Insights

At Aneuvia, we believe in democratizing financial wellness and investment advice for the betterment of companies, communities and individuals. Here we share our insights, point of view and advice on global impact investing, corporate diversity and inclusion, new financial market trends, impact investment funds and more.

Stay ahead of the curve with insightful news and analysis that can help your company or organization make crucial decisions for better business outcomes.

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U.S. Election Outcomes in Relationship to ESG Investing

Posted by Unknown

Tags: ESG Investing | Social Impact | Sustainable Investing

Americans have lived through an unusually turbulent year - facing a compounding of crises - creating a more conscious, discerning and demanding public. With rising inequality, environmental threats and the long, 100-year road to gender parity, businesses need to fill the gaps that governments have left behind. We need to redefine what it means to be a profitable business - one that’s not only returning profits, but also returning value to society.

Each election cycle poses a set of hot-button issues - antitrust, immigration, women’s rights, etc. As of the past few years, environmental issues such as climate change have been finding its way to the top of the agenda, particularly as citizens become more conscious of the world around them. Per Morningstar, sustainability-focused index funds have doubled in assets since 2017. In fact, during the second quarter of this year, ESG fund flows continued at a record pace, according to Morningstar. In the United States, they totaled $10.4 billion, which nearly equaled Q1 flows.

At its core, ESG investing is tethered to the philosophy of ‘sustainable investing.’ It involves researching and factoring in environmental, social, and governance issues, in addition to the usual financials, when evaluating potential stocks. Companies that build sustainable businesses that improve their communities and the environment are in high demand.

A Trump Administration on ESG Investing

There are two proposals in particular from the Trump administration that seek to curtail ESG investing. The first, “Financial Factors in Selecting Plan Investments,” discourages employers who run 401(k) or pension plans from considering ESG factors for investments and instead requires them to only consider the financial return an investment offers. It also bars ESG investments from being the default choice in any public or private retirement plan.

And the second, “Fiduciary Duties Regarding Proxy Voting and Shareholder Rights,” alleges that proxy measures are too burdensome for public companies. We believe this is a fundamental misunderstanding of how proxy votes create accountability and transparency. Our upcoming whitepaper sheds light on the power of proxy votes. We believe investors can hold corporations accountable for their actions and ultimately transform the way businesses run and report on returns.

A Biden Administration on ESG Investing

A Biden administration on the other hand would deliver policy directly related to ESG factors, supporting demand for sustainable investments. In fact, Biden has introduced a $2 trillion plan to tackle climate change and pledged to achieve net-zero emissions through the “greening” of energy, infrastructure, transportation, agriculture and more. We can expect to see increased transparency and disclosures from businesses, further bolstering accountability, as well as an increased commitment to the U.N.’s Sustainable Development Goals (SDGs).

Regardless of the outcome of November 3rd, we all have a responsibility to care for the planet, the communities we live and work in, and we believe investors will continue to seek ESG investment strategies. It's incumbent on all of us to be responsible citizens of our society and reflect that shared sense of responsibility through our investment choices.

This article: U.S. Election Outcomes in Relationship to ESG Investing first appeared on http://aneuvia.com.

The Equity Imperative in Investing

Posted by Unknown

Tags: COVID-19 | Corporate Social Responsibility | Diversity and Inclusion | ESG Investing | Social Impact | Sustainable Investing

It's becoming clear that the effects of COVID-19 are here to stay long-term. Add to that the continuing issues of racial inequality, the increasing polarization of American culture in the run-up to the upcoming presidential election and the most recent wave of climate-change driven natural disasters, and it's becoming increasingly clear that America's road to recovery will be a circuitous path versus a straight line.

COVID-19 has turned into an inflection point. Not only is the crisis reshaping the ways we live, work, and socialize; but it's also leading us to reevaluate fundamental issues of economic, social and racial equality – and the role of corporations in shaping progress on those issues.

83% of executives today feel an urgency for business to be a critical part of driving solutions to some of today's most pressing issues — including COVID-19, racial injustice and economic resurgence, according to the 2020 Porter Novelli Executive Purpose Study.

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One particular example is the Black Lives Matter movement, which propelled many companies to step up and voice support for justice, reform and equity. This would have been considered a risky business move many years ago. But, today, due to the increased polarization of our country, even the most apolitical household companies have taken an explicit stand on issues like human justice, gun control, immigration, and women’s rights. Corporations that used to stay publicly silent, out of fear of alienating their customer base, now have a business, moral and financial imperative to speak up.

In our latest whitepaper, we discuss the importance of businesses having a positive impact on society and taking an inclusive approach in order to avoid reputational risk, but also to venture into unexplored business domains. The adverse effects of material issues such as climate change, gender inequality, financial exclusion, and resource scarcity are a wake-up call to stakeholders and shareholders, alike. Our view at Aneuvia is that sustainable, equitable investing not only increases intrinsic value, but also produces greater financial returns. In today’s competitive landscape, diversity and inclusion isn’t an option, but an imperative.

View our latest whitepaper for more on sustainable and impact investing.

This article: The Equity Imperative in Investing first appeared on http://aneuvia.com

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