

Calling All Grandparents

It was one of those rare and precious moments. My eight grandchildren were all in one place at the same time. Looking at them made me realize how much I want to do everything possible to ensure that their world is a safer, saner and more sustainable place. Issues like our economy, global warming and the geopolitical hot spots are pretty potent stuff, and there are no quick solutions in sight. Let's keep reminding ourselves there are things we can do something about, and things we can't. The trick is knowing the difference and taking the action needed.

Going green with socially responsible investing is not only smart, but makes a great family project. Think about it: What if all grandparents gifted to grandchildren shares of companies or mutual funds with a special purpose? Many companies today are proactive in developing eco-friendly products and services, or there are numerous funds investing in them. You're taking action about our environment and global warming, and at the same time encouraging your grandchild to learn about investments. Perhaps even more important is that they are recognizing how investors can influence corporate values by voting with their dollars.

Traditionally, it's been thought that socially responsible investing (SRI), which includes eco-friendly investing, goes hand in hand with lower performance. Not so. Investors are now looking for companies of all sizes and sectors that use innovation to promote the safety and well-being of the environment. These companies are adopting environmentally sound business practices because they think such practices will have a positive impact on their bottom line, either through cost savings or market expansion. In fact, recent studies have suggested a high, positive correlation between companies that practice eco-efficiency and share price outperformance. Being green, innovative and profitable often go hand in hand.

Today, savvy investors are aware there are opportunities in many sectors, whether they buy individual equities or rely on the professional management of mutual funds.

Examples of innovative companies are all around us. Auto companies, at the forefront of "going green," have responded to the challenge of designing and producing fuel-efficient or alternative energy cars. Toyota's hybrid car, the Prius, made headlines with its emission-free motor to achieve fuel economy.

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Crocs, a manufacturer of footwear and apparel, has made a name for itself with its environmentally friendly manufacturing process. It uses only one material – croslite – so less energy is consumed. Crocs is also working on a recyclable shoe and, to its credit, the company encourages all of its employees to recycle everything in their office. Deckers is another shoe company that makes pure, environmentally friendly products. It is smaller companies like these that are attracting attention because of their environmentally sound business practices.

The new awareness that stakeholders are looking for environmentally friendly policies as well as products is changing the way businesses think. As the cost of energy rises, many companies will be building green buildings, knowing that the upfront cost may be 15% to 20% higher but that they will enjoy 30% lower operating costs year in and year out for the next 20 years.

Look around and you'll see daily examples of companies to research for potential investment. Given how tech savvy anyone over five is today, chances are your grandchild can get you all the data you need on eco-friendly companies and funds with a few keystrokes. It's a great project to work on together, keeping in mind the maximum amount in 2008 that you can gift is \$12,000 to any number of recipients – including your grandchildren.

A sampling of resources to check out:

Winslow mutual fund www.winslowgreen.com
 Green Money Journal www.greenmoney.com
 Domini Social Investments fund www.domini.com
 Parnassus Investments fund www.parnassus.com
 Trillium Asset management www.trilliuminvest.com
 Calvert Global Alternative Energy Fund
www.Calvert.com/AlternativeEnergy.com *

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