

# Conversation Starters

Conversations on ESG begin with you. This guide, coupled with our **Client Values Checklist**, are designed to help you identify interested clients and get the ESG conversation started today.

*Our research shows investors are interested in ESG Investing. In fact, 85% of those surveyed said they were open to the idea of discussing ESG investments with their advisor.*

*As with Financial Planning overall, there is a lot of information, and clients are looking to you for education and guidance. That point is key, especially when it comes to ESG investing, as 69% of the investors we surveyed preferred it if their financial professional were to raise this topic first by initiating a conversation.*



Initiate the discussion using the approaches outlined in this guide.



## Action Steps for Financial Professionals and Their Teams

- Educate yourself and your team on ESG Investing through our Candriam Academy.
  - An innovative online platform of inspiring and actionable content designed to raise the awareness, knowledge and importance of ESG Investing to financial professionals and the general public alike.
  - Offers CE credits for completion.
- Plan your virtual client education event calendar to include at least one educational event on an ESG Investing topic.
- Review your existing top clients to determine with whom to begin these conversations.



## Where to Begin with your Clients

- ESG factors are important to consider when constructing your client's portfolio. You have an opportunity to align their investments to their passions and interests, while still generating a financial return.
  - Is there an opportunity to introduce fun and social client events that align with these interests?
- Connect with your existing client's family to gauge their interest in ESG.
- Introduce concepts of ESG Investing from news outlets to start the conversation either verbally, in email or on social media.
- Leverage data points and performance results to help provide financial context to this conversation.
- Be direct. Your clients look to you for information and opportunities.



## Discussion Entry Points

The values your clients live by can strongly influence their investment decisions, so getting to “know their heart” can be the key to letting their passions help shape their portfolios.

Perhaps they volunteer for charitable organizations or make frequent donations to specific causes. Maybe they sit on a non-profit board of trustees. If you can discover what they do to express their interest in environmental protections, social issues, or corporate responsibilities, you may be tapping into emotional motivators that could help move your clients to invest with ESG principles in mind.

Use the Client Values Checklist as a starting point and consider the points below to help jumpstart more engaging ESG discussions with your clients.



**According to our research, 53% of the population would fit into the values-driven consumer profile.**

- ESG considerations can affect purchase behavior, such as buying products that are manufactured using an environmentally sound process, or buying products that are more sustainable and use sustainable materials.



**91% of values-driven investors say that social views will have an impact on future investment decisions.**

- Identify strong, motivating values that your clients hold (the Client Values Checklist can be a helpful tool for this process).
- Evaluate the types of companies that are currently in your client’s portfolio.
- Identify opportunities to make investments that are consistent with your client’s most deeply held values.
- Determine your client’s objectives in terms of investment return—and then set expectations for the potential long-term performance of an ESG-aligned portfolio.
- Consider integrating client values and ESG principles into the investment planning process going forward.

Impact investing and/or Environmental, Social and Governance (ESG) managers may take into consideration factors beyond traditional financial information to select securities, which could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. Further, ESG strategies may rely on certain values based criteria to eliminate exposures found in similar strategies or broad market benchmarks, which could also result in relative investment performance deviating.

Insights presented in this report are derived from a 2019 study conducted by New York Life Investments in partnership with RTi Research.

The study employed both qualitative and quantitative methods to determine the degree of importance investors place on environmental, social and governance issues and how these issues impact their investment decisions in the U.S. (Sample size: N=594).

The Advisor Advancement Institute is a program within New York Life Investments. “New York Life Investments” is both a service mark, and the common trade name, of certain investment advisors affiliated with New York Life Insurance Company.



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