3). At the same time, mental health needs are surging. In 2024, 23% of U.S. adults experienced mental illness,[9] and the U.S. Surgeon General declared loneliness a public health epidemic.[10] These trends highlight the urgency for investors to funnel capital into the funding void, as they seek to directly target equitable health outcomes across women's health, aging populations, and mental health.

**Exhibit 3: Growth of Americans Age 65 Years and Older (Millions)**




*2030*

By 2030, those over 65 years old will outnumber those under 18 in the U.S.

*33%*

One-third of patients referred for home healthcare will never receive it due to the care labor gap.

*25%*

Seniors will account for one-quarter of global consumption by 2050, double their share in 1997.

Sources: Population Reference Bureau, Next50; McKinsey Dependency and Depopulation Report, 2025.

4 Robins, H., K. Meyer, and Z. Day. "Reducing or Eliminating the Title X Family Planning Program Would Restrict Contraceptive Access Nationwide," The Commonwealth Fund (blog), October 22, 2025, https://www.commonwealthfund.org/blog/2025/reducing-or-eliminating-title-x-family-planning-program-would-restrict-contraceptive.

5 Frederiksen, B., I. Gomez, and A. Salganicoff. "Title X Grantees and Clinics Affected by the Trump Administration's Funding Freeze," updated April 28, 2025, https://www.kff.org/womens-health-policy/title-x-grantees-and-clinics-affected-by-the-trump-administrations-funding-freeze/.

6 Wadman, M., J. Kaiser, and S. Reardon. "NIH Guts Its First and Largest Study Centered on Women," AJMC, April 22, 2025, https://www.ajmc.com/view/hhs-cuts-funding-for-nih-based-women-s-health-initiative-threatening-decades-long-study.

7 Swenson, A., and the Associated Press. "Hundreds of CDC 'Disease Detectives' Fired—Then Reinstated—in Mass Layoffs Tied to Trump Shutdown," *Fortune*, October 14, 2025, https://fortune.com/2025/10/14/cdc-disease-detectives-government-shutdown-layoffs-trump/.

8 "Aging Is a Megatrend," Next 50, https://next50foundation.org/invest-in-aging/.

9 "Mental Health by the Numbers," National Alliance on Mental Illness, https://www.nami.org/about-mental-illness/mental-health-by-the-numbers/.

10 Ross, E.M. "What Is Causing Our Epidemic of Loneliness and How Can We Fix It?", Harvard Graduate School of Education, October 25, 2024, https://www.gse.harvard.edu/ideas/usable-knowledge/24/10/what-causing-our-epidemic-loneliness-and-how-can-we-fix-it.

Health equity investing seeks to deliver financial returns while improving access to quality care and health outcomes for historically underserved populations. This includes funding innovative companies, facilities, and services that address disparities across gender, race, and mental health lines. Investing in health equity requires understanding regulatory headwinds, demographic demand drivers, gender-specific disease burdens, and the broader ecosystem of healthcare providers, insurers, and policymakers.

The U.S. spends $14,570 on healthcare per person; by comparison, other wealthy countries spend half as much.[11] If healthcare outcomes in the U.S. were superior to other wealthy countries, that might justify this dynamic. Despite spending more, the U.S. lags behind other countries on common health metrics, including life expectancy, maternal mortality, and patient safety measures.[12] Achieving gains in health equity is complex: While private capital can fund a maternal health startup, senior care platforms, and virtual mental health apps, without supportive regulation and strong public health institutions, innovations may falter or fail to reach those most in need. Sustainable investors should view advocacy for robust public health funding and regulation as part of an enabling environment critical to the success of their investments and consider philanthropic capital to bolster community clinics, medical research, and safety net services. Private investment can catalyze change, but it cannot fully replace the role of government in safeguarding health equity.

## Investment Implications

Harnessing the capital of private wealth individuals, family offices, and foundations as a tool, what does the landscape for health equity opportunities look like for sustainable investors? In Exhibit 4, we outline needs and drivers, example investment approaches, and considerations across three key subtopics: women's health, aging populations, and mental health. By diversifying across areas within health equity and intersectional investments that contribute to social determinants of health, such as climate justice, financial inclusion, and affordable housing, sustainable investors can deploy capital that bridges demographic shifts, compensates for federal funding retrenchment, and closes persistent gaps.

**Exhibit 4: Navigating Investment Opportunities Across Health Equity**

| Issue | Needs and Drivers | Example Investment Approaches | Investor Considerations |
|---|---|---|---|
| Women's Health | • Only 4% of biopharma research and development globally is directed toward women's health.[13]<br>• Women are twice as likely as men to be diagnosed with depression[14] and spend 25% more of their lives in poor health.[15]<br>• Cuts to NIH's Women's Health Initiative and Title X amplify the funding gap for preventative and reproductive care. | • Companies developing diagnostics and therapeutics for women's diseases<br>• Early-stage women's health venture capital startups investing in telehealth, fertility, and mental health services<br>• Fixed income issuances in women's clinics of community health infrastructure | • Assess regulatory risk and public policy shifts around reproductive rights<br>• Consider if investment adopts a racial equity lens, mindful of pronounced disparities for women of color |

[11] "Why Are Americans Paying More for Healthcare?" Peter G. Peterson Foundation, https://www.pgpf.org/article/why-are-americans-paying-more-for-healthcare/.

[12] Telesford, I., E. Wager, and C. Fox. "How Does the Quality of the U.S. Health System Compare to Other Countries?", Peterson-KFF Health System Tracker, October 6, 2025, https://www.healthsystemtracker.org/chart-collection/quality-u-s-healthcare-system-compare-countries/.

[13] "Funding Research on Women's Health," Nature Reviews Bioengineering, October 11, 2024, https://www.nature.com/articles/s44222-024-00253-7.

[14] "Depression in Women: Understanding the Gender Gap," Mayo Clinic, https://www.mayoclinic.org/diseases-conditions/depression/in-depth/depression/art-20047725.

[15] "New Report Identifies a Blueprint to Close the Women's Health Gap," McKinsey (press release), January 21, 2025, https://www.mckinsey.com/mhi/media-center/new-report-identifies-a-blueprint-to-close-the-womens-health-gap.

| Exhibit 4: Navigating Investment Opportunities Across Health Equity | | | |
|---|---|---|---|
| Issue | Needs and Drivers | Example Investment Approaches | Investor Considerations |
| Aging Populations | • As the population age 60+ grows from 1 billion to 2.1 billion by 2050,[16] demand will surge for eldercare, chronic disease management, mobility solutions, and age-friendly housing.<br>• Roughly one-third of patients referred for home healthcare never receive it due to agency capacity and workforce limits.[17]<br>• Home health and personal care openings are projected to jump 17% from 2024 to 2034.[18] | • Senior care real estate (assisted living and memory care facilities), medical device companies, and digital platforms enabling aging-in-place (e.g., remote monitoring, tele-rehabilitation)<br>• Municipal bonds invested in age-friendly community infrastructure<br>• Venture investments in "silver tech" innovations (e.g., robotics for eldercare) | • Assess realities of caregiving gap<br>• Consider climate resilience for senior housing |
| Mental Health | • Federal funding cuts to HHS gutted spending on mental health and substance abuse grants, and layoffs at the Food & Drug Administration, CDC, and NIH diminished federal oversight for medicine and mental health programs.[19]<br>• The Surgeon General's 2023 loneliness epidemic warning noted that loneliness is associated with higher rates of cardiovascular disease, dementia, depression, and anxiety.[20] | • Public equity strategies exposed to insurers covering behavioral health services and pharmaceutical companies developing novel treatments<br>• Publicly traded real estate investment trusts (REITs) and affordable housing infrastructure funds supporting community hubs with wraparound services that reduce social isolation (e.g., mixed-use developments with mental health services)<br>• Private equity and venture capital investments in teletherapy and care providers that bridge mental and physical health | • Understand how an investment approaches data privacy and clinical efficacy<br>• Consider reimbursement models and regulatory guidance on telehealth<br>• Measure impact through reductions in hospitalizations or improved quality of life metrics |

# Theme 3: Investing in the Ownership Economy: Pathways to Inclusive Growth

Affordability has emerged as a defining economic challenge of the past decade. Housing, healthcare, and education costs have consistently outpaced wage growth, placing additional pressure on household budgets and constraining socioeconomic mobility.[21] At the same time, the benefits of wealth accumulation have largely followed existing asset ownership, resulting in the majority of wealth gains accruing to the top decile of households, while the bottom half of U.S. households holds only a small fraction of total wealth (Exhibit 5).[22] Measured by the U.S. Gini Index,[23] income inequality remains near historically high levels, underscoring the persistence of these structural imbalances.

[16] "Aging and Health," World Health Organization, https://www.who.int/news-room/fact-sheets/detail/ageing-and-health.

[17] Najmabadi, S. "The Business of Caring for Older Americans Is in a Deepening Crisis," *The Washington Post*, December 7, 2025, https://www.washingtonpost.com/business/2025/12/04/elder-care-home-health-shortage/.

[18] "The Business of Caring for Older Americans Is in a Deepening Crisis."

[19] Counts, N. "Federal Budget Cuts Could Exacerbate Behavioral Health Crisis," The Commonwealth Fund (blog), August 15, 2025, https://www.commonwealthfund.org/blog/2025/proposed-federal-budget-cuts-could-exacerbate-behavioral-health-crisis.

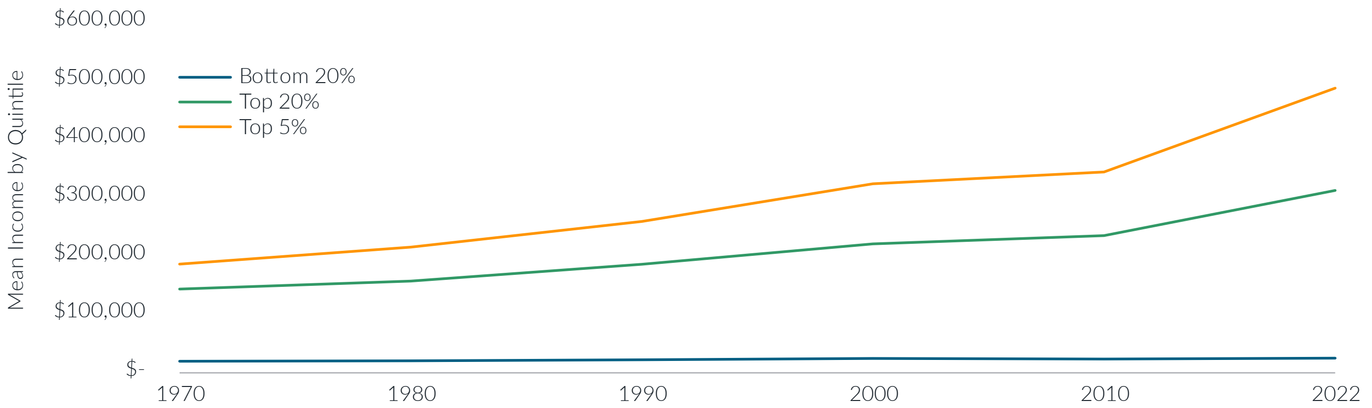
[20] "Federal Budget Cuts Could Exacerbate Behavioral Health Crisis."

[21] Stephens, H., and A.M. Perry. "In Every Corner of the Country, the Middle Class Struggles with Affordability," Brookings, December 2, 2025, https://www.brookings.edu/articles/in-every-corner-of-the-country-the-middle-class-struggles-with-affordability/.

[22] Sherman, A., D. Trisi, and J. Cureton. "A Guide to Statistics on Historical Trends in Income Inequality," Center on Budget and Policy Priorities, December 11, 2024, https://www.cbpp.org/research/poverty-and-inequality/a-guide-to-statistics-on-historical-trends-in-income-inequality.

[23] Federal Reserve Bank of St. Louis, GINI Index for the United States, https://fred.stlouisfed.org/series/SIPOVGINIUSA.

**Exhibit 5: Average Inflation-Adjusted Family Income by Quintile**




Sources: U.S. Census Bureau. "Mean Household Income of Quintiles"; American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B19081, https://data.census.gov/table/ACSDT1Y2024.B19081?q=income+quintile. (accessed December 17, 2025)

These dynamics are evident in the barriers facing households seeking to build long-term financial security. Average student loan debt is $43,000 per person,[24] while financial aid covers a shrinking share of college costs.[25] Homeownership, long viewed as a cornerstone of the American Dream, has become less accessible, with the average first-time buyer nearing age 40, roughly a decade older than previous generations.[26] Together, these trends reflect widening disparities in access to wealth-building assets and a shift in traditional pathways to economic mobility.

Against this backdrop, the idea of an "ownership economy" has emerged as a compelling theme for mission-driven investors seeking to expand inclusive wealth-building opportunities while driving long-term value creation. Employee stock ownership plan (ESOP) participation has grown from fewer than 10 million workers in the early 1990s to roughly 14 million, with ESOP assets expanding from under $500 billion to more than $2 trillion.[27] Research suggests these structures can deliver tangible business benefits. On average, ESOP-owned firms exhibit productivity gains of approximately 5% in the initial year following adoption,[28] and academic studies find that the majority of employee-owned firms are three to four times more likely to retain employees during periods of economic uncertainty.[29] These dynamics contribute to stronger long-term growth and greater downside protection at the enterprise level. Concurrently, capital dedicated to ownership transitions has expanded meaningfully, with dozens of specialized funds launched to support employee ownership conversions and small-business succession.

At its core, the ownership economy enables individuals and communities to share meaningfully in the value creation and upside of the assets they sustain. This takes shape across three primary pathways:

- Corporate ownership, through ESOPs, worker cooperatives, and other employee ownership structures that have been shown to improve productivity and retention[30]

[24] Hanson, M. "Student Loan Debt Statistics," Education Data Initiative, August 8, 2025, https://educationdata.org/student-loan-debt-statistics.

[25] "Federal Student Loan Portfolio," U.S. Department of Education, https://studentaid.gov/data-center/student/portfolio.

[26] "Highlights from the Profile of Home Buyers and Sellers," National Association of Realtors, https://www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers.

[27] "Employee Ownership by the Numbers," National Center for Employee Ownership, https://www.nceo.org/research/employee-ownership-by-the-numbers.

[28] Nikolai, A. "The Impact of Employee Ownership," CSG Partners, March 11, 2025, https://www.csgpartners.com/esop-resources-news/employee-ownerships-impact.

[29] Blasi, J., and D. Kruse. "Employee Ownership and ESOPs," National Center for Employee Ownership," April 2024, https://smlr.rutgers.edu/faculty-research-engagement/institute-study-employee-ownership-and-profit-sharing/short-research.

[30] Forman, A. "How KKR Got More by Giving Ownership to the Factory Floor: 'My Kids Are Going to College!'", Harvard Business School, Working Knowledge, May 16, 2023, https://www.library.hbs.edu/working-knowledge/how-kkr-got-more-by-giving-ownership-to-the-factory-floor.

- Real estate ownership, through shared-equity models and community land trusts that create access to appreciating housing while preserving affordability
- Small business ownership, through targeted financing that helps entrepreneurs build and retain equity

Together, these pathways offer investors scalable avenues to promote inclusive economic growth while pursuing competitive financial outcomes.

### Investment Implications

Investing in the ownership economy is increasingly relevant to investors because it aligns economic participation with long-term value creation. The framework found in Exhibit 6 illustrates how these dynamics can be expressed across public and private markets through the three most common wealth-building pathways.

**Exhibit 6: Wealth-Building Pathways**

Pathways for Inclusive Growth

*Corporate Ownership*

Invest in employee ownership structures that share company's long-term value and upside with workers

- **Public equities:** Companies with employee ownership, broad-based equity compensation, and strong human-capital practices
- **Public fixed income:** Bonds supporting workforce participation and local economic development
- **Private equity and private credit:** Financing employee buyouts or ownership transitions, including conversions to worker-owned company conversions

*Real Estate Ownership*

Shared-equity and community-based models that expand homeownership and long-term asset building

- **Public equities:** REITs that support affordable and workforce housing
- **Public fixed income:** Municipal bonds or agency-backed securities financing affordable housing, preservation of existing housing, or first-time homebuyer programs
- **Private credit:** Community development and housing preservation loans via CDFIs* that support long-term affordability

*Small Business Ownership*

Access to capital enabling historically underserved entrepreneurs to build, retain, and grow ownership stakes

- **Public fixed income:** Securitized small-business loans or municipal bonds supporting local business infrastructure
- **Private equity:** Growth capital for companies led by diverse entrepreneurs
- **Private credit:** Affordable or flexible small-business financing through CDFIs,* revenue-based structures, or other mission-driven lenders

Source: Glenmede

*Community Development Financial Institutions (CDFIs)

Looking ahead, the ownership economy offers investors a durable framework for navigating an era defined by affordability constraints and uneven access to wealth-building assets. As traditional pathways to economic mobility become less accessible, ownership-expanding strategies can help align long-term value creation with broader economic participation. Across corporate, real estate, and small business contexts, ownership-based models have demonstrated the potential to enhance productivity, stability, and resilience. For mission-driven investors, integrating ownership pathways into their investment portfolios represents not only a means of advancing inclusive growth but also an opportunity to invest in the foundational drivers of sustainable, long-term returns.

## Conclusion

The sustainable investing opportunity set entering 2026 is increasingly defined by concrete investment questions rather than broad frameworks or labels. Across each theme, a common thread emerges: the need to deploy capital toward expanding access, capacity, and growth in systems under strain, whether in energy infrastructure shaped by AI-driven demand, healthcare delivery amid demographic and funding shifts, or pathways to asset ownership in an increasingly affordability-constrained economy. For investors, the implication is not thematic breadth but rather selectivity. Capturing these opportunities will require assessing regional dynamics, policy and regulatory frameworks, and the durability of demand. When approached with disciplined research and clear implementation pathways, these areas offer exposure to long-term growth drivers alongside the potential for differentiated risk-adjusted returns. Looking ahead, we believe that thematic investing grounded in financial materiality and focused on expanding access, capacity, and growth across essential systems provides a pragmatic framework for navigating uncertainty while positioning portfolios for the structural changes shaping the years ahead.

To learn more, please reach out to Glenmede's Sustainable Investing team at sustainableinvesting@glenmede.com or visit us at Glenmede.com.