

Healthy Portfolios, Healthy Environment - Recap



On May 14th, [Blue Summit Financial Group](#) hosted a workshop to highlight the impact that toxic chemicals have on the health of their clients' portfolios as well as our environment. Co-sponsoring this event was the [Environmental Health Coalition](#), a San Diego based non-profit organization dedicated to environmental justice. Blue Summit recognizes that the changing regulatory environment surrounding a number of chemicals presents both risks and opportunities for investors. Given the growing media attention to the health threats that toxic chemicals pose to ourselves and our children, this workshop was a chance to highlight how to avoid companies that ignore these risks while seeking opportunities in the changing landscape.

[Justin Martello](#), a financial advisor with Blue Summit, began by introducing the problem that many industries are facing today. Worldwide there are over 100,000 chemicals that have never been tested for safety and the average American is exposed to hundreds of these on a daily basis. As companies face a growing number of recalls and lawsuits from toxic exposures from their products, regulators have been moving quickly to protect consumers. California has seen recent laws designed to make both cosmetics and baby toys safer, but there is much more work to be done.

The global leader in these issues has been the European Union (EU) which has issued several directives designed to prevent companies from using harmful chemicals in everything from personal care products to electronics. As a result, US companies are now required to remove these chemicals from their ingredients if they want to be able to market their products to EU citizens. With a number of countries following the lead of the EU, US companies are facing "toxic lockouts" as they are being shut out of markets around the world.

As many of you may know, with risks there are usually opportunities. [Shane Johnston](#), another advisor with Blue Summit, discussed how toxic chemicals are creating huge opportunities for savvy investors who are staying abreast of these issues and how to find the responsible companies who are best mitigating toxic risks.

One such example of an opportunity exists in the building industry, where over 75% of all PVC used, considered the worst of all plastics from an environmental stand-point, goes into construction materials. Developers are finding safer alternatives to PVC. These safer alternatives are being used in carpets, upholstery, wall covering, roofing membranes, and office furniture. Executives purport not only a preference for these more environmentally-friendly products from their clients, but also a reduction in total life-cycle costs for producing and replacing these materials and a net positive on their bottom-lines.

We're seeing other exciting opportunities coming from the general consumer products sector. For example, baby bottles made without BPA are flying off the shelves in Canada right now and major retailers have recently banned all BPA baby bottles, quickly driving demand up for these types of safer milk-dispensing containers. Other consumables include PVC-free toys, and cosmetics made without carcinogens, mutagens, or reproductive toxins (CMRs).

Another industry that has experienced some major green moves in recent months is the cleaning products sector. Most notably has been Clorox' unveiling of their new Green Works cleaning line, endorsed by the Sierra Club, helping them tap into one of the fastest-growing market segments in the green niche. Other opportunities mentioned in the workshop dealt with electronics recycling and product packaging.

Taking these risks and opportunities of toxic chemicals into consideration in a portfolio is a process that is implemented when utilizing Socially Responsible Investments (SRI). This approach has been employed by values-based investors for decades but today more than ever individuals are seeing this way of investing as a smart business opportunity that can make financial sense, as well as ethical sense.

Attendees were then introduced to the [Environmental Health Coalition's](#) (EHC) Board Secretary Dan McKirnan. EHC has over 25 years of working on issues in San Diego and is one of the country's most successful grass-roots organizations focusing on environmental health. Dan told how the EHC is combattin toxic chemical issues locally and outlined some incredible past successes of the non-profit and invited activists to get involved with some current campaigns to make a difference.

Amidst this investor landscape of risks and opportunities, is the history of Blue Summit Financial Group. As explained by its founder and President, [Judth L. Seid](#), her firm takes a comprehensive approach to designing a financial plan and sees as crucial their specialty of integrating responsible corporate criteria as past of the investment plan.