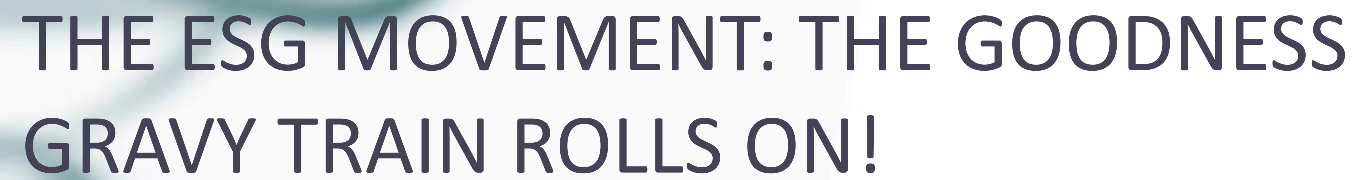
Aswath Damodaran



THE ESG MOVEMENT: THE GOODNESS GRAVY TRAIN ROLLS ON!

Charity begins at home

Buzz Words and Magic Bullets!

- In my four decades in corporate finance and valuation, I have seen many "new and revolutionary" ideas emerge, marketed as the solution to all of the problems in business decision making.
  - Most of the time, these ideas represent either a repackaging of existing concepts, with a healthy dose of marketing and selling, usually by consultants and bankers, and their magic fades quickly once their limitations come to the surface, as they inevitably do.
  - Worse, they operate as weapons of mass distraction, used to justify the unjustifiable.
- The latest entrant in this game is ESG (Environmental, Social and Governance), and the sales pitch is wider and deeper.
  - Companies that improve their social goodness standing will not only become more profitable and valuable over time, we are told, but they will also advance society's best interests, thus resolving one of the fundamental conflicts of private enterprise, while also enriching investors.

The ESG Promises: Cake for all, with no calories!

- For companies, the promise is that being "good" will generate higher profits for the company, at least in the long term, with lower risk, and thus make them more valuable.
- For investors in these companies, the promise is that investing in "good" companies will generate higher returns than investing in "bad" or middling companies.
- For society, the promise is that not only would good companies help fight problems directly related to ESG, like climate change and low wages, but also counter more general problems like income inequality and healthcare crises.

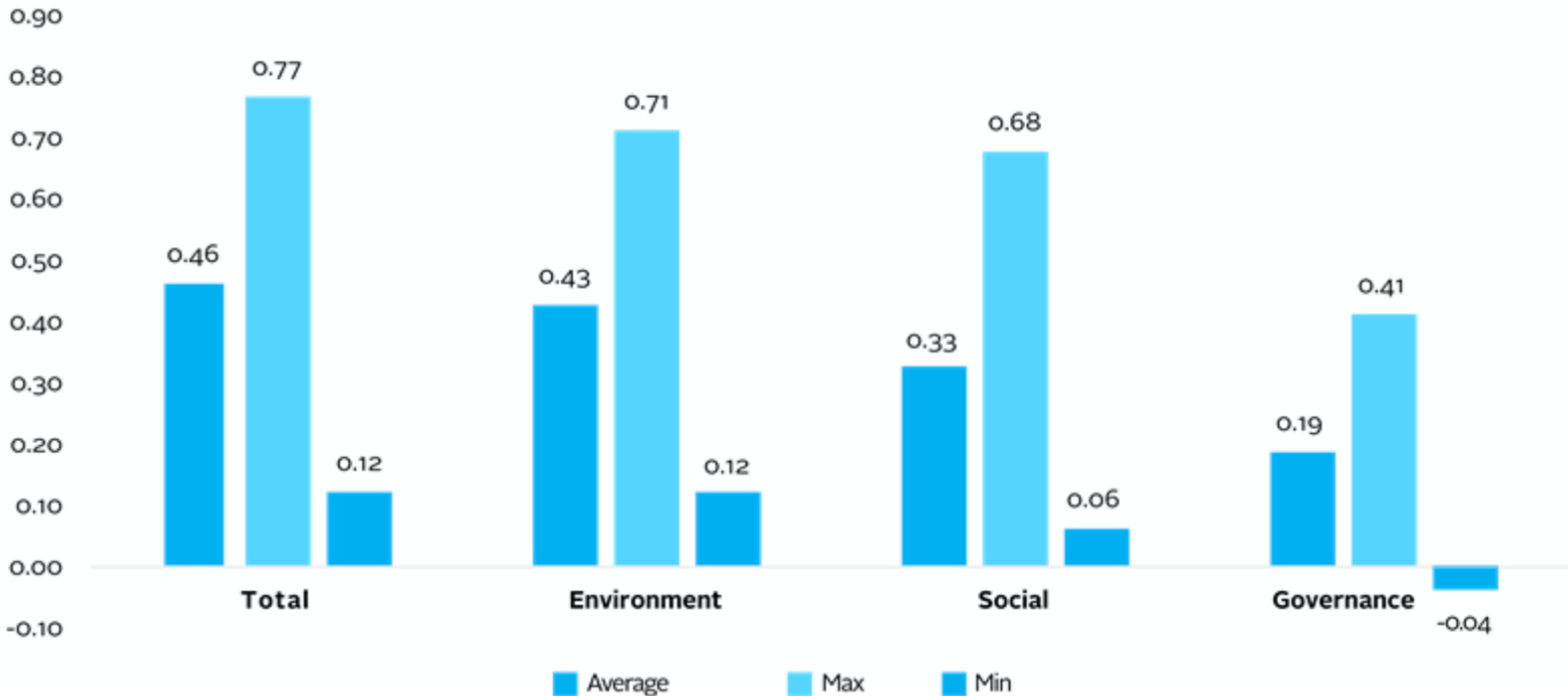
The Five Big Questions

1. What is ESG and can it be measured?
   - Implicit in ESG is the assumption that there is consensus on what comprises good, and that it can be measured.
2. How (if at all) does ESG affect value?
   - ESG is being marketed to companies as being value increasing.
   - The marketing pitch is based upon anecdotal evidence (usually from fossil fuel/mining companies) and studies that are more advocacy than serious research.
3. As an investor, can (will) you make money investing based on ESG?
   - The pitch is that investors in “good” companies will earn higher returns
   - But that pitch is internally inconsistent and fundamentally incoherent
4. Is society better off, if companies follow the ESG path?
   - The argument is that ESG makes the world a better place, and thus merits acceptance
   - But does it?
5. If you want to make the world a better place (and who does not), what is the alternative to ESG?

1. Goodness is measurable, but it is individualized…

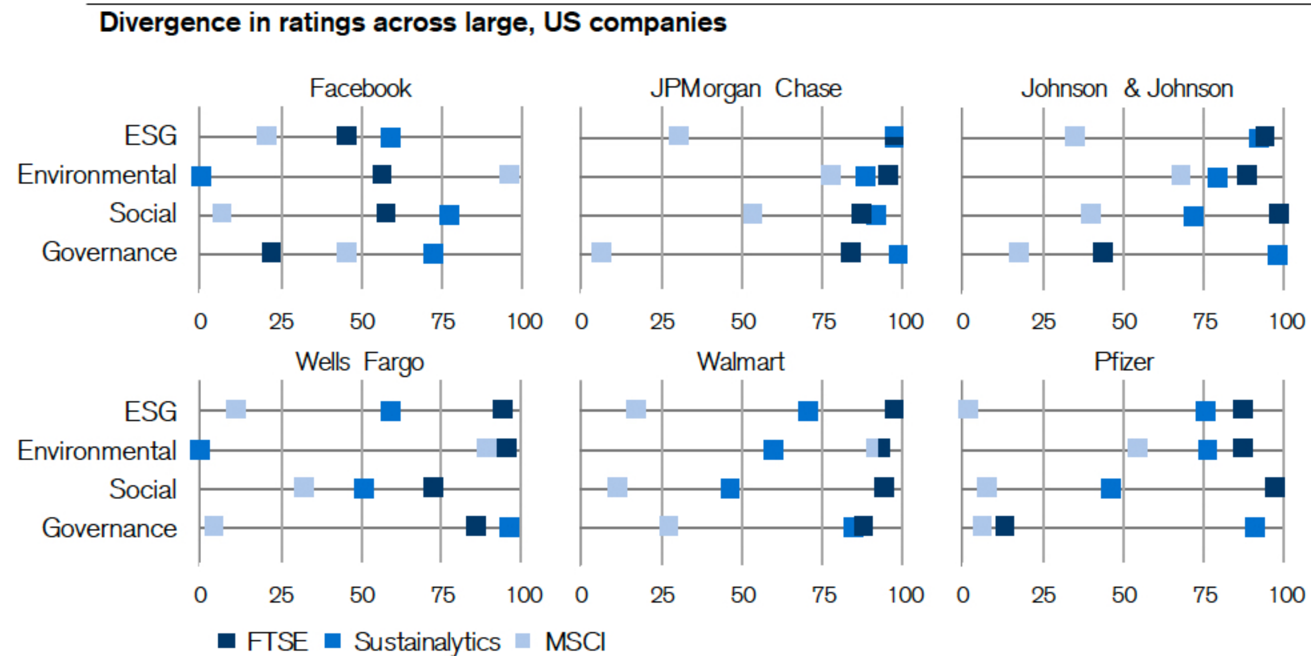
- It is fuzzy: The first is that much of social impact is qualitative and developing a numerical value for that impact is difficult to do.
- Person specific: The second is even trickier, which is that there is little consensus on what social impacts to measure, and the weights to assign to them. In fact, we know that people measure goodness very differently, depending on age, culture, religion, nationality ETC.
- But it is still being measured: If your counter is that there are multiple services now that measure ESG at companies, you are right, but the lack of clarity and consensus results in the companies being ranked very differently by different services.

ESG Services disagree…



Average, minimum, and maximum correlations across providers

Even on high profile companies…



What exactly do ESG scores measure? The Revisionist History of ESG

- Goodness: Much as ESG services and advocates like to scrub away the original intent of ESG, ESG was created as a measure that could measure how well companies were contributing to the planet's well being.
- Risk: It was only a few years ago, and just after the first backlash against goodness measures that ESG services changed their tune and argued that ESG scores were a measure of risk.
- Disclosure of material impact: In the last year, in particular, as the pushback against ESG's use by investment managers has mounted, ESG has been reframed as a mechanism of disclosure of "material" impact.

If it is goodness, it certainly generates some odd results…

- Manufacturing versus Service: ESG scores through most of the period that ESG has been around have been skewed away from manufacturing and towards service businesses, perhaps because of the focus on carbon footprint.
- Tangible versus Intangible: Until recently, technology companies were ESG favorites, reflecting the same focus on carbon footprint and an implicit bias towards price momentum in markets. (Just as analysts rush out with buy (sel) recommendations for companies after their stock prices go up (down), ESG scores drift up after stock prices go up for a company, and drift down after they go down).

Odd fact 1: ESG Scores are higher for bigger firms

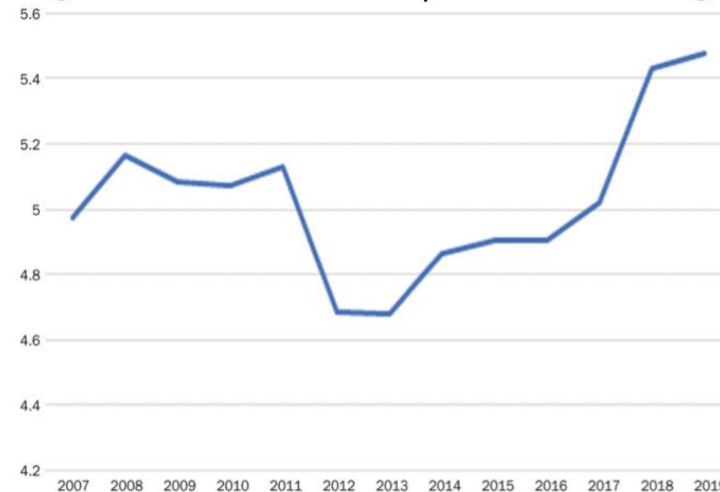
Market Cap Decile	Q1	Median	Q3
Smallest	20.32	28.17	38.19
2nd decile	24.65	33.92	45.67
3rd decile	26.64	37.25	49.93
4th decile	30.20	42.55	56.36
5th decile	31.03	44.08	57.13
6th decile	31.55	46.13	60.30
7th decile	35.26	50.55	63.66
8th decile	38.05	53.23	65.42
9th decile	44.55	59.76	72.49
Largest	49.95	61.72	73.38

Odd fact 2: ESG scores increase with disclosure bulk, and goodness is increasing..

As the number of ESG disclosure items has increased..

Year	Mean	Standard Deviation	Max	Min
2013	295.2	107.6	581	12
2014	303.7	100.5	583	12
2015	348.4	100.8	633	12
2016	371.9	98.4	684	12
2017	382.0	90.3	671	12
2018	390.1	82.4	658	1
2019	397.0	71.4	628	16

The average ESG score for companies has also gone up...



Odd fact 3: Goodness is a shifting definition…

Philip Morris donates 500,000 packs of cigarettes to Ukrainian army

The tobacco company said it's working on options for leaving the Russian market, joining scores of multinationals that are scaling back operations in the country after its invasion of Ukraine

If your answer is risk… look again

- In the last three or four years, ESG services seem to have changed their tune about what they are measuring, from "goodness" to "risk".
- At various points, ESG services have claimed that
  - Companies with higher ESG scores have lower costs of capital than companies with lower ESG scores
  - Companies with higher ESG scores have more stable earnings than companies with lower ESG scores
  - Companies with higher ESG scores are less likely to face crises or catastrophic risk
- Each of those statements is misleading, at the very least, and untrue, at its core.

Refinitiv’s ESG and Cost of Capital: Is there an ESG link?

Cost of Capital (%): Refinitiv Estimate

ESG Score Decile	Market Cap Decile: Smallest	2	3	4	5	6	7	8	9	Largest	All firms
Lowest	8.22%	8.51%	8.51%	7.89%	7.64%	8.01%	7.13%	7.99%	7.99%	9.02%	8.51%
2	8.14%	8.44%	8.52%	7.98%	7.71%	7.62%	9.17%	8.07%	8.07%	11.72%	8.73%
3	8.65%	9.14%	8.80%	8.78%	8.91%	8.58%	8.27%	8.20%	8.20%	7.76%	8.52%
4	8.26%	8.49%	8.58%	8.12%	7.89%	8.18%	8.22%	8.49%	8.49%	8.94%	8.17%
5	8.66%	8.79%	8.05%	8.03%	7.64%	8.29%	8.37%	8.18%	8.18%	8.83%	7.92%
6	8.72%	8.56%	8.64%	7.92%	8.07%	8.09%	7.81%	8.03%	8.03%	8.73%	8.07%
7	8.05%	8.96%	8.37%	8.08%	8.11%	8.00%	8.11%	7.99%	7.99%	8.55%	8.10%
8	9.70%	8.65%	8.54%	8.38%	8.36%	7.88%	8.02%	8.15%	8.15%	7.97%	8.07%
9	9.03%	9.35%	8.56%	8.75%	7.94%	8.00%	7.86%	8.12%	8.12%	7.36%	7.76%
Highest	7.05%	9.34%	9.69%	8.41%	7.36%	8.70%	7.72%	7.81%	7.81%	7.34%	7.81%
All firms	8.19%	8.11%	8.74%	8.23%	8.23%	8.23%	8.19%	8.30%	7.85%	7.62%	8.16%
Bottom 5	8.39%	8.67%	8.49%	8.16%	7.96%	8.14%	8.23%	8.19%	8.19%	9.25%	8.37%
Top 5	8.51%	8.97%	8.76%	8.31%	7.97%	8.13%	7.90%	8.02%	8.02%	7.99%	7.96%

Number of firms

ESG Score Decile	Market Cap Decile: *1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*All firms*
1	308	263	194	165	116	71	41	27	13	3	1201
2	202	200	188	175	145	116	85	48	30	13	1202
3	164	160	174	174	137	130	88	92	56	27	1202
4	105	132	145	137	154	153	125	117	85	48	1201
5	104	113	150	134	148	141	142	110	92	68	1202
6	104	115	109	107	149	148	148	144	112	66	1202
7	91	94	78	114	118	134	157	156	146	113	1201
8	82	71	78	97	96	132	170	165	170	141	1202
9	37	38	67	70	88	103	136	175	229	259	1202
10	4	15	20	28	51	73	110	167	270	464	1202
All firms	1201	1201	1203	1201	1202	1201	1202	1201	1203	1202	12017

Controlling for the fact that ESG scores tend to be higher for larger firms, there is no correlation between ESG and cost of capital.

As for catastrophic risks, the evidence, at least on the highest profile firms, is to the contrary

- FTX

TECHNOLOGY

The do-gooder movement that shielded Sam Bankman-Fried from scrutiny

Effective altruism, backed by Silicon Valley billionaires, now finds itself at a crossroads.

ESG firm raises eyebrows for ranking collapsed crypto giant FTX higher on governance than Exxon Mobil

- Adani Group

Adani Shock Rips Through ESG Funds as Strategy Fails Test

- Adani stocks are spread across large numbers of ESG funds
- ESG fund exposure to fraud risk raises doubts about policies

Too little, too late

https://www.reuters.com › business › sustainable-business

Sustainalytics downgrades three Adani companies ... - Reuters

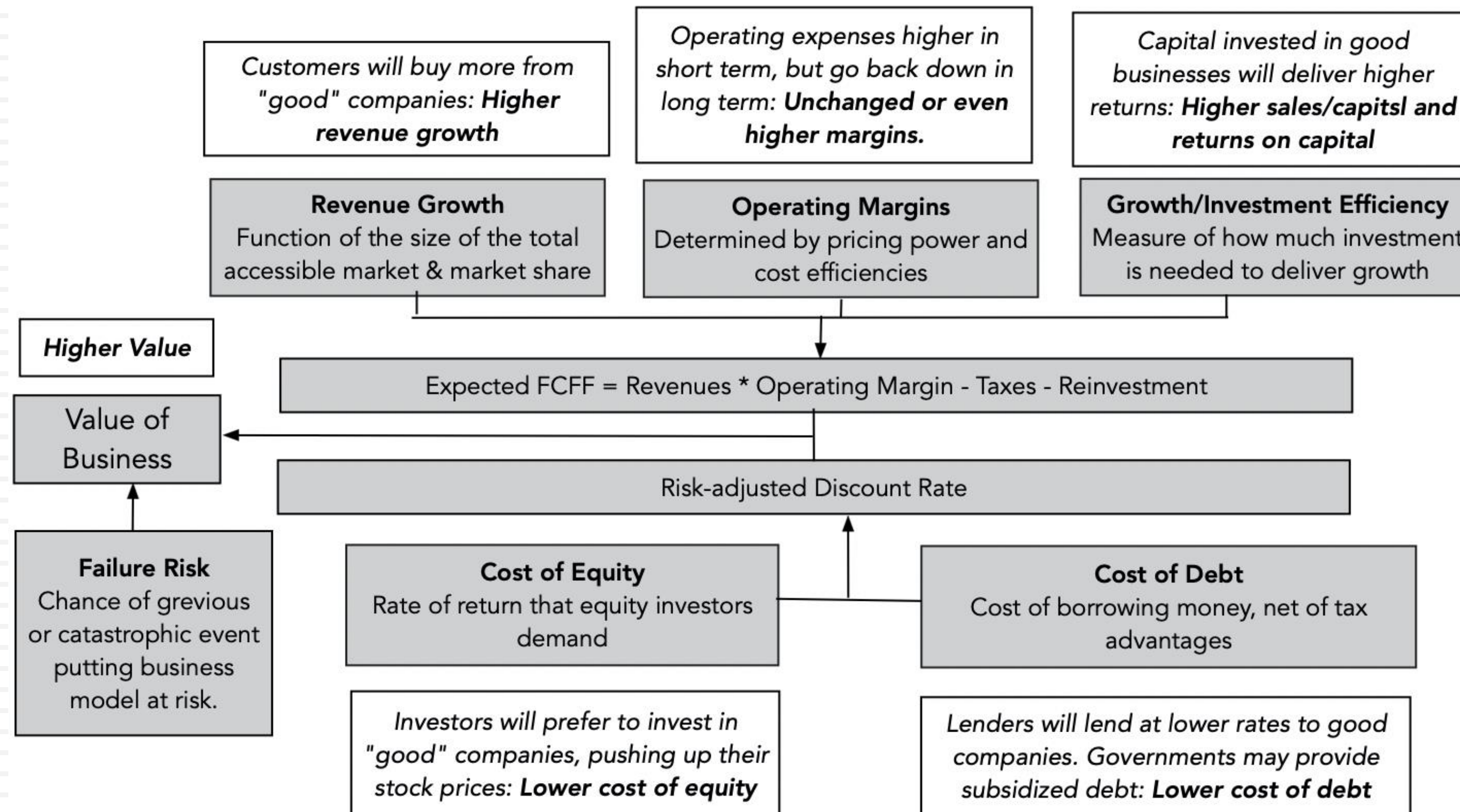
8 days ago — Among its downgrades this month, Sustainalytics assigned **Adani Green** Energy a "moderate" business ethics controversy score, ...

- It is true that this is anecdotal evidence, but as a challenge, is there a single high-profile firm that you can think of where a low ESG score would have warned you ahead of a crisis?

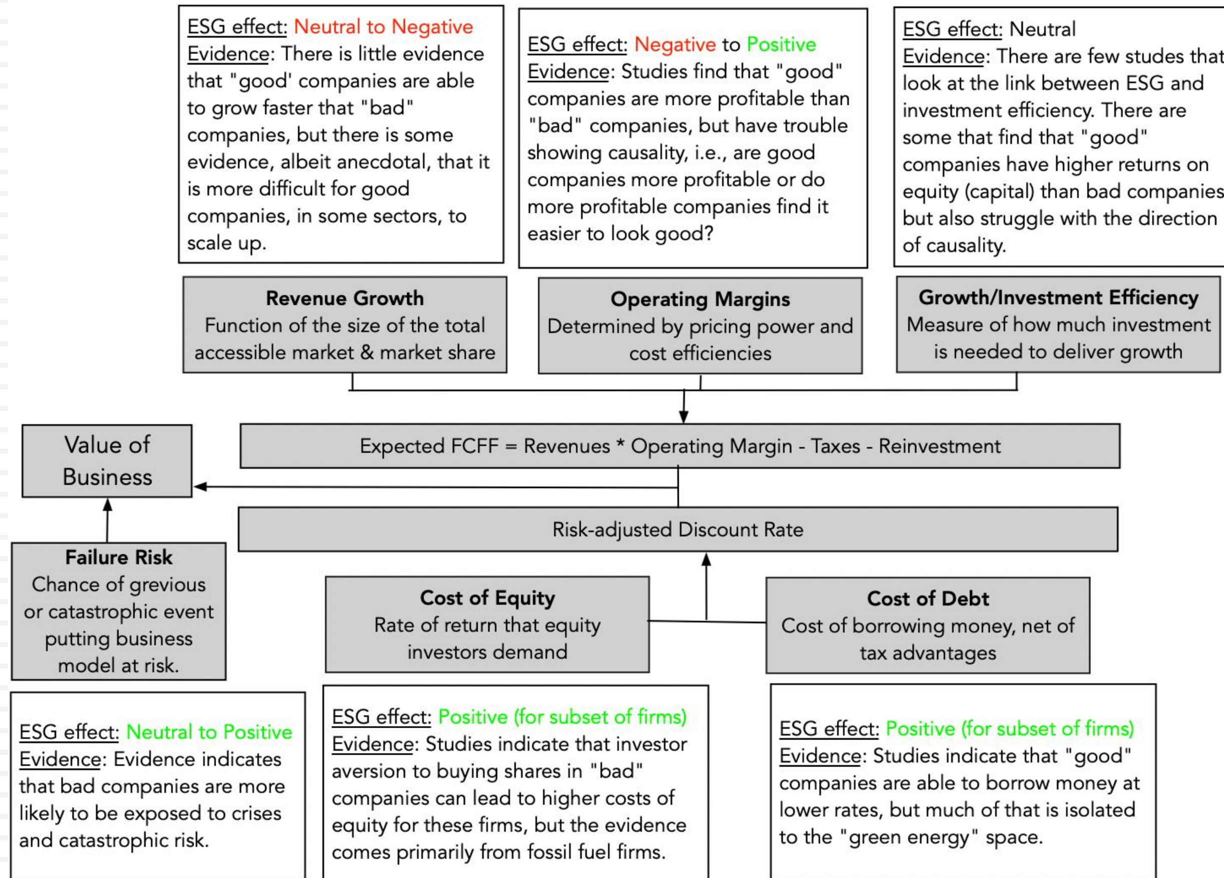
ESG score differences will persist… and the gaming will get worse…

- There are some who believe that as companies provide more disclosure on ESG data and ESG measurement services mature, there will be consensus.
  - I don't believe it, because. *if there were consensuswe would not need to convince businesses to reflect that consensus.*
  - If *there is a consensus that emerges, it will be because ESG services will draw on a small subset of people who have been trained in ESG talk, bring the same mindset and indulge in group think.*
- The nature of any scoring system is that the "scored" will learn (either because it explicitly lays out the components that lead to a high score) or scores can be reverse engineered to figure out what causes high and low scores.
  - The bottom line is that gaming is a feature of any scored system than a bug in the system.
  - As scoring systems mature, the gaming gets easier (not harder) making the scores even less useful.

2. The ESG Promise: The Good shall be rewarded!



The Evidence: Being good will help some firms, hurt others and do others unaffected!

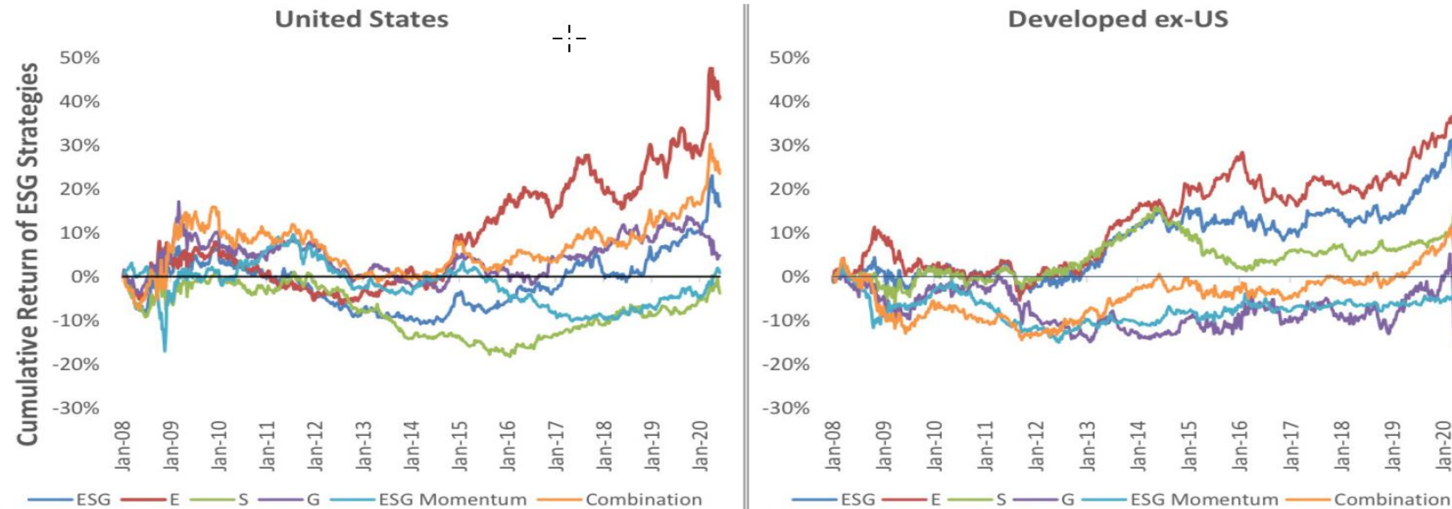


Is ESG good for companies?

- The notion that ESG is good for companies is being sold strongly, with research that is
  - Anecdotal, in the form of case studies and stories of success
  - From advocates, with strong priors that ESG matters
  - Statistically a mess, because it is so difficult to tell the direction of causation
- The truth is much grayer and predates the entire ESG movement, and is that
  - Companies that are "bad" or perceived to be so, because they have crossed a good corporate citizen line are exposed to punishment. That punishment, right now, is coming from investors and lenders more than from customers and employees.
  - There are some companies that benefit from being "good", but they have trouble scaling up
  - For other companies, ESG is just a marketing tactic, which loses (or already has lost) its effectiveness, as everyone uses it.

3. The ESG Pitch: Investing in “good” companies generates alpha…

Exhibit 3: Cumulative Returns of ESG Strategies

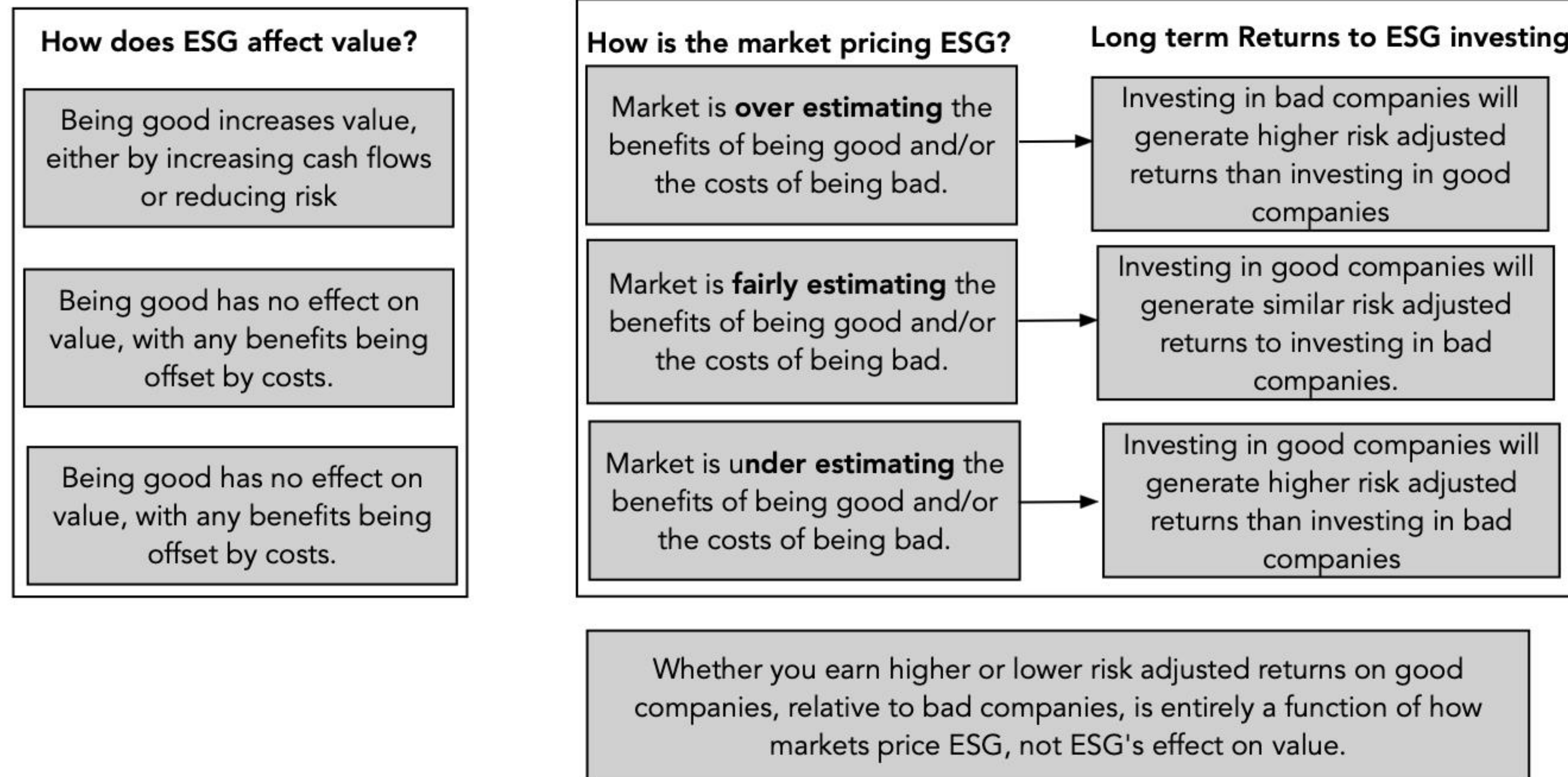


The plots show the time series of cumulative returns of the strategies, calculated from daily returns for the entire sample period. The sample period ranges from 1/01/2008 to 30/06/2020. The strategies refer to the Scientific Beta US universe and Scientific Beta Developed ex-US universe.

Jan 2008 - Jun 2020	ESG		E		S		G		ESG Momentum		Combination	
Geographic Universe	US	Dev ex-US	US	Dev ex-US	US	Dev ex-US	US	Dev ex-US	US	Dev ex-US	US	Dev ex-US
Ann. Return	1.29%	1.63%	2.89%	2.43%	-0.23%	1.07%	0.45%	-0.85%	0.15%	-0.26%	1.92%	0.48%
t-statistic	0.85	0.90	1.71	1.59	-0.05	0.70	0.40	-0.05	0.19	-0.11	1.23	0.36
CAPM Alpha	2.57%	1.63%	3.99%	2.43%	0.54%	1.08%	1.30%	-0.52%	0.06%	-0.14%	2.84%	0.53%
t-statistic	1.55	1.05	2.28	1.68	0.35	0.79	0.84	-0.23	0.04	-0.12	1.62	0.37
7 Factor Alpha	-0.33%	1.31%	0.96%	1.95%	-1.17%	1.95%	-0.22%	-1.75%	0.00%	0.86%	0.96%	0.52%
t-statistic	-0.24	0.85	0.68	1.43	-0.84	1.43	-0.16	-0.78	0.00	0.73	0.59	0.36

Source: Honey, I shrunk the ESG alpha

The ESG sales pitch is internally inconsistent and fundamentally incoherent



Why returns to ESG are tough to read…

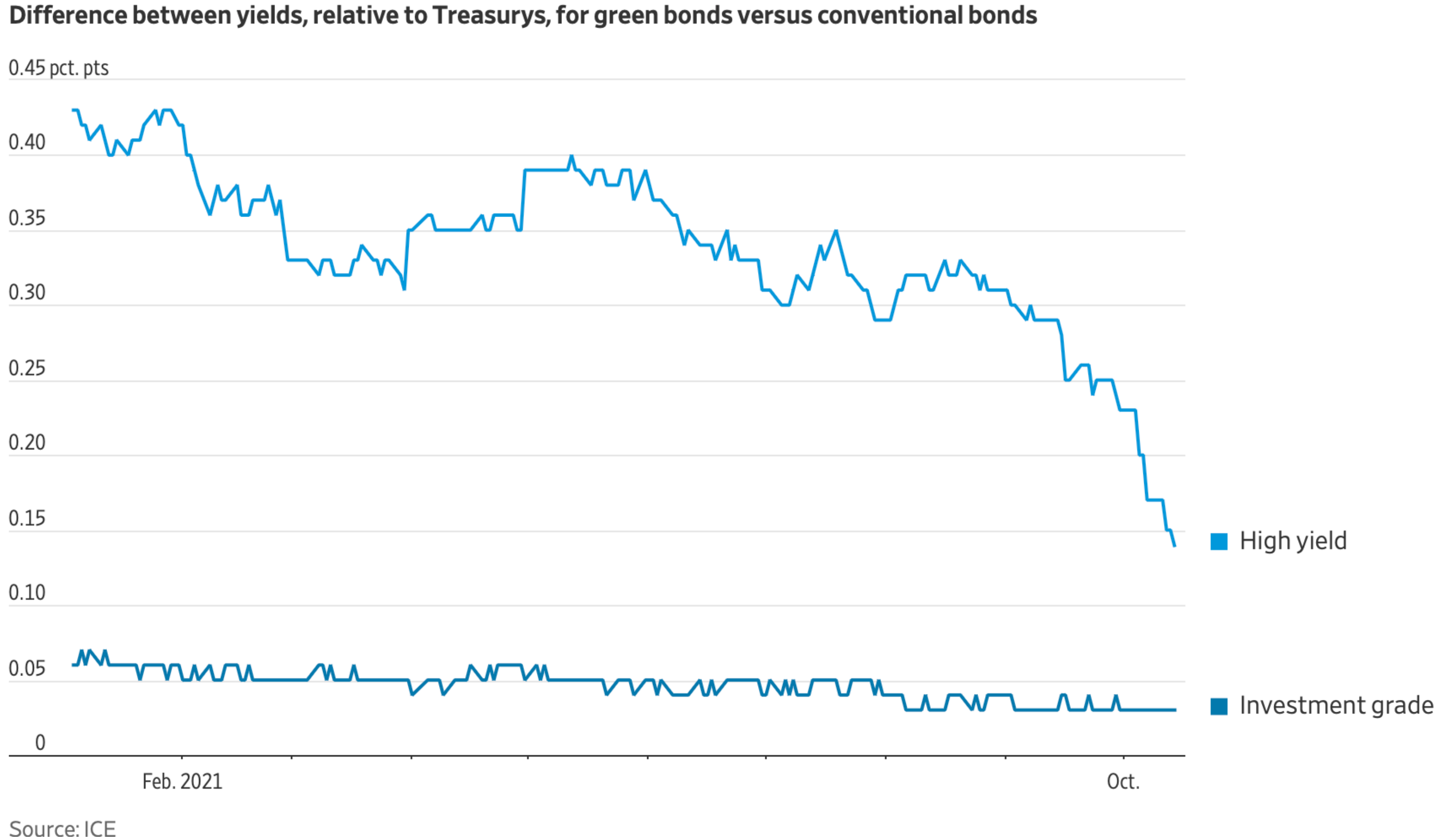
Value Effect	Market Pricing	Investor Returns to ESG
ESG increases value	Markets overreact, pushing up prices too much	Negative excess returns for investors in good ESG firms.
ESG decreases value	Markets overreact, pushing down prices too much	Positive excess returns for investors in good ESG firms.
ESG increases value	Markets underreact, with prices going up too little.	Positive excess returns for investors in good ESG firms.
ESG decreases value	Markets underreact, with prices going down too little.	Negative excess returns for investors in good ESG firms.
ESG increases value	Markets react correctly, with prices increasing to reflect value.	Zero excess returns for investors in good ESG firms.
ESG decreases value	Markets underreact, with prices going down too little.	Zero excess returns for investors in good ESG firms.

The Returns to ESG: A Closer Look

ESG scores are correlated with many factors that we know already generated excess returns during the 2008-2020 time period. For instance, tech companies have historically had higher ESG scores than non-tech companies. Correcting for these factor skews in ESG rankings, the alphas become much smaller.

Jan 2008 – Jun 2020	ESG		E		S		G		ESG Momentum		Combination	
Universe	US	Dev ex-US	US	Dev ex-US	US	Dev ex-US	US	Dev ex-US	US	Dev ex-US	US	Dev ex-US
Without Sector Neutrality												
Ann. Return	1.29%	1.63%	2.89%	2.43%	-0.23%	1.07%	0.45%	-0.85%	0.15%	-0.26%	1.92%	0.48%
t-statistic	0.85	0.90	1.71	1.59	-0.05	0.70	0.40	-0.05	0.19	-0.11	1.23	0.36
With Sector Neutrality												
Ann. Return	-0.58%	1.33%	0.48%	1.28%	-0.72%	0.91%	0.87%	0.36%	0.10%	-0.14%	0.74%	0.67%
t-statistic	-0.36	0.74	0.46	0.86	-0.52	0.62	0.81	0.31	0.16	-0.03	0.62	0.46
CAPM Alpha	0.25%	1.28%	1.03%	1.19%	-0.16%	0.86%	1.51%	0.55%	0.06%	0.04%	1.21%	0.69%
t-statistic	0.2	0.83	0.82	0.91	-0.14	0.67	1.29	0.26	0.05	0.03	0.91	0.49
7 Factor Alpha	-1.09%	0.79%	-0.32%	0.92%	-1.28%	1.58%	0.40%	-0.30%	0.31%	0.85%	-0.05%	0.81%
t-statistic	-0.99	0.52	-0.29	0.74	-1.19	1.23	0.35	-0.14	0.24	0.78	-0.04	0.58

Green Bonds: The Shrinking Premium



Implications for investing

- The first is that it suggests that *much of the research on the relationship between ESG and returns* yields murky findings. Put simply, there is very little that we learn from these studies, whether they find positive or negative relationships between ESG and investor returns, since that relationship is compatible with a number of competing hypotheses about ESG, value and price.
- The second is that bringing in market pricing does shed some light on perhaps the only aspect of ESG investing that seems to deliver a payoff for investors, which is *investing ahead or during market transitions*.
  - I pointed to this study that find that activist investors who take stakes in "bad" companies and try to get them to change their ways generate significant excess returns from doing so.
  - Another study contends that investing in companies that improve their ESG can generate excess returns of about 3% a year, but skepticism is in order because it is based upon a proprietary ESG improvement score (REIS) and was generated by an asset management firm that invests based upon that score.
- If you are interested in making market transitions on ESG work in your favor, you also have to be clear about the strengths you will need to get the payoffs, including skills in divining not only what social values are gaining and losing ground and which changes have staying power.

3a. ESG Disclosure

- If ESG does not add to value, at companies, or to returns, for investors, there are some who argue that the primary benefit of the ESG movement has been increased disclosure.
  - In short, the new push for ESG seems to be that it just a disclosure movement, that is attempting to let investors know about “material” risks that they might be exposed to.
  - Implicit in this argument is the assumption that more disclosure will not only induce better behavior on the parts of the ”disclosing” firms, but also allow consumers and investors to make more informed judgments.
- That push has already created results with the EU leading the way on new disclosure requirements, with different interest groups pushing for disclosures on their favorite causes.

The Magic of Materiality

- While there seems to be this consensus that we can define materiality, that is far from true. There are three different definitions of materiality:
  - Accounting materiality: Reflecting the accounting attention to detail and absence of perspective, accounting materiality is designed to mix the small with the big, and expend resources on details that don't matter to anyone other than the accountants (Goodwill impairment).
  - Value materiality: Value materiality focused on items that change the value of a business by having a significant effect on future cash flows, growth and risk.
  - Pricing materiality: Price materiality is built around any item that can cause prices to change substantially, which may or may not overlap with value materiality.
  - Legal materiality: Legal materiality is about disclosing any item, no matter how minor, that if things go wrong could be highlighted as material.

Disclosure as information

- In theory, disclosures should make us more informed as consumers and investors, but here again, there are caveats.
  - Legalese: In an age of litigation and regulation, disclosures seem to be written by lawyers and for lawyers, and there is no reason to believe that ESG disclosures will be any different.
  - Information overload: As we have seen with accounting disclosures, there is a danger that if ESG disclosures become too extensive, they will be ignored even by people who claim to care about the disclosed information.
- It is almost unavoidable that what starts as value materiality will become legal materiality somewhere along the way, especially when there are laws and regulations that will punish firms, with the benefit of hindsight.

Disclosure and Corporate Behavior

- While it is possible that disclosure could lead to better behavior, there are at least two potential problems.
  - Greenwashing and Game Playing: Once the disclosure requirements are set, there will be companies that find ways to play the disclosure game to make themselves look better.
  - Confess and then sin again: A more dangerous problem is that companies may view disclosure as license for the disclosed bad behavior.
- In short, the notion that requiring companies to disclose more will induce better behavior is at odds with the evidence on almost every aspect of disclosure that we have seen so far.
  - Did increased risk disclosures make companies more careful about taking risk?
  - Have corporate governance disclosures, which have exploded over the last two decades, improved corporate governance at companies?

4. ESG is good for society

- There are some who believe that even if ESG makes firms less valuable and investors make lower returns, it is a net positive for society.
  - It is premised on the notion that society has developed a consensus on what comprises goodness.
  - It is also based upon the presumption that companies that behave well will create less side costs for society and perhaps even contribute to societal good.
- If you accept this proposition, the trade off will be positive for society.

The Law of Unintended Consequences…

- As publicly traded companies that are exposed to ESG shaming are forced to divest themselves of their "bad" businesses, it is worth remembering that selling or divesting a business does not erase it from the face of the earth, but just transfers it to a different owner, presumably one is less exposed to the ESG shaming.
- In the fossil fuel business, for instance, the pressure on the easily pressured (the big US/European oil companies) has led them to cut back on investments in the fossil fuel space.
  - That absence of investment is and will continue to push up the price of fossil fuels, making their production more profitable.
  - A subset of the investments are now being made by foreign companies (in markets where stockholders has little power) or private equity funds.

Private Equity in Fossil Fuels

Private Equity Firm	Fossil Fuel Companies Held	Renewable Companies Held	Total Number of Energy Companies
Carlyle/NGP	68	14	82
Brookfield/Oaktree	40	23	63
KKR	28	6	34
Blackstone	25	5	30
Warburg Pincus	28	1	29
Kayne Anderson	23	2	25
Ares	16	3	19
Apollo	14	5	19
TPG	4	2	6
CVC	5	0	5

Between 2010 and 2020, private equity funds have invested a trillion dollars in fossil fuel investments…

And how this plays out…

- As ESG pressures amp up on publicly traded fossil fuel companies, especially in the US and Europe, to reduce exploration and production of fossil fuels, the laws of demand and supply have created a predictable consequence, which is higher prices for these fossil fuels (gas and oil).
- While ESG advocates may view this as a win, it is worth remembering
  - that 80% of global energy still comes from fossil fuels, and
  - that the people who are most exposed to price increases are not the well off, urban advocates of ESG but the people who are least well off (within countries and across countries).

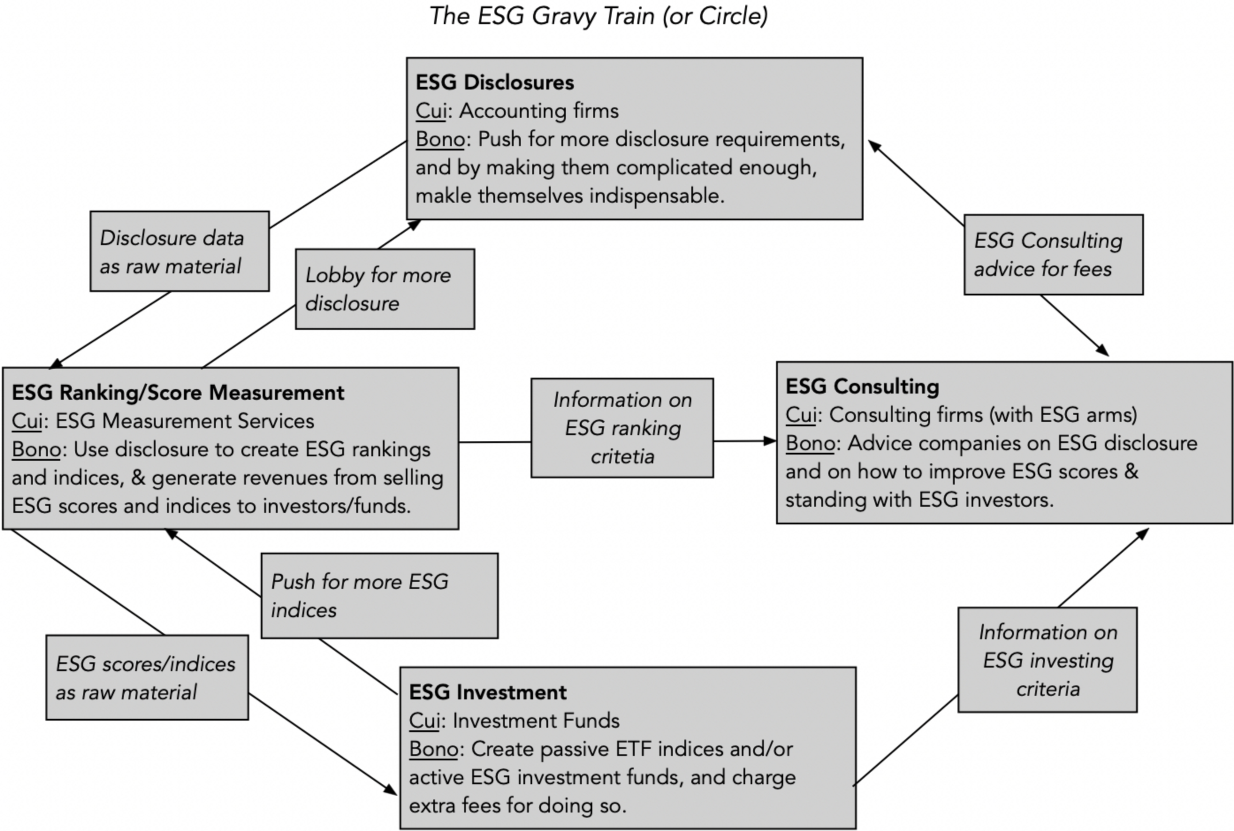
5. Wanting to do good for society predates ESG…

- The notion that until ESG came along, companies (and individuals) are businesses operated without a care for society would be comical, if the people pushing it were not so insistent that it is true.
- That is nonsense. People who have wanted to do good have always been able to do so.
  - In privately owned businesses, owners have always been free to share their profits or give away their wealth, to meet whatever societal need they felt most strongly about.
  - In publicly traded companies, that responsibility fell to the owners of its shares, who again were free to share their winnings with society, in any way they though fit.

Outsourcing your conscience is a salve, not a solution!

- The ESG movement has given each of us an easy way out of having to make choices, by outsourcing these choices to corporate CEOs and investment fund managers, asking them to be "good" for us, while not charging us more for their products and services and delivering above-average returns .
- Implicit in the ESG push is the presumption that unless companies that are explicitly committed to ESG, they cannot contribute to society, but that is not true. Well before ESG came along, good businesspeople have not only made their shareholders wealthy, and also given back to society.
- The difference between this "old" model of business and the proposed "new ESG" version is in who does the giving to society, with corporate CEOs and management taking over that responsibility from shareholders. I am not willing to concede, without challenge, that a corporate CEO knows my value system better than I do, as a shareholder, and is better positioned to make judgments on how much to give back to society, and to whom, than I am.

So why is ESG still being sold? Cui Bono? (Who benefits?)



Fake ESG? BlackRock's Carbon Transition ETF

Carbon Transition or Carbon Copy?

BlackRock's new U.S. Carbon Transition Readiness ETF's top holdings are highly similar to those of index funds that don't share its 'sustainable' mission.

iShares Core S&P 500 ETF	iShares Russell 1000 ETF	BlackRock U.S. Carbon Transition Readiness ETF
6.00% AAPL	5.39%	5.20%
5.53% MSFT	4.91%	4.87%
4.09% AMZN	3.62%	3.40%
2.09% FB	1.87%	2.11%
1.94% GOOGL	1.74%	2.01%
1.87% GOOG	1.69%	1.92%
1.60% TSLA	1.43%	1.55%
1.45% BRKB	1.28%	1.26%
1.31% JPM	1.17%	1.17%
1.19% JNJ	1.07%	1.17% MDT

Note: As of April 15
Source: iShares

Expenses: 0.03% *Expenses: 0.15%*

And why are corporate managers going along with this charade?

- Given that shareholders in companies and investors in funds are paying for this gravy, you may wonder why corporate CEOs not only go along with this charade, but also actively encourage it, and the answer lies in the power it gives them to bypass shareholders and to evade accountability.
- After all, these are the same CEOs who, in 2019, put forth the fanciful, but great sounding, argument that it is a company's responsibility to maximize stakeholder wealth, rather than cater to shareholders, which I argued in a post then that being accountable to everyone effectively meant that CEOs were accountable to no one.
- In some cases, flaunting goodness has become a way that founders and CEOs use to cover business model weaknesses and overreach. It is a point that I made in my posts on Theranos, at the time of its implosion in October 2015, and on WeWork, during its IPO debacle in 2019, noting that Elizabeth Holmes and Adam Neumann used their "noble purpose" credentials to cover up fraud and narcissism.

A Roadmap for being and doing good

1. *Start with a personalized measure of goodness, and don't overreach*: The key with moral codes is that they are personal, and for goodness to be incorporated into your investment and business decisions, you have to bring in your value judgments, rather than leave it to ESG measurement services or to portfolio managers.
2. *As a business person, be clear on how being good will affect business models and value*: If you own a business, bring your personal views on morality into your business decisions, but if you do so, be at peace with the fact that staying true to your values may, and probably will, cost you money. If you are making decisions at a publicly traded company, as an employee, manager or even CEO, you are investing other people's money and you have an obligation to be open about what your conscience will cost your shareholders.
3. *As an investor, understand how much goodness has been priced in*: If you are an investor, you don't have to compromise on your values, as long as you realize, at least in the long term, you will have to accept lower returns than you would have earned without that constraint..
4. *As a consumer and citizen, make choices that are consistent with your moral code:* Your consumption decisions (on which products and services you buy) and your citizenship decisions (on voting and community participation) have as big, if not greater, an effect.

In conclusion..

- On a personal note, I have always found that the people that I've known who do good, spend very little time talking about being good or lecturing other people on goodness. I reserve my skepticism for those companies that spend hundreds of pages of their annual filings telling me how much "good" they do.
- The ESG movement's biggest disservice is the sense that it has given those who are torn between morality and money, that they can have it all.
  - Telling companies that being good will always make them more valuable, investors that they can add morality constraints to their investments and earn higher returns at the same time, and young job seekers that they can be paid like bankers, while doing peace corps work, is delusional.
  - The truth is that being good will cost you and/or inconvenience you (as businesses, investors or employees), and that you choose to be good, despite that cost.