
Heeding the Call for Ethical Investment Strategies

Presented By: Fr. Séamus Finn, OMI

INVESTING FOR
CATHOLICS



Index Funds Advisors
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Fr. Séamus Finn: Faith-Consistent Investing Consultant



- Former Chairman of the Board, and 23-year Member, Interfaith Center on Corporate Responsibility (ICCR)
- Director, Justice Peace and the Integrity of Creation for the Missionary Oblates of Mary Immaculate
- Member, Executive Committee of the International Interfaith Investment Group

Fonts of Catholic Tradition

- **Scripture:**
- **Tradition:**
- **Munus Magisterii:
Ordinary/Extraordinary**
- **Sensus Fidei**

Fonts of Catholic Tradition

- **Sensus Fidelium**
- **Positive View of Human Reason**

Major Themes Found in the Church's Social Teaching

- **Church/State:Church/Society**
- **Life and Dignity of the Human Person**
- **Call to Family, Community, Participation**

Major Themes Found in the Church's Social Teaching

- **Human Rights and Responsibilities**
- **Option for the Poor and Vulnerable**
- **Dignity of Work and the Rights of Workers**

Major Themes Found in the Church's Social Teaching

- **Solidarity; Subsidiarity; Common Good**
- **Care for God's creation: Ecological Vocation**

Economic Justice for All

“Individual Christians who are shareholders and those responsible within church institutions that own stocks in U.S. corporations must see to it that the invested funds are used responsibly. Although it is a moral and legal fiduciary responsibility of the trustees to ensure an adequate return on investment for the support of the work of the church, their stewardship embraces broader moral concerns. As part owners, they must cooperate in shaping the policies of those companies through dialogue with management, through votes at corporate meetings, through the introduction of resolutions and through participation in investment decisions. We praise the efforts of dioceses and other religious and ecumenical bodies that work together toward these goals. We also praise efforts to develop alternative investment policies, especially those which support enterprises that promote economic development in depressed communities and which help the church respond to local and regional needs. When the decision to divest seems unavoidable, it should be done after prudent examination and with a clear explanation of the motives.” (*Economic Justice for All*, # 354, *United States Catholic Bishops*, 1986)

Economic Justice for All

- **Responsible Investment of Assets**
- **Inclusive of Broader Moral Concerns**
- **Active Engagement with Corporations**

Caritas in Veritate

“The Church has always held that economic action is not to be regarded as something opposed to society. In and of itself, the market is not, and must not become, the place where the strong subdue the weak. Society does not have to protect itself from the market, as if the development of the latter were *ipso facto* to entail the death of authentically human relations. Admittedly, the market can be a negative force, not because it is so by nature, but because a certain ideology can make it so. It must be remembered that the market does not exist in the pure state. It is shaped by the cultural configurations which define it and give it direction. Economy and finance, as instruments, can be used badly when those at the helm are motivated by purely selfish ends.” (36)

Caritas in Veritate

- **Economic Activity is Part of Human Activity**
- **Markets Can Be a Positive Force**
- **External Influences on Market:**
 - **Culture**
 - **Greed**

Caritas in Veritate

Finance, therefore...now needs to go back to being an *instrument directed towards improved wealth creation and development*. Insofar as they are instruments, the entire economy and finance, not just certain sectors, must be used in an ethical way so as to create suitable conditions for human development and for the development of peoples. It is certainly useful, and in some circumstances imperative, to launch financial initiatives in which the humanitarian dimension predominates. However, this must not obscure the fact that the entire financial system has to be aimed at sustaining true development. Above all, the intention to do good must not be considered incompatible with the effective capacity to produce goods. Financiers must rediscover the genuinely ethical foundation of their activity, so as not to abuse the sophisticated instruments which can serve to betray the interests of savers. Right intention, transparency, and the search for positive results are mutually compatible and must never be detached from one another. (65)

Caritas in Veritate

- **Finance as an Instrument for Good**
- **Small Sectors Can Be Exemplary**
- **Right Intention, Transparency and Positive Results are Compatible**

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Caritas

The encyclical recognizes the growing need for greater *social responsibility* on the part of business and that “*business management cannot concern itself only with the interests of the proprietors, but must also assume responsibility for all the other stakeholders who contribute to the life of the business: the workers, the clients, the suppliers of various elements of production, the community of reference.*” Concern for the treatment and well being of these stakeholders must also be priorities in the evaluation and monitoring done by the investor. (40)

Caritas

- **Social Responsibility of Business**
- **Well Being of ALL Stakeholders:**
 - Workers
 - Clients
 - Suppliers
 - Local Communities

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