

Socially Responsible Investing Paths Are Gaining Traction

FINANCE: More Cos. Adopting Culture Gives Investors Greater Choices

■ By SARAH DE CRESCENZO

Twenty years ago, multibillion-dollar companies including Nike and Wal-Mart were in the headlines — not because of their growing profits, but because of how they made them.

The multinational companies were among those revealed to be using sweatshop labor overseas to manufacture their products, from Kathie Lee Gifford's clothing line to Air Jordan sneakers.

Public outcry forced changes — and reintroduced the idea of corporate social responsibility into the public consciousness.

It also reinforced the notion of how investors could have an impact on such issues by deciding where to allocate their funds, echoing the divestment movement in the 1970s that helped end South African apartheid. In addition to looking for financial return, more investors began taking into account a company's track record on social issues, from treatment of workers to environmental awareness.

Following the Strategy

A new study published this year by a foundation that tracks investing that takes into account those types of issues — often called socially responsible, sustainable or impact investing — found at least one of every six dollars under professional management in the United States was being managed using such strategies.

Lisa Woll is CEO of US SIF, the membership organization that issued the report about the increase in socially responsible investing, or SRI.

"What we're seeing is that there's more sectors of what I call the investment universe getting engaged — asset owners, primarily foundations, family offices and high-net worth individuals in general, and a lot of advisors who are able to consult and guide clients," Woll said.

The biennial report, conducted in 2014, found \$6.57 trillion under management was being invested in socially responsible ways — a 76 percent increase over a similar analysis conducted two years prior.

A total of 925 investment funds and 214 account strategies were identified that year as incorporating environmental, social and governance criteria into their investment analysis or portfolio selection, according to US SIF.

"We expect when we do our next report, at the end of the year, that we'll see another growth, though I doubt it will be quite as large as what we saw this last time around," Woll said.

Bair is Bullish on SRI

One San Diego company, however, has been offering customers investment portfolios tailored to those with interest in SRI for nearly a quarter-century.

Marci Bair heads San Diego's Bair Financial Planning, a boutique firm under the auspices of The Wealth Consulting

Group.

When she opened the company 24 years ago, the San Diego native said most socially responsible investing was done by nonprofits and the odd person who, for example, didn't want to hold any stock in tobacco companies because a relative had died of lung cancer.

The pool has expanded considerably since then, she said.

"It's a topic that's gaining a lot more traction," she said. "The whole idea of socially responsible investing has evolved since those early days of the 1990s."

Bair said analyses have shown that those who invest in companies with good social, environmental and governance practices are reaping similar rewards to those who invest in a traditional portfolio.

Concern over returns has slowed adoption of the alternative investment strategy, she said.

"People usually feel that they've got to give up something," she said. "All of our studies are showing you don't have to give up performance and you can match your values."

Bair's firm, which has about 250 clients, specializes in working with retiring business owners, female CEOs and LGBT couples.

Many clients come to the firm saying they spend their money conscientiously on a day-to-day basis, but had not considered the impact of their investments, she said.

"They might be really passionate about where they're spending their money — they might not go to a certain store or restaurant — but then they turn around and look at their 401K or IRA and if they see the list of companies they own they're heartbroken it doesn't match up," she said. "This is a way people can match their values and have a bigger impact. Their 401K is a whole lot bigger than where they shop."

About 85 percent of the firm's clients choose to spend a bit more to invest in the firm's socially responsible portfolio, Bair said.

Getting a Good Reputation

Interest in SRI is also picking up as more data about how much money can be made with a portfolio crafted to make a social impact becomes available.

"When I started doing it we didn't have a lot of history and you had a narrower scope of companies you can choose from," she said.

More companies have also positioned themselves in order to be seen as operating ethically or sustainably, some with altruistic intent and others because it can attract customers interested in such businesses, she said.

Potential Participants

US SIF has about 300 members, from major financial institutions to small, non-governmental organizations, but fewer than five are San Diego-based.

"Southern California in general is what I would call an area for great potential," she said. "We've seen a lot more activity in terms of firms and investors in Northern California."



Lisa Woll



Marci Bair

Advertising Feature

PEOPLE ON THE MOVE

Announce your hirings, promotions and other moves. Contact Lucinda Lauridsen at 858-277-6359



TOURISM

Kerri Verbeke Kapich is the COO for the San Diego Tourism Authority, one of the nation's leading destination marketing organizations. The SDTA represents over 900 hospitality organizations and serves as the San Diego region's tourism marketing engine.

Kapich is a frequent guest speaker at industry conferences nationwide as well as a guest lecturer at the San Diego State University School of Hospitality. In 2001, she was named

as one of the "Top 100 Marketers" in the nation by Advertising Age magazine and is the recipient of numerous marketing, advertising and tourism awards. Most recently, she was honored by the San Diego Business Journal with a 2012 Women Who Mean Business Finalist Award.

In 1997, Kapich joined the San Diego Tourism Authority where she has been responsible for strategic planning, brand management and partnerships. She is the driving force behind the SDTA's integrated marketing program including major initiatives such as the National Geographic "World's Smart Cities" project.

Kapich currently serves as chair of the Visit California Research Committee and the Marketing Advisory Board and the Board of Directors of the California Travel Association and California Restaurant Association, San Diego Chapter. She is a member of the Travel Industry of America, Destination Marketing Association International.

A San Diego native, Kapich was featured as one of the "50 People to Watch" by *San Diego Magazine*. She is a graduate of the University of California, Santa Barbara.



DIRECTOR OF WORKPLACE

Maria Martinico, CID, IIDA, LEED AP has joined Gensler as Director of Workplace. An accomplished interior design leader with 29 years of experience across multiple workplace sectors, Martinico will oversee the design and delivery of commercial interiors projects, business development and client relationships for Gensler's San Diego office.



PROJECT MANAGER

Carlos Mendoza, PE, joined Michael Baker International as senior water resources manager in the San Diego office. Carlos will be responsible for project management and client development. He brings 23 years of municipal engineering experience to the firm with a focus on wet infrastructure from the private and public sectors.



Contact Lucinda Lauridsen at 858-277-6359
Email: llauridsen@sdbj.com