US SIF
The Forum for Sustainable and Responsible Investment

US SIF LETTER TO THE EDITOR, THE WASHINGTON TIMES
August 2, 2012

"Unsustainable investments: Democrats look to divert more money to liberal causes," (July 31) includes unfounded, inaccurate claims both about sustainable and responsible investing (SRI) and the recent GAO report on including an SRI Option in the Federal Thrift Savings Plan (TSP).

Over $3 trillion, or one in eight dollars, under professional management in the U.S. followed sustainable investing strategies at the beginning of 2010, growing more than ten times the rate of the broader universe of professionally managed assets over the previous five years. An increasing number of investment managers, mutual funds, financial planners and advisors, pension funds, foundations and other asset owners engage in SRI. Many corporations already offer SRI options to their employees. More than half of all states and many cities offer SRI options in defined-contribution retirement or public educational savings plans. The GAO report states that SRI demand is "…a global phenomenon and is growing in popularity in the US."

Additionally, the information in the GAO report, while including some challenges common to adding any new fund to a plan, notes that many institutions with an SRI option find that the cost, performance and administrative aspects of adding an SRI fund are in line with conventional funds. Specifically, the GAO noted that in 2010, "the costs of SRI institutional grade mutual funds were similar to their non-SRI counterparts." The GAO's regression estimates showed that SRI stock mutual funds performed better than their non-SRI stock counterparts in the 5- and 15-year timeframes.

Providing an SRI option for federal employees allows them to have access to the same kind of investment options offered to millions of other public sector and private sector employees.

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