New Haven Register

http://www.nhregister.com/columns/article/MARKET-MATTERS-Millennial-investors-seek-11989624.php

The Register Citizen

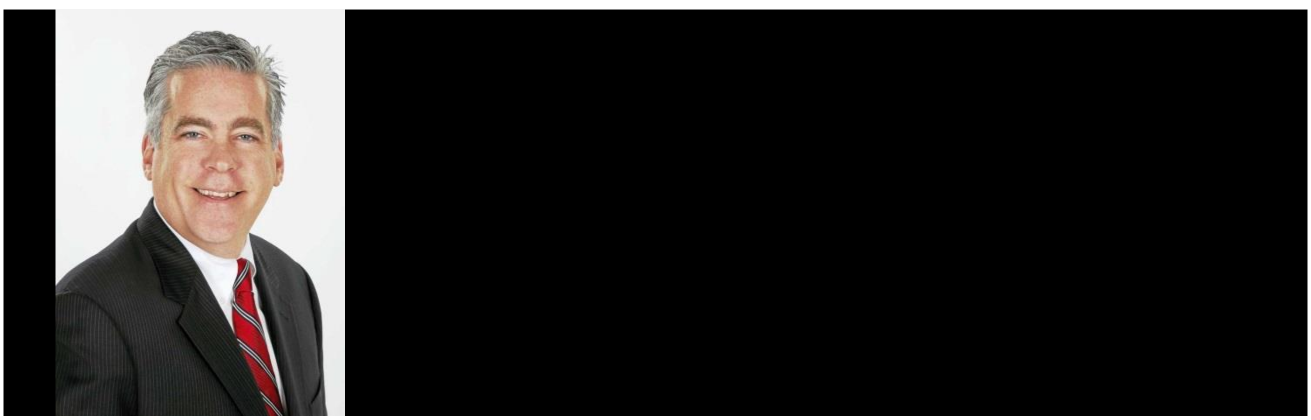
http://www.registercitizen.com/opinion/20170826/market-matters-millennial-investors-seek-sustainability

The Middletown Press

http://www.middletownpress.com/opinion/20170826/market-matters-millennial-investors-seek-sustainability

MARKET MATTERS: Millennial investors seek sustainability

Sunday, August 26, 2017



Joseph Matthews Photo: Capitol Photo Interactive

The wheels are in motion and the baby boomer generation is beginning to retire in ever greater numbers. Millennials instead have become the majority of employed Americans.

While the administration and management of the workforce is still dominated by the older workers manning most senior management positions, the sheer number of Millennials will continue to increase their dominance of the marketplace — and the workplace.

And, based upon a recent survey, it seems to me that Millennials may bring change to the corporate and financial worlds that probably would not have occurred with folks a generation or two older.

A recent survey, for example, shows that nearly nine out of 10 Millennials are interested in sustainable or Socially Responsible Investing.

Currently, since many Millennials are still in college, it is difficult to ascertain just how many will be in the workforce a decade from now, but regardless, with so many strongly believing that socially responsible investing is the way to go, they undoubtedly will have an impact on the market.

With that knowledge, it may be time to take a look at our portfolios and determine just what impact the move to sustainable investing will have on them.

Sustainable investors are like any others in that their goals include strong financial returns, but they differ because they also believe their investments should contribute to society, including environmental and governance practices.

In demographic terms, women are increasingly more inclined toward sustainable investing than their male counterparts. In 2017, 84 percent of women compared to 67 percent of men favored sustainability, a bump from 78 percent of women and 62 percent of men in 2015. With more than $11 trillion in assets controlled by women in the U.S. — roughly 39 percent of the country's total investable assets — their inclination to consider environmental, social and governance factors when investing should not be underestimated.

Broken down into its basic components, investors generally have a couple of formats they may consider when moving to sustainable investing. First, they may simply invest in firms or sectors that comply with their view on environmental, social and corporate governance (ESG) criteria. An ESG approach takes into account the benefits and rewards in areas such as environmental impact, workplace safety and whether a company's ESG activities can positively impact its financial performance over the long term, among others.

There is good reason for taking the ESG approach to investing. An analysis of more than 2,000 studies found that the majority show a positive correlation between ESG standards and corporate financial performance.

Alternatively, investors may decide not to invest in sectors that they find objectionable. Among those industries that are excluded by some sustainable investors are those that produce alcohol, tobacco and firearms.

The most direct way to engage in sustainable investing is to do lots of legwork and research companies to determine if they align themselves with your closely-held values. Not only can the products and services a firm provides be investigated, a careful check into the makeup of the company administration and management may ascertain, for instance, its level of diversity, among other qualities.

In total, the movement toward sustainable investing is one that may produce significant rewards if a proper foundation is laid for a future portfolio. The aware investors can simultaneously secure their financial futures and make a statement about what they feel is the appropriate conduct of the businesses in which they invest.

Change sometimes comes suddenly with little warning, but more often it is gradual. The movement away from traditional to sustainable investment may take time as well, if the movement is to be successful and profitable.

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