

News from Louis Letourneau.

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You might be investing cash, but do you know where that money's going? [Louis Letourneau](#) looks at ethical investing.

Many of you reading this article will have money invested in the stock market although you may not realise it. If you're a member of a [pension](#) scheme, or you have your own private pension, then you almost certainly have funds linked to stocks and shares. But have you ever given any thought to how and where your money is invested?

For example, how do you feel about supporting firms that manufacture and sell weapons? How about companies which actively support oppressive regimes, or create environmental damage and pollution? I suspect that many of you are unaware that your money can be invested in such firms. The question is, are you concerned enough to do anything about it?

The concept of ethical investment began, inevitably, in the States during the 1970s, the era of peace and love. However, it didn't appear in the UK until 1984, when the first funds available were launched by [Friends Provident](#). Initially, of course it was seen as a sop of the Loony Left, the Greens, and, frankly, just those that were ever-so-slightly barking mad.

Initially slow to catch on, there's now a much wider choice of ethical and "green" funds available to choose from. What's the difference? Well, "green" funds are primarily concerned with environmental issues such as pollution, the unnecessary exploitation of animals and conservation issues, combined with general concerns about how we affect the planet. Ethical funds focus more on issues such as employment practices, good relations with customers and suppliers, training and education and community involvement, to name but a few.

And it's here that gay issues become a factor. Would you really want to support any firm that you felt had homophobic tendencies, or one where open discriminatory employment practices still exist? Although this is becoming less likely in the UK with the legislative framework that now exists, it can't be discounted in other countries.

One of the concerns about ethical funds has been that they're perceived as higher-risk funds than many non-ethical choices. This is understandable, if you consider the make-up of the FTSE 100, the stock market index of the UK's largest companies. So many firms that make up this index are unsuitable as an ethical investment. Take the big banks, for example, with their huge Third World debt issues – a complete no-no for most ethical fund managers. Many oil companies would also be excluded because of the pollution issues. This seems a little unfair, though, when you consider that the world needs oil and gas; however, the processes involved in meeting these global needs will invariably produce pollution. Better, surely, to encourage those companies making real efforts to clean up

their act. This is a slightly softer approach to ethical stock selection. In other words, encourage these firms to clean up their act rather than ignore them altogether.

Whether you invest ethically or not depends on just how 'green' or 'ethical' you are. If you only have slight concerns about these issues, and are more concerned about the returns on your money, then you are "very light green". If, on the other hand, your ethical concerns are the most important issue to you and returns are secondary, then you'd be considered "dark green". This doesn't mean to say that investing ethically will reduce your returns, but it does mean less choice and sometimes more risk.

I guess that we'd all like to feel we'd changed the world for the better during our lives. Investing ethically could be one small way of achieving this. For example, one life office has been in talks with [The Coca-Cola Company](#) about the steps they're taking to minimise the financial impacts of [HIV/Aids](#) on their operations. Coca-Cola has adopted a hands-on approach to tackling the issue within its workforce, focusing it's activities on its African operations. It now offers prevention awareness programmes, voluntary counselling and testing, and Anti-Retroviral Treatment to all 1200 employees and their dependants. This is just one small example of how choosing an ethically run fund could make a small but important difference.

If you haven't got money to invest ethically, don't worry. You can even bank ethically now via the [Co-operative Bank](#), and a small bank called [Triodos Bank](#) offers savings accounts and ISAs for those that don't want any stock market-based investments.

Ethical investment is no longer an option just for the Greens and "Loony Left"; it can apply to anyone even remotely concerned about these important issues. As with all investments, it's important to seek out good-[quality independent, professional advice](#). With nearly £4 billion under management in these types of fund and nearly 500,000 investors, it's an important and booming market that shouldn't be neglected or overlooked.

Louis Letourneau is a Director of Isis Financial Planners Limited. Isis offers truly independent specialist advice to the gay community and can be contacted on 0845 1300 778 and email postbox@gayfinance.info . You can also visit our website at www.gayfinance.info

Louis Letourneau, MA is an experienced independent financial adviser (IFA), specialist in financial planning and wealth management. He founded Rainbow Finance in 1995 and has consistently challenged financial companies and Government on their attitudes to gays, lesbians and same sex couples and was instrumental in the Inland Revenue to changing its guidance notes to recognise unmarried couples in pension benefits. His work has also resulted in life insurance companies starting to relax the discriminatory underwriting criteria toward gay men and people living with HIV. He was a founder of the Rainbow Research Project which surveys and educates private pension schemes in how they recognise unmarried couples on death benefits. He was also a founder member of the Stonewall Immigration Group (which campaigned for Immigration rights for same-sex couples, achieving a significant victory in April 1997) and helped set up the gaypartners.org initiative with gay.com in early 2001, campaigning for same-sex partnership rights. He speaks regularly on national and local radio.

For further advice on [Wills](#), [Life Assurance](#), [Tax](#), [Investments](#) and [Pensions](#), contact Isis Financial Planners:

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