



# MINDFUL MONEY



**Barry Coates** explains how his new charity is helping New Zealanders choose KiwiSaver funds that are good for nature as well as their retirement nest egg.

Most New Zealanders are starting to change their behaviour to reduce emissions and environmental damage. More of us walk, cycle, use public transport, or aspire to own an electric vehicle. We make efforts to reduce packaging, recycle, and take bags when we go shopping. We look at labels to avoid unsustainable and unhealthy food.

But there is one important area of our life where few of us act – our money. The hidden secret is that most New Zealanders are unknowingly supporting environmental pollution and exploitation through their finances. For example, \$1.2 billion of our hard-earned KiwiSaver funds are invested in fossil fuel companies.

Why is this happening? One reason is that historically investment and banking has been about “rates of return” and “risk”, but not about the consequences of how money is used. In search of bigger returns, investment has flowed into companies that pollute the environment, exploit workers, and hide their profits in tax havens. The finance sector is complicit – it has ignored the consequences and hidden the evidence.

It’s a popular saying that “money makes the world go round” and, like it or not, that’s all too often the case. But in reality, we are the ones who own a large share of that finance through our pension funds, investments, and

bank savings. It is our decisions that determine whether our environment is destroyed or restored. I think this is one of the great revolutions in our thinking about sustainability.

Last year, my new charity Mindful Money surveyed the public. The survey found that most people want to invest ethically, but they don’t. It has been too hard. Respondents said they lack objective information and they didn’t have time to compare options. We heard stories of people with finance degrees who tried to figure out the options but gave up. This is why I decided to do something to make it easier.

I started Mindful Money as a way of channelling money into doing good instead of harm. I assembled a research team to map out where all of the 265 KiwiSaver funds invest their money. We matched the companies against those in sectors that New Zealanders want to avoid – like fossil fuels, palm oil, weapons, human rights violations, and animal cruelty.

Now anyone who visits our new website can see how much of their KiwiSaver goes into those issues and which companies they’re supporting. It is radical transparency applied to our KiwiSaver funds. And it’s free!

We also undertook research on ethical funds to find those that not only claimed to be ethical but could back

in 2016, but weren’t satisfied with the company’s response, so we changed to Kiwibank.

Forest & Bird believes that, if enough people demand responsible investment practices, it could change the way this country, and the world, does business. It’s one reason

that up with evidence. We have chosen 26 funds from 10 KiwiSaver providers. They use different approaches to investing responsibly, such as excluding harmful companies, choosing better companies, and engaging with companies to improve their standards.

These approaches suit different investors. So it is important that you can match your investment preferences with your risk profile and your values. The Mindful Money Fund Finder tool helps you find the fund that’s right for you.

The final piece of the jigsaw is about financial returns. People are rightly concerned about the costs of investing ethically. But the research shows that, on average, returns from investing ethically are as high or higher than from conventional investing. Most people know this already – the most trusted companies are those that take sustainability seriously. They are the companies with loyal customers, motivated employees, and no environmental liabilities or scandals. It’s no surprise that they earn good financial returns.

We can feel good about avoiding fossil fuels and other concerns, and we can earn good returns. So why not check your KiwiSaver on Mindful Money today? It’s easy to switch funds if you aren’t happy with how your money is invested. This is a powerful action we can take to help re-direct funds towards sustainability, and help address the climate emergency and global biodiversity loss.

This wave of change is growing. People are taking back control of their savings and using their money mindfully. See [www.mindfulmoney.nz](http://www.mindfulmoney.nz).

Barry Coates is founder and CEO of Mindful Money. He has been active in ethical investment since the early 1990s, was head of Oxfam New Zealand from 2003 to 2014, and briefly a Green Party MP in 2016–17. He received the sustainability champion award from Sustainable Business Network in 2016.



## I MADE THE SWITCH

Tobi Conway jumped online to check out Mindful Money and made the KiwiSaver switch as a result. “When it came to finding a KiwiSaver fund, I’ll admit I was a bit disinterested. Not because I’m not concerned about retirement, but because the whole process seemed unnecessarily complicated,” says Tobi.

“Finding information about the performance, fees, and where the funds were invested felt like a huge task. I basically went with the path of least resistance and ticked a default scheme and forgot about it for a few years, even though I’m passionate about climate change and our wild places.

“But I became aware that my money was being used by companies that I really dislike, and so I wanted to switch. I heard about Mindful Money and went onto its website. Within a short time, I found the ethical KiwiSaver fund that I wanted, not only for myself but also for my partner and kids as well. And I liked the idea so much I applied for a job at Mindful Money!”

Tobi is now spreading the word about Mindful Money as its new marketing manager.

I used [www.mindfulmoney.nz](http://www.mindfulmoney.nz) to check my KiwiSaver fund and was surprised to find 10% of it was invested in fossil fuel, gambling, alcohol, palm oil, GMOs, human and environmental rights violations, and animal testing.

I was able to find a better KiwiSaver fund by using Mindful Money’s online search function, which suggested

the Caresaver Conservative Fund, Simplicity Conservative KiwiSaver, and two Mercer KiwiSaver schemes.

Mindful Money’s search function allowed me to rank my concerns and specify acceptable risk level, fees, returns, and length of investment to find an alternative environmentally friendly fund. It was a great tool, simple and easy to use.

**Caroline Wood, Forest & Bird Editor**

**Investments of concern:** The chart below shows how much of your fund is invested in issues of concern. Note that some providers use the approach of engaging with companies to improve their practices, instead of excluding them (see “Higher Standards” category). please also note that the total score may include the same company appearing in more than one category.



## WE MADE THE MOVE

Forest & Bird moved its bank accounts from ANZ last May because of serious concerns over the bank’s investments in fossil fuels. We asked ANZ for a fossil fuel divestment plan

why we are a cornerstone supporter of Mindful Money.

Chief executive Kevin Hague says: “Without knowing it, most people have invested in fossil fuel companies, but the Mindful Money website allows them to look at where their money is invested and to be able to choose a better fund.

“It’s a powerful free and independent tool that has the potential to change corporate behaviour and encourage them to improve environmental and other outcomes.

“I urge our members to check out their KiwiSaver fund, and make the switch.”