



Friday, April 24, 2020

Week in Review, April 24, 2020

SRI Wealth Management Group

Special Focus: Food Supply, Earth Day, and ESG Investing

Congress passed a \$484 billion stimulus bill this week ([Washington Post](#)), providing more provisions for small businesses after the \$350 billion in small business association loans were exhausted last week ([NBC](#)). This week's bill also includes provisions for hospitals systems and for testing. The new bill brings the total fiscal stimulus passed to help with the economic effects of the corona virus to nearly \$3 trillion. Meanwhile, realizing it was lacking in some much needed oversight as to which companies were receiving small business loans, the Treasury department asked publicly traded companies that received small business loans to repay them. Naturally, these loans were not intended for public companies with the scale and resources to weather this storm, including access to public capital markets ([WSJ](#)). One question on many minds is whether more stimulus may follow, this time with additional support for states and municipalities, as well as for individuals. Nearly 4.4 million people filed jobless claims this week, bringing the total in the last month to 26 million.

After a rally for the last two weeks, markets fell in the early part of this week as oil prices plunged to new lows ([AP](#), [NYT](#)) and as corporate earnings season progressed. Some of these losses were recovered in the second half of the week as the stimulus bill made its way through the Senate and the House. Markets ended the week down, with the S&P 500 down 1.3%, the DJIA down 1.9%, and the NASDAQ down 0.2%. To provide some longer term perspective, the S&P 500 is down 12.2% year to date and down 3.1% for the last 12 months, but up 13% since the beginning of January 2019.

On Sunday, 60 Minutes aired an excellent piece about the impact of the pandemic on the food supply chain and efforts being led by renowned chef, Jose Andres, to get food to Americans who need it. The piece focused on both those who are out of work and in need of help, as well as

the broader implications of the pandemic on the supply chain. Mr. Andres provides interesting perspectives on how we can use the infrastructure already in place to keep more people in the supply chain employed, as well as to better use the “waste” resulting from U.S. farmers having fewer buyers for what they have produced ([CBS](#))

This Wednesday marked the 50th anniversary of Earth Day. Over 5 million people tuned in online for Earth Day celebrations with speakers including celebrities, experts, and activists. This profile piece on the first Earth Day organizer Denis Hayes tracks his incredible ongoing contributions to saving our planet. Earth Day launched many efforts that birthed strong legislation and a sense of urgency ([NYT](#)). If you did not get a chance to tune in, check out [Earth Day Live](#) to get a sense for the agenda and see the recordings which will be posted soon.

In line with our team’s focus on the long term benefits of investing with environmental, social, and governance principles in mind, recent research has shown that doing so has generated outperformance in the short term during the ongoing pandemic. Here are some of the highlights:

- In the first quarter of 2020, 24 of 26 ESG-tilted index funds outperformed their closest conventional counterparts and during March, 62% of ESG-focused large-cap equity funds outperformed their comparable conventional index, according to [Morningstar](#)
- In 2020, 59% of U.S. ESG ETFs are doing better than the S&P 500 Index, while 60% of European ESG ETFs have beat the MSCI Europe Index, [according to Bloomberg Intelligence](#)
- [Research from Bank of America](#) found that the top 50 most overweighted stocks by ESG funds had outperformed the most underweighted by more than 10 percentage points

Stay safe and healthy. As always, please reach out to us with any questions or commentary!

Weekend Reads

RBC [Global Insight Weekly April 23, 2020](#)

RBC [Special Report: Mixed Signals](#)
NYT [How to help those in financial need](#)
ABC [Gov. Newsom calls on all able Californians to volunteer](#)
NYT [Experts say virus testing needs to triple](#)
Reuters [Former dog breeder named as head of pandemic task force](#)
Reuters [Learn who is behind the protests to reopen the economy](#)
CNN [California and the coronavirus](#)

*Written by Thomas Van Dyck, Catherine Chen, and Michelle Levy
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