

## **SUSTAINABLE INVESTING – WHAT DOES THAT MEAN?**

**By: JILL COOPER, CPA**

There's a relatively new investment strategy that is being discussed and used more recently. Some investors call it sustainable investing and some call it Socially Responsible Investing (SRI). Others refer to the strategy as "Green" or ethical investing. Any investment strategy which seeks to consider both financial return and social good to bring about social change may fall into this category.

A younger generation of investors believe that their investments can, and should, make a positive social impact. They look to companies, industries and markets that take a stand on issues such as climate change, education, healthcare, environment and gender equality. They stay away from companies that profit from poor labor standards, environmental damage and health risks.

Socially responsible investing has come a long way from the days when it mostly meant not buying shares of companies that sold products such as tobacco, alcohol and firearms. For many investors, it is now a guiding principle.

Is it possible to do good and make money? The answer is yes, over a long-term horizon. Investors now expect a competitive return for investing with a conscience. Evidence has also shown that investors undervalue socially responsible firms. This translates to the potential for purchasing investments at a bargain price.

Ethical investing is getting easier to do. Investors don't have to rely solely on companies to report their own socially responsible activities. Independent information like the Best Companies list and the American Customer Satisfaction Index provide information for investors who are willing to do their own research. Many large investment companies have specific funds identified as well.



Sustainable investing has come a long way and is providing some great opportunities to do good and to do well at the same time.

If you have any questions about this or any business or tax issue, please feel free to reach out to your Conner Ash Account Manager or [Jill Cooper, CPA](mailto:jcooper@connerash.com), at (314) 205-2510 or via email at [jcooper@connerash.com](mailto:jcooper@connerash.com).