**Caring for Self – Caring for Others**

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To state the obvious, there is a lot happening now that is different and unusual, and it has upended many lives. For most of us our daily routines have been disrupted and we are settling into some new ones. I finally feel as if my routines are at a new equilibrium with some new self-care routines in place. As for caring for others, I have been surprised at the mask wearing debate though maybe I shouldn’t be as seatbelt wearing took a while also.

The pandemic and the recent protests in support of Black Lives Matter have brought to the forefront inequities in our current society. The pandemic’s economic and health toll has hit Black Americans and other minority groups the hardest. Underneath all of this is a question of our responsibility to others. What is the responsibility of individuals, institutions and corporations to others in their community and globally to make the world a better place for everyone?

There are several ways individuals can help others. One is supporting and investing in businesses that are local, diverse and/or good corporate citizens and other is through charitable giving. And as investors we can also help shape some policies of companies through shareholder activism.

The history of giving has been strongly influenced by religion. The values of giving are deeply rooted in the texts and traditions of most religions. All three Abrahamic faiths have specific traditions. In Christianity, a tithe (1/10th of income) is considered a baseline for giving. The concept of a tithe comes out of the Hebrew Bible. Jesus encouraged his followers to give beyond that. For Muslims, giving is one of the five pillars of Islam. The “Zakat” is an annual payment of 2.5% of one’s total wealth and tradition is to give to the poor.

How to determine how much to give? And what organizations to give to? What are the responsibilities and obligations of wealth? The recent events have encouraged my family to have a broader dialogue on our charitable giving. We have decided to give more money, to expand the types of organizations that we support and to specifically look to organization led by people of color doing grassroots work in communities. Since my kids were little, we have encouraged them to give both time and money to causes they care about.

On the corporate side, many companies are very generous in their communities, and they treat their employees and suppliers well. However, our current capitalist system has been strongly influenced by sentiments such as this one from economist Milton Friedman stating that the “sole purpose of business was to generate profit for shareholders.” Fortunately, many companies have gone beyond this example and are very involved in their communities, they care about the environment and their employees. After George Floyd’s death many corporations have really stepped up their commitments to diversity and inclusion through supporting Black Lives Matter, improving their diversity and inclusion initiatives, and celebrating Juneteenth. There is still more to be done.

For decades a group of investors have recognized the importance of several corporate citizenship factors that contribute to the long-term success of a company. These factors are collectively referred to as ESG investing[[1]](#footnote-1). And ESG investing has gone from a fridge focus (initially called SRI investing– socially responsible investing), to something that is now very mainstream and one that has data and studies to back up its approach.

Of the three components of ESG investing, lately, the S or Social component has taken center stage -as even the normally conservative Business Roundtable has gotten on board. Last year, the Business Roundtable made a statement that the “purpose of a corporation is to serve a larger set of stakeholders.” The “S” component is also harder to track than the “E” and “G” components as corporations are not currently required to disclose data on workplace composition. This is one area where activist ESG investors file shareholder resolutions that encourage transparency in this area. At Pine Haven we have always considered these more qualitative factors in our approach.

At this challenging time in our history may companies that treat employees, supplier and customers better continue to outperform the others – causing them to play catch up. And may this help us move toward a more just and prosperous system for all.

In conclusion, I am inspired by the words of Theodore Parker, a Unitarian Minister. In the 1850’s he wrote ”I do not pretend to understand the moral universe, its arc is a long one… I am sure it bends toward justice.” This concept was further popularized by Martin Luther King, Jr. in several of his speeches. As recent events have shown, we need to work harder to continue to bend the arc.

*“Do the best you can until you know better. Then when you know better, do better.” —Maya Angelou*

1. ESG = Environmental, Social & Governance: A process of using these factors in investing. [↑](#footnote-ref-1)