

PRESBYTERIAN PANEL SUMMARY

— Listening to Presbyterians —



SOCIAL ISSUES IN INVESTING AUGUST 1995

	Members	Elders	Pastors	Specialized Clergy
Number of Panelists	1,086	1,080	1,136	609
Number of questionnaires mailed	714	723	809	432
Percent returned	66%	67%	71%	71%

Questions for the August Presbyterian Panel questionnaire were developed in cooperation with Mission Responsibility Through Investment (MRTI) Committee members and staff. MRTI is part of the National Ministries Division of the Presbyterian Church (U.S.A.). Questions asked panelists about their opinions on and their experiences with the use of criteria for socially-responsible investing, both in their private lives and as representatives of the church, and about ethical issues in the workplace.

THE TERM “SOCIALLY-RESPONSIBLE INVESTMENT” DEFINED . . .

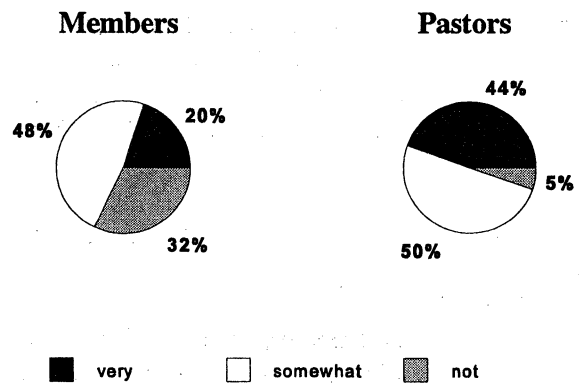
Because we felt that not everyone would be familiar with “socially-responsible investment,” nor would all who have heard the term understand it the same, we defined it for purposes of the Panel questionnaire as follows: “the concept of letting non-economic factors—personal, religious, moral, social—guide investment decisions.”

. . . AND FOR GOOD REASON: MANY ARE NOT FAMILIAR WITH IT

Our assumption seems justified, since a third of members and elders indicated they were “not familiar” with the term “socially-responsible investment,” and only a fifth indicated they were “very familiar” with it. Higher rates of familiarity were reported in both samples of clergy. (See Figure 1.)

Consistently, both laity and clergy agree that there has been little discussion of “the relationship between Christian faith and values, on the one hand, and the

**FIGURE 1
HOW FAMILIAR WITH
SOCIALLY-RESPONSIBLE INVESTMENT?**



issue of socially-responsible investing,” on the other, in their congregations over the last two years. For example, only 5% of members and 6% of pastors indicated that such a subject had “often” been mentioned in sermons, while 40% of members and 32% of pastors indicated this subject had “never” been mentioned in sermons.

MANY PANELISTS ALSO UNFAMILIAR WITH MRTI COMMITTEE

Even fewer panelists are familiar with the committee of the Presbyterian Church (U.S.A.) that implements the General Assembly's policies on socially-responsible investing, the Mission Responsibility Through Investment (MRTI) Committee. Only 10% of members and 14% of elders indicated awareness of this committee. While considerably higher, the awareness rates among pastors and specialized clergy (at 54% and 53%, respectively) were not as high as might be expected.

MOST VIEW HUMAN RIGHTS AND ENVIRONMENTAL VIOLATIONS, AND INVOLVEMENT IN ARMS, TOBACCO, AND GAMBLING AS IMPORTANT SOCIAL SCREENS . . .

Familiar or not with the term, there is evidence that many Presbyterians would consider social criteria in the process of making investment decisions. Given the charge to invest a \$10,000 windfall to their congregations, large majorities in every sample (at least 74% and in most instances over 80%) reported they would be "less likely to invest" that amount in a company that is a "major producer of weapons systems and armaments," "actively does business in a country noted for human rights violations," is a "major producer of nuclear weapons," is a "major producer of handguns and assault rifles," is a "major producer of tobacco products," is a "major provider of gambling devices or an operator of gambling venues," or has been "often cited by courts for air or water pollution." Slightly smaller majorities in every sample (65% to 76%) indicated that they would be "less likely to invest" the money in a company that is a "major producer of alcoholic beverages" or one that pays "its top executives . . . 'exorbitant' salaries."

. . . BUT OPINIONS VARY ON NUCLEAR POWER, LABOR-MANAGEMENT ISSUES

The near-consensus falls apart, however, over two issues: nuclear power generation and labor-management relations. Only about one-third of panelists would be "less likely to invest" in a utility company because it generates power by nuclear means.

As for labor-management issues, 50% of pastors and 61% of clergy indicated that they would be "less likely to invest" in a company that "has successfully prevented unionization of its workers." Comparable

responses among members (38%) and elders (41%) were lower.

LARGE MAJORITIES OWN STOCK, MUTUAL FUNDS

Around six in ten pastors, and two-thirds of the other samples, reported that they own shares of stock, either directly or through one or more mutual stock funds.

SIZABLE MINORITIES HAVE BOUGHT, SOLD, OR AVOIDED STOCKS BECAUSE OF CONCERNS ABOUT SOCIAL ISSUES . . .

Overall, around one in seven members and elders, one in six pastors, and one in four specialized clergy reported that they have either "bought or sold shares of stock in a corporation" because of concern as to its "actions on social issues." Interestingly, higher proportions in every sample—ranging from 23% of members to 33% of specialized clergy—indicated that they had "deliberately avoided buying a stock or bond" for reasons of social issues. Similar proportions also report having "deliberately avoided buying" shares in particular mutual funds for these reasons.

. . . WHILE EVEN MORE HAVE BOYCOTTED CORPORATIONS TO PROMOTE SOCIAL ENDS

Many panelists have also taken more direct actions to influence corporations, in particular, through boycotts and shareholder voting. Over one-half of both members and elders (52% of each), two-thirds of pastors (69%), and three-fourths of specialized clergy (75%) indicated that they have, on their own, "boycotted the products or services of a corporation." Somewhat fewer, ranging from 27% of members to 64% of specialized clergy, reported having boycotted a corporation as part of an organized effort. (Note that someone could have done both of these activities.)

MANY CONGREGATIONS HAVE ENDOWMENTS INVESTED USING SOCIALLY-RESPONSIBLE CRITERIA

Fully 63% of pastors reported that their congregations have endowment funds. Of this subset, almost one-half—44%—indicated that at least some of these endowed funds were invested using socially-responsible investment criteria. The proportion may actually be greater, since 28% of these pastors responded "don't know" to the question of whether or not socially-responsible criteria were used.

DEMAND EXISTS FOR RESOURCES ON SOCIALLY-RESPONSIBLE INVESTING, BOTH FOR CONGREGATIONAL USE . . .

Sizable proportions of panelists, including majorities of both clergy samples, reported that it is “very likely” or “somewhat likely” that they themselves would recommend to their congregations the following kinds of resources on socially-responsible investing (combined proportions of pastors responding “very likely” or “somewhat likely” are in parentheses): “a list of guidelines for socially-responsible investing (updated annually)” (74%), “lists of socially-responsible mutual funds and other investment opportunities” (71%), “a sample policy for socially-responsible investing” (68%), “materials for a short-term study group” (60%), “a video” (60%), and “a compendium of PCUSA pronouncements and actions” (54%).

. . . AND FOR INDIVIDUAL USE

Similarly large proportions indicated that they would *personally* be likely to use “information on current issues in socially-responsible investing” (59% of members and 70% of pastors responded either “very likely” or “somewhat likely”), “lists of socially-responsible mutual funds and other investment opportunities” (62% and 76%, respectively), and “a list of corporations whose stocks General Assembly recommends current shareholders sell and potential shareholders avoid” (50%; 65%).

MANY PANELISTS SUPPORT ACTION BY CHURCH GOVERNING BODIES WHEN CORPORATIONS ARE NOT SOCIALLY RESPONSIBLE

We asked panelists whether or not, in their opinions, it is appropriate for each of three church governing bodies (the session, the presbytery, or the General Assembly) to take or call for certain actions regarding corporations or investments in the cause of social responsibility. In general, the particular proposed action was more critical to panelists’ opinions than which governing body approved it. Also, both samples of clergy were more likely to approve of each action than were either members or elders.

More specifically, majorities in all of the Panel samples indicated it is appropriate for the General Assembly to take the following actions when its commissioners believe that a “corporation’s policies or practices are *not* socially responsible”: make a direct appeal to the

corporation’s management/directors (range: members, 59%; specialized clergy, 87%); encourage individual Presbyterians to make personal appeals for change to management or directors (range: members, 53%; specialized clergy, 84%); encourage any Presbyterian stockholders to use proxy voting to address this issue (range: members, 54%; specialized clergy, 83%).

PANELISTS AGREE WITH ACTIONS TAKEN BY GENERAL ASSEMBLY ON SOCIALLY-RESPONSIBLE INVESTING

Large majorities of panelists in every sample agreed with many of the specific actions that General Assemblies have taken in regards to socially-responsible investments, including past calls for the PCUSA *not* to invest in: the ten largest tobacco companies, the ten largest military contractors, corporations that receive over 25% of their sales from military contracts, and manufacturers of key components of nuclear warheads. At the same time, even larger majorities, ranging from 82% of members to 92% of both clergy samples, agreed with General Assembly actions that have “pledged to use the PCUSA’s investments . . . to seek changes in corporate policies in line with General Assembly mission goals, including: pursuit of peace; racial, social, and economic justice; securing women’s rights; and environmental justice.”

MORALITY, GOD ARE TOP FACTORS IN WORK-RELATED DECISION MAKING

Faced with a tough decision on their jobs, at least 96% of panelists in every sample reported that they would give “major consideration” to what they thought was “morally right.” Almost as many would give “major consideration” to “trying to obey God,” including 82% of members, 89% of elders, 96% of pastors, and 95% of specialized clergy.

MOST WOULD TURN TO BOSSES, FELLOW EMPLOYEES TO DISCUSS ETHICAL DILEMMAS AT WORK

A majority of panelists in every sample reported that they were “very likely” to “talk with your boss or someone else higher in the organization” if they were “facing an important ethical dilemma at work.” Responses range from 55% of pastors to 59% of specialized clergy. Most other panelists chose “fairly likely” as their responses, so that, combined, just under 90% in every sample indicated that they would be likely to consult with their bosses on such a matter.

Similarly large proportions (82%, members and elders, 89% pastors) were either “very” or “fairly likely” to “talk to fellow employees” about an ethical dilemma at work, although almost as many members (76%) and elders (75%) indicated that they would “make the decision mainly by paying attention to your own feelings.”

SOME PANELISTS ADMIT TO ETHICAL LAPSES AT WORK

Around two-thirds of panelists in every sample *disagreed* with the statement, “It is okay to bend the rules sometimes at work.” Since another one in ten panelists responded “don’t know,” that leaves about one-fourth of all panelists who agreed that bending the rules at work on occasion may be acceptable (e.g., 24% of elders, 29% of specialized clergy). Both pastors and specialized clergy are also *less* likely than members and elders to agree with the statement, “I always behave ethically in my work.”

MINISTERS, LAITY AGREE: CLERGY ARE *NOT* OUT OF TOUCH WITH THE “REAL WORLD”

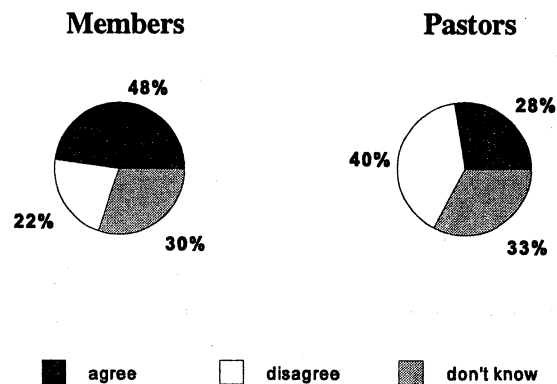
Are clergy out of touch with the “real world” outside of the church? Only a minority of panelists agree with the statement, “Members of the clergy have very little understanding of what it is like in the real workaday world,” ranging from 24% of members to 28% of elders. The responses of pastors and specialized clergy are almost identical, as 26% of both samples also agreed with the statement. In fact, two-thirds of pastors (67%) and specialized clergy (66%) *disagreed* with this statement, as did 54% of members and 53% of elders.

PRESBYTERIANS IN AGREEMENT ON GOD’S CONCERN FOR STEWARDSHIP

Panelists expressed almost universal disagreement in response to the statement, “God doesn’t care how I use my money,” ranging from 90% of members to 99% of

pastors. Nevertheless, other economic questions resulted in less consensus. To the statement, “The poor are closer to God than rich people are,” about two-thirds of every sample responded in disagreement, and most of the rest chose “don’t know.” Even greater opinion differences emerged in responses to the statement, “Being ethical will pay off economically,” as Figure 2 shows.

FIGURE 2
BEING ETHICAL WILL PAY OFF ECONOMICALLY



PASTORS REPORT LIMITED COUNSELING AS TO FINANCES, WORK ETHICS

Pastors were asked to respond to a series of four questions concerning how often, if at all, they have counseled parishioners concerning certain work-related and financial matters. In general, such counseling was infrequent, but especially so as regards investments: 44% of pastors reported that in the last year they had never counseled members on investment decisions, and 51% reported they had done so only rarely or occasionally.

A copy of the full *Report of the August 1995 Presbyterian Panel* questionnaire can be ordered from PDS (Call 1-800-524-2612 and order PDS #70-360-95-206). Or, send a check for \$5 payable to the Presbyterian Panel (no cash, please) to the address below. The *Panel* is administered by the Office of Research Services of the Presbyterian Church (U.S.A.).

PRESBYTERIAN PANEL
 Congregational Ministries Division
 Presbyterian Church (U.S.A.)
 100 Witherspoon Street
 Louisville, KY 40202-1396

Panelssociss.sum