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MARKET MATTERS: St. Patrick's Day reminds us to go green

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Prepare to go green: this Friday, in celebration of St. Patrick's Day, we will be surrounded by hunter, spring, forest, olive and jade. Walls and windows of local eateries will be festooned with shamrocks and green bunting. Invariably, someone on the street will be spotted sporting a leprechaun hat with a matching green vest, and perhaps we even will enjoy a green bagel for breakfast, or treat ourselves to a mint-flavored milkshake.

All those Irish shades serve as timely reminders of the consideration to "go green" with our investing, as well.

It's hard to overlook the myriad challenges facing our world, some ongoing and some new. The debate on climate and energy remains on the front burner, particularly in light of the changes in Washington. Women's rights and equality, immigration, stem cell research, pollution, poverty — all are topics of concern.

Whatever our views on environmental and social issues, it is clear that how we spend our money each day reflects our values. Will we choose to frequent the café where the coffee is fair trade certified?

It is important to remember that similar to where we choose to spend, how we invest also can help shape the world in which we live. By investing with an eye toward our personal ethics or our faith-based values, we can send a message about the kind of society we hope to create, without sacrificing on returns.

There is growing desire among investors, particularly among women, to reach a balance between potential returns and making an impact through their portfolio. Millennial investors, too, are twice as likely as other age groups to demonstrate commitment to values-based investing. This practice of being mindful of how our investment dollars impact our world is commonly known as socially responsible investing (SRI).

When we decide to follow SRI strategies, we have a basic choice to make: we can decide not to invest in a sector, company or product we find objectionable. For instance, we might avoid companies that manufacture tobacco or guns.

Conversely, we can analyze different criteria of a company, weighing its environmental track record, workplace culture and inclusion, and board of directors' makeup, as we look to make portfolio decisions. Nearly three out of four investors believe that companies with good environmental, social and governance practices can achieve higher profitability and are better long-term investments.

In the case of "green" investing, for example, one might consider options to invest in companies that reflect leading environmental practices, or invest in themes related to climate change, such as energy efficiency, renewable energy or energy storage.

An investor also can go the route of buying securities in companies that channel profits directly to enterprises supporting social or environmental change, from development of poor neighborhoods to health care in third-world countries.

The total number of assets under SRI has risen over the years, from $639 billion in 1995 to nearly $9 trillion in 2016. A recent survey cited the following factors as most important:

• Environmental investment.

• Climate change.

• Clean technology.

• Social criteria.

• Governance issues.

• Product specifics.

Morgan Stanley's Institute for Sustainable Investing found that a whopping three-quarters of investors (71 percent) are interested in sustainable investing. Predictions for the year 2050 say that business for sustainably-focused companies will reach some 4.5 percent of GDP.

Whatever our values and opinions, it is possible to structure our portfolio to mirror them through our investments without compromising our financial goals. We can make a difference communally and globally. We can “go green” even while we stay in the black.

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