

I don't want to support tobacco companies or environmental polluters, but my broker claims that socially responsible investing will cost me. How can I persuade my broker to make investments that align with my values?

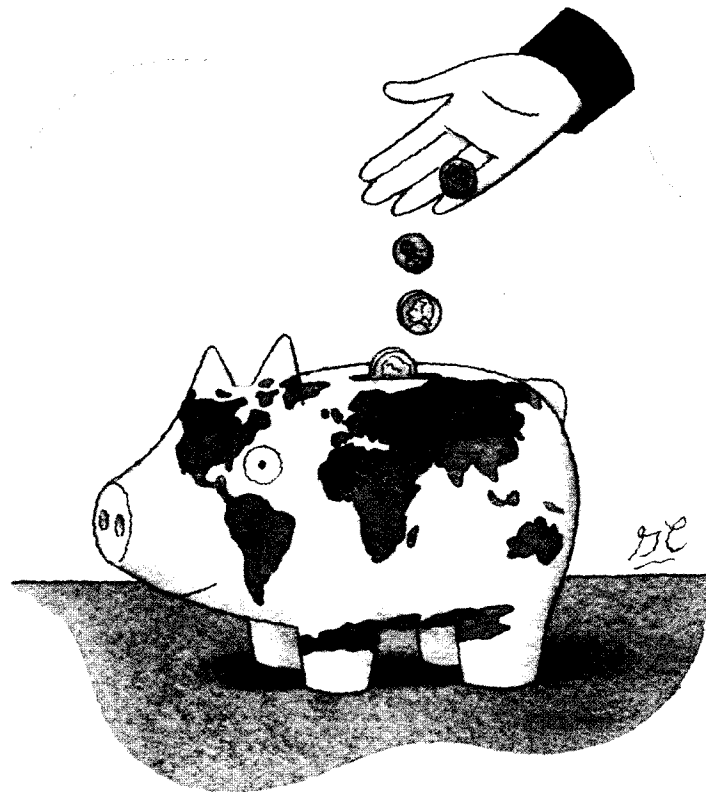
First educate yourself, and then educate your broker as well. The investment choices you make today are going to shape the world that you inhabit tomorrow, and investing in line with one's social values does *not* have to mean forsaking financial returns. For example, if you had put \$1,000 into the New Alternatives Fund, which invests most of its assets in companies that contribute to a clean and sustainable environment, three years ago, you'd now have \$1,979. That same \$1,000 invested in the Vice Fund (which puts about 80 percent of its assets into alcohol, gambling, tobacco, aerospace, and defense companies), would have grown to only \$1,709.

What's more, the number of people who, like you, want to invest in alignment with the principles of *ahimsa* (nonviolence) and *asteya* (nonstealing or having integrity) is growing. So it's likely that there will be even more investment options over the next several years.

Already, U.S. socially screened investment assets have grown faster than most other investment assets over the past decade. Total assets in socially responsible investment funds rose more than 258 percent, according to the Social Investment Forum, from \$639 billion in 1995 to \$2.29 trillion in 2005. (Full disclosure: I am a partial owner of a sustainable investment company called Kubera.) To create a sustainable investment portfolio, look for the following: (1) social screens aligned with your values; (2) inexpensive prices with an expense ratio (the amount charged by the investment company) that is as low as possible, ideally less than 1 percent per year; (3) ties to an index (which make it an "index fund") or diversification among many companies.

Be sure to tell your friends what you're doing. The more people who invest this way, the better our world will become. The companies that profit from practices that you don't support will have a harder time raising capital, and new alternatives will thrive.

Brent Kessel's forthcoming book, It's Not About the Money, will be published by HarperOne. Submit your questions to moneywise@yogajournal.com.



“Your future and fortune depend on your neighbor. This is more evident today than ever before.”

The Dalai Lama

resources

BOOKS

Socially Responsible Investing:

Making a Difference and Making Money, by Amy Domini

The SRI Advantage: *Why Socially Responsible Investing Has Outperformed Financially*, by Ralph Nader, Peter Camejo, and Robert A. G. Monks

WEBSITES

communityinvest.org
coopamerica.org
greenmoney.com
hopeequity.org
socialfunds.com
socialinvest.org
sriadvocacy.org

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