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Invest Green and Secure Your Retirement

We currently live in challenging environmental and economic times. Global economic peril coupled with the climate crisis has revealed to us that as a society we have maxed out our financial and environmental 'credit cards'. In fact, mounting environmental and climate challenges and the financial crisis are putting future generations at risk, and putting your retirement at risk as well.

As much as we may think otherwise, our current collective spending habits, such as purchasing billions of dollars of petroleum-based products from Asia, are depleting our bank accounts while at the same time reducing our ability to sustain a healthy planet for future generations.

So the question is, what can we do about it?

In our day to day lives, we can choose to consume fewer environmentally harmful products; make our homes more energy efficient; use less fuel when we travel; and vote for politicians who will do the right thing. But what about the rest of our lives, including retirement?

Tom Mann (Executive Director of New Brunswick Union) and I believe there is a viable path towards environmental and retirement security - invest green.

Last week, Tom and I were honoured to launch our second book collaboration, 'Cool Comforts II: Using Our Capital to Save Our Future', at an invitation-only fund management conference hosted by Harvard Law School in Cambridge, Massachusetts.

This book helps the reader better understand environmentally responsible investing – both as an individual and as a group. Last year at Harvard we were also fortunate to launch our first book: 'Cool Comforts: Bargaining for our Survival'. There are now 15,000 copies in circulation in six countries.

Think back to the rise and fall of business and industry over the last century. Rail replaced the Pony Express about 100 years ago. Smart investors at the time moved money from horses to trains. Apple and Microsoft stock has fared quite well over the last twenty years. And just ten years ago, investing in photography companies that spent billions on processing 35 mm film would not have been a good move thanks to digital cameras. Times change and where we put our money must change too if we are to prosper and achieve financial security in our retirement years.

So looking forward a couple of decades, what would be a wise investment today? Companies that manufacture, install and distribute renewable energy, such as wind and solar, certainly have a bright future. Companies that develop and sell environmentally friendly products and services are also going to provide healthy returns in the future.

Today, many investment funds already have green filters. These funds invest in companies meeting certain socially and environmentally responsible criteria, such as: not using child labour; working against corruption; and encouraging the development and diffusion of environmentally friendly technologies.

As individuals, we should invest our retirement security in funds that do the right thing, and (not coincidentally) are consistent with our personal morals and values. For example, why invest in a tobacco company if you are not a smoker?

Moving your personal investments to funds consistent with your values should result in financial growth and security. However, unfortunately just one individual moving their money will likely not provide enough leverage to negatively influence those companies you left.

But what about large funds? In Canada, there is about \$900 Billion in investment for retirement security programs. That is a lot of capital that can influence change. Imagine if only 10 percent of that money was moved from environmentally regressive industries to proactive industries. What a difference that would make.

So what can a couple of guys from Fredericton tell fund managers from all over the U.S.? It's simple. We are priming investors with all sizes of portfolios to ask the right questions of fund managers about socially and environmentally responsible retirement security programs, such as CPP, OAS and mutual funds.

Take some time to find out where your money is being invested, it could make a big difference for your future and for the future of the planet.

Peter Corbyn is the Special Advisor to The Climate Project Canada, a board member of the Carbon Reduction Fund, and co-founder of GreenNexus.