

Investment

Continued from page 1

cial responsibility in business 18 years ago, he was labeled a communist, he noted in an October, 1989, interview in *Salt* magazine. Now, he observed, colleges regularly offer courses in business ethics.

As ethics in business became an issue, socially responsible investing became more common. Bratcher estimated that in 1985, approximately \$40 billion was invested in some form of socially responsible investment. Today, she said, \$500 billion is invested in these funds.

That figure represents only a small part of the trillions of dollars invested around the world, but the call for such socially responsible options has grown so much that even such investment giants as Merrill Lynch Peirce Fenner & Smith, Inc., are now offering socially responsible plans for investors.

One of the pioneers in the field was the Calvert Group of Washington, D.C. In 1982, the company began to offer socially responsible investment funds, in part to dispel the idea that such investing produces smaller returns than conventional investing.

According to the Steve Schueth of the Calvert Group, that simply has not proven to be the case.

Schueth pointed out that over the past five years, for example, the company's managed growth fund has averaged profits of 15.7 percent annually. The industry average for all growth-fund accounts during the same period was 15.1 percent.

Calvert now offers six separate socially responsible funds, with total assets of more than \$650 million, Schueth said.

Students 'play' stock market

By Rob Cullivan
Staff writer

ROCHESTER — Eighth-graders at St. Thomas the Apostle School will never again look down on their younger schoolmates after playing a 10-week stock-market game in which the third-graders consistently did better than their upperclass rivals.

"In some things, the eighth-graders don't have to help us," remarked third-grader Carrie Hobbins as her class discussed its relatively successful role in a statewide contest sponsored locally by Gannett Rochester Newspapers and nationally by the Securities Industry Foundation for Economic Education.

Concluding last week, the contest drew 240 area teams from dozens of schools in nine counties and included the Catholic schools of Aquinas Institute, Holy Rosary in Rochester and St. Agnes in Avon.

Each school chose the makeup of its teams, noted Graham P. Annett, Gannett's sales-development manager. Some schools, including St. Thomas, formed teams from entire classes, while other schools fielded as many as 40 separate teams averaging five students each, he said.

The entry fee of \$20 covered the cost of materials for each team, which was "given" \$100,000 and allowed to "borrow" additional funds from the Stock Market Game, which was coordinated by Darius J. Conger, director of the Center for Economic Education at Syracuse's LeMoyne College.

In creating and managing the funds, the company carefully examines corporate policies and the products they produce. Thus, Scheuth observed, a company such as Eastman Kodak Company would not be included in any of Calvert's portfolios because of its history of business with South Africa and because of its poor environmental record.

Monitoring companies is an ongoing process, Father McMahon noted, pointing to the recent example of Baxter International, Inc., the world's largest hospital supplier.

The *Wall Street Journal* of May 1, 1990, contained a report that Baxter had sold its plant in Israel last year, and is currently building a new plant in Syria. The report alleged that the company made the change because the Arab League had placed it on a list of boycotted companies that do business with Israel, thus depriving Baxter of profits from Arab nations. After the company closed its Israeli plant and began construction of its Syrian one, it was removed from the boycott list.

"Do you invest in a company like that?" Father McMahon mused. "Do you invest in a company that invests in Arab boycotts?"

Church groups that do invest are faced with such choices. In addition, when opting for socially responsible investing, they are faced with three possible paths.

The first is simply to choose not to invest in any company that engages in unacceptable practices — such as doing business with South African concerns or producing nuclear weapons.

A second option is to invest in companies that are socially responsible — such as those searching for alternative forms of energy, or those that engage in enlightened

employee policies — as a way to support them in their efforts and to encourage other companies to follow their examples.

The third option, and by far the most active, is to use investments as a means to get votes at stock meetings, and to use those votes to push for changes in company policies.

Thus far, the Diocese of Rochester has opted to follow only the first path.

In 1989, for example, the diocesan Finance Council recommended to Bishop Matthew H. Clark that he direct diocesan portfolio managers to liquidate investments in companies with connections to South Africa. Portfolio directors for parishes and church institutions located in the diocese were urged to adopt the same resolution.

Father Peter Bayer, diocesan chancellor, noted that in managing its portfolio in this way, the diocese was being socially responsible and practicing good stewardship as well.

"We really have a responsibility to conserve some of our resources for future generations of Catholics," Father Bayer said.

In fact, interest income from much of the diocesan portfolio is earmarked for specific purposes, and thus cannot be used freely by the diocese, Father Bayer pointed out.

Of the more than \$7 million in the portfolio as of July 17, 1989, approximately \$2.2 million came from the sale of St. Bernard's Seminary. Interest from this money is designated, in part, for use by the diocesan diaconate and the priests' sabbatical programs. An additional \$1.7 million of the diocesan portfolio is set aside as the diocesan insurance reserve to cover liability insurance needs.

Although such efforts may satisfy some critics of church involvement in the financial world, other still do not accept the notion that investing can be a normal part of church life.

From its beginnings in 1932, the Catholic Worker movement has rejected investment of any sort. In fact, members of the movement are harshly critical of the current economic system and the church's involvement in it.

"Our economic system at the moment is based on usury," declared Katherine Temple, co-editor of the *Catholic Worker*, the newspaper of the New York Catholic Worker. "Wall Street is based on usury."

As for the church, Temple said, "I don't know how certain religious groups understand their religions. What are church groups doing investing at all? How can that be squared away with the traditional teachings about usury?"

Temple pointed to Third World debt and the U.S. farm crisis as proof that our in-

vestment-based economic system is hurting people. "There is injustice in the system," she said. "It produces injustice for the poor."

Father McMahon acknowledged that current practice does not fit in with what is taught in the Scriptures. "If you take the Scriptures literally, you'd have a tough time with (investing)," he said.

The problem, Father McMahon said, is that Jesus did not clearly delineate any economic policy. "You have to take a stand on the intention behind what Jesus said," he noted.

Jesus obviously stressed social justice, but how that criteria is applied to investing is up to the individual, Father McMahon said, remarking, "It's pretty much up to us and how we interpret it."

One individual who has interpreted the teachings more strictly than most in the contemporary church is Father James Callan, administrator of Corpus Christ Parish in Rochester. When he became the parish's administrator in 1978, his first action was to sell all the parish's stocks and bonds. The parish has made no investments since that time.

"It allows us to be more reliant on people's generosity, knowing that we have no endowments, no extraneous support for our ministries," Father Callan said. "I see it as trying to move towards an ideal of relying more on God."

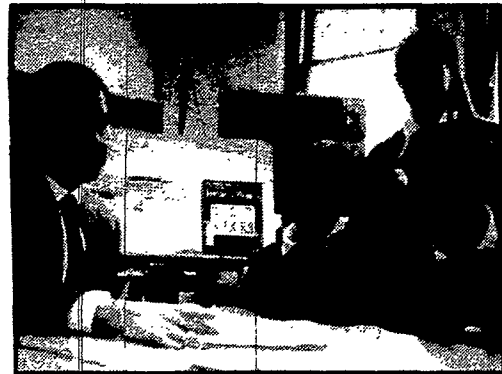
Father Callan said that over the years he has spoken with pastors whose parishes have large investments, "and they tell me it kills the spirit of the parish." Parishioners argue over what should be done with the investments, he said, and others ask, "Why give (to the parish) if it has a lot of money invested?"

Corpus Christi, in fact, has survived solely on donations for 12 years, while developing a number of outreach ministries and an annual budget of approximately \$800,000.

"We need to address the materialism of the church," Father Callan observed. "True, we need money for worship, for mission, but the church changes after getting caught up in finances. We have to be as clean, as pure as we can be if we are to challenge the materialism of society."

Such voices remain few, however. For the majority of church leaders, the question still comes down to proper stewardship of the resources given the church.

"In our diocese, there are so many needs we cannot fund because of the level of resources," Father Bayer said. "I really think that being stewards call us to planning, to saving enough for church ministry."



Thomas P. McNamara (l.) advises St. Thomas students buying stock.

The teams were only allowed to trade in stocks listed in SMG's Code Booklet, and all transactions were made on the basis of the previous day's closing prices, which the students found by reading the newspaper each morning. The teams mailed their transactions to Conger, who sent back regional and state rankings of the teams to the schools on a weekly basis.

Teams were grouped and ranked by high school, intermediate and elementary categories, although teams also competed for general rankings on a state and regional level.

The rankings listed only the schools from which the leading teams originated — not the classes from which they were drawn. So after the Rochester contest's first-week general ratings came out, the third-graders thought the eighth grade had beaten them when the two St. Thomas teams were listed as second and fifth

Continued on page 22

Leviticus

Continued from page 1

About 80 percent of Leviticus loans go to such housing ventures as emergency shelters and cooperative home ownership, noted George Schmitz, Leviticus' executive director. The remaining 20 percent of the fund's debtors include such efforts as the New Haven health center and sheltered workshops, he said.

Clark noted that her health center has no equity and leases its original building from the state. Hence, she said, despite its financial soundness, the center — which often serves uninsured patients — was not a good candidate for an expansion loan.

"It's kind of soft in New Haven in terms of loans," Clark said of the economy in

her area. Instead of applying for a bank loan, the center decided to request a \$50,000 Leviticus loan, which was granted.

"It comes at absolutely the right time for connecting ... the renovations between the two buildings," Clark said, noting that the center also used the loan to buy the adjacent building.

Unlike the health-care center's original building, the adjacent facility is not handicapped-accessible, and the walkway will enable the center to serve handicapped patients in both buildings, she said.

EDITOR'S NOTE: For information on becoming an investor in the Leviticus Fund, contact Brother Lawrence Atkinson at 914/941-9422 or write him at Mariandale Center, Box 1200, Ossining, N.Y., 10562.

Call 723-8760

Personalized to meet your needs:

- Companionship
- Respite Care
- Senior sitting
- Transportation
- Shopping
- Light Cleaning

SFS
SERVICES for SENIORS

Reasonable Rates!
Fully Insured. Bonded

1100 Long Pond Rd. Suite 3

MOTHER'S DAY
Huge Selection of Flowering Plants

- Fushias
- Azaleas
- Hibiscus
- Geraniums
- Impatiens
- Pansies
- Begonias
- Mums
- Violets

Tirabassi Farm Market
5575 W. Henrietta Road 334-6890
Hours: Mon-Fri, 9-8; Sat & Sun, 9-6

ORGANIC TOPSOIL

40 lb. Bag \$1.29/bag with coupon
Reg. \$1.99 10 Bag Limit

Expires 5/13/90