

Socially Responsible Investing Joins the Mainstream

CHRIS PERME | COLUMNIST

It's not surprising that some people have a strong desire to steer their money toward entities that endeavor to make a difference in the world.

Growing investor interest — and wider recognition that social and environmental issues can amount to material financial risks and/or rewards for corporations — has landed socially responsible investments (SRIs) in the spotlight in recent years.

In a 2010 survey, 93% of CEOs said that sustainability will be important to the future success of their businesses, and 96% believed it should be integrated into their companies' strategies and operations.¹

"Socially responsible," "sustainable," and "green" all refer to an investing approach that integrates environmental, social, and governance (ESG) factors with more traditional financial analysis methods.

If you're thinking about adding SRIs to your portfolio, keep in mind that you may be depending on your portfolio to help fund many of your future financial needs. For this reason, it's a good idea to learn more about SRI opportunities and whether they might be appropriate, considering your asset allocation, risk tolerance, and time horizon.

How They Work

Many SRIs are broad-based and diversified. Others may focus on a narrow theme (such as clean energy); the latter types can be more volatile and may carry risks that may not be suitable for all investors.

Most SRI options utilize one or more of the following methods.

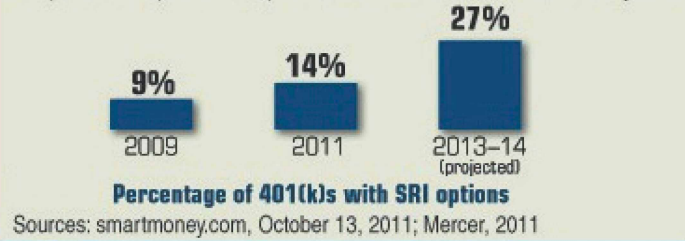
Screening involves selecting or avoiding investments in companies based on whether they help protect or cause harm to the environment or society. Some common ESG factors include, but are not limited to, pollution control, natural resource conservation, energy efficiency, employee relations, respect for human rights, health and safety, regulatory compliance, and public disclosure.

Shareholder activism describes efforts to influence a company's management to adopt policies that help benefit the workers, the community, and/or the planet.

Community investing provides capital directly to organizations for purposes such as lending funds to business enterprises in underserved communities and supporting economic development.

More Choices Coming to Retirement Plans

The number of workplace retirement plans offering a socially responsible option is expected to double in the next two years.



Considering Corporate Citizenship

Many companies have begun collecting and reporting ESG information, and services that provide research and data for investment analysis have also made this type of data available to the public. More transparency regarding corporate sustainability issues may give investors insight into potential costs, as well as the ability to compare how businesses in the same industry have adapted their strategies and practices to meet social and environmental challenges.²

Read the Fine Print

Socially responsible investments entail risk, could lose money, and may underperform similar investments not constrained by social policies. There is no guarantee that a SRI will achieve its investment objectives. As with many investment strategies, SRIs may limit the total universe of available investments, and investors who want to diversify their portfolios among a variety of sub-asset classes may not find a SRI to fill each sub-asset class.

Different companies offering SRIs may use different definitions of socially responsible investing, and investors may have different opinions about which policies and practices they believe are positive or negative. However, the universe of SRI opportunities continues to expand, so there may be investments that align with your personal values and investment goals and objectives.

1) Businessweek, November 9, 2010

2) Fast Company, April 1, 2011

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Bye-Bye Bitty

STACY TURNER | CONTRIBUTING REPORTER



It was a sad day for momma. My third grader decided that her Bitty Baby doll is not something a self-respecting third-grader should have. She confidently handed over the doll, her Bitty Bear and all the little accoutrements that had been the highlight of past Christmases and birthdays, telling me she doesn't need them anymore. I have to admit, this makes me very sad. I should tell you that I'm very proud that she keeps her room clean and clutter-free without me saying a word, although I can't take credit, since she gets this trait from her dad. She also regularly goes through her toys to get rid of the ones she no longer plays with, telling me that her sister would use it more, or certain younger girls she knows might want them. She gets this 'de-clutter gene' from her dad, too. I think the only one suffering in this latest round of domestic downsizing is me. I'm not too proud to say that I'm just not ready to get rid of Bitty Baby.

Painted on hair and all, I just can't bring myself to cast her out, remembering all the tea parties and backyard play dates she shared with my little girl. I especially can't erase the glimpses I stole through the rear-view mirror as Bitty Baby sat between my older daughter and her baby sister as we drove to the library or the zoo, or long vacation road trips. The many wardrobe changes she went through each day that required my assistance, "Momma, you're silly. She wants to wear her party dress to story time, not her Tinkerbell wings!" Most days, I think Bitty Baby was better dressed than I was. But it's not the tiny clothes and shoes I'll miss, it's that little girl my daughter was -- the one who lived in her dress-up clothes and butterfly rain boots -- the one who would have countless tea parties with her "babies," feeding them strawberry tea and 'chicken handle' (aka drumsticks). She would tell

us the adventures each of her many dolls, stuffed animal and imaginary playmates would embark on, cracking us up at the boundlessness of her imagination.

Don't get me wrong, I'm very blessed and proud to see the young woman she is becoming, and the way she matures as each birthday inches her closer to grown-up status. But I can't help feeling a little sad, too. My independent little girl is becoming an even more independent bigger girl, with each little step she takes toward the future like a baby step away from me. I know she'll always need me, but those needs are changing, which my logical mind knows is healthy, but my heart doesn't want to admit. As I sorted her cast-offs, I could let Maggie, Patch, and Ashley go. Isaac, Daisy, Kyle and Blue Ick didn't tug at my heart strings either, the way that Bitty Baby, the ring leader of the preschool tea party scene did.

So if you stopped by my house this weekend, you would have seen Bitty's little hats, dresses and tiny socks hanging on my clothesline in the crisp fall afternoon sun. It looked as if some Lilliputian settlers had stopped off on their way out west to do a little laundry -- Laura Ingalls-style -- bonnets and bloomers snapping in the breeze. It's my plan to carefully box up these artifacts for a time when my daughter may want them again. I hope that when she and her kids come over to help sort through the plastic tubs that chronicle her childhood, she appreciates seeing the tiny clothes she wore on special days, the scrapbooks of her school years and Bitty, the special friend she spent so much childhood with. Either that or she'll wonder why her crazy old clutter-bug mom has a basement full of junk. If that happens, I hope my bad memory finally serves me well, and I don't remember why I saved it all.

Puppy Tails

MIALIE T. SZYMANSKI | CONTRIBUTING REPORTER

*As the moon goes to bed, the sun comes up
And here we meet a sleepy pup,
Who was walking through G-ville
one bright sunny day,
Then saw The Villager and decided to stay.*

Doodle Dog admired the bright orange, perfectly round sphere sitting atop the little table next to his bookcase. It was just the right spot of color for making the cozy corner feel a bit more like autumn had indeed arrived. Nestled among his collection of books, fuzzy blankets, and chewy toys, with a view right through the window of the blustery winds blowing the leaves outside, it truly was the perfect place for his new pumpkin friend. But the floppy-eared puppy didn't have time to sit and stare at his new pal all day, so with a quick look back and a shake of his tail, he scampered out the door to the park.

The soft gray of the cloudy sky above him matched the solid gray of the cement sidewalk under his paws as Doodle Dog made his way through town. Even before Doodle Dog turned the corner to the park, he could hear loud noises that sounded like cheering, but not as happy, upset almost! The shouting continued to grow louder and louder as Doodle Dog came nearer and nearer, and when he arrived at the park the short little dog stepped behind one of the tall strong trees and let the trunk shield him from the weather and whatever was the matter.

Slowly peering his nose and then his eyes and then his floppy ears around the edge of the tree trunk, Doodle Dog then peered the rest of him around it as well, his paws and his tail following the middle of him too. In the middle of the park were clusters of humans in front of two small platforms, with some humans on one side, in front of one of the platforms, and some humans on the other side, in front of the other platform. Pets of all kinds stood by their humans no matter which side the humans were standing. Ribbons and paper tablecloths decorated each platform with the platform on the left covered in red decorations and the platform on the right in all blue ribbons and papers. In between the two platforms was a small table like the one in Doodle Dog's cozy corner, but this table didn't have an orange pumpkin on it. On top of this table was a large box with a hole in the side like the mail slot at the post office. Piles of white paper slips sat in front of the box. And standing on each platform was a human trying to shout above the crowd, but it didn't seem to be working as neither human was loud enough to be heard over everyone else.

Doodle Dog couldn't see what was on the slips of paper from so far away but as he was straining his eyes to see and straining his ears to hear over the grumbling of the crowd, a gust of wind

blew some of the leaves from the trees and scattered a shower of golds and greens and oranges and yellows over the ground and over the floppy-eared puppy. And in that shower of all those leafy colors also flew a tiny little slip of white paper that landed right in front of Doodle Dog's paw. He looked down to see that on that slip of paper was a blue square and a red square, just like the colors on the platforms at the front of all those humans and their pets. The blocks of blue or red were big enough that Doodle Dog could put a paw print on which one he wanted to choose, but he really didn't know the answer! The floppy-eared puppy listened as well as he could to the humans on the platforms, and from what he could hear he liked some of the things that the human on the red platform said, but didn't particularly like some of the other things that human said. And he liked some of the things that the human on the blue platform said, but didn't really like some of the other things. Why did he have to pick one anyway? This was much harder than picking a pumpkin!

While Doodle Dog tried to decide, he ducked behind the tree trunk again to get away from the noise. Everyone was fighting like cats and dogs, but the cats and dogs! They were sitting quietly next to their noisy humans, and Doodle Dog knew just how they felt. As Doodle Dog tried to choose the red square or the blue square, the blustery day suddenly turned cold and from the cloudy gray sky above him a raindrop fell right through the branches and the leafy canopy of the tree sheltering him and went SPLAT on his white slip of paper with the red block and the blue block. Within a few seconds the white slip of paper no longer had a red block and a blue block -- as Doodle Dog watched, the raindrop made the colors wet and they began to swirl together into a beautiful new color that was both red and blue. Soon all that was left on the white slip of paper was one square of purple. Feeling the autumn breeze turn chillier, Doodle Dog picked the slip up in his mouth and scampered up to the box where he gently slid it through the slot. Then suddenly the sky opened up, with thousands of those raindrops falling from the gray clouds and drenching all the slips of paper by the box and in the hands of the humans. All the red and blue decorations began to swirl together, melting into one big purple puddle. No one could tell what had been red and what had been blue. Neither side could win. Now the humans had no choice -- they had to learn how to share their ideas and work together to clean up this giant mess in the park!

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1. NIFTY NOVEMBER - November has been the 3rd best performing month for the S&P 500 since 1990. Over the last 22 years (1990-2011), the S&P 500 has gained an average total return of +1.6% during November. Over the entire period, 15 of 22 Novembers have been up. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the US stock market (source: BTN Research).

2. STOCK HISTORY - The infamous "Black Tuesday" from the 1929 stock market crash took place 83 years ago today (10/29/29), historically thought of as the start of the "Great Depression" (source: BTN Research).

3. THE OFFICIAL WORD - The latest recession in the United States ended on 6/30/09 or 40 months ago (source: National Bureau of Economic Research).

4. HOMES - The average value of a single family home in the USA as of 9/30/12 is essentially unchanged (actually down 1.6%) from the average value nationwide as of 9/30/04, i.e., flat over the last 8 years (source: FHFA).

5. TARP -- "The Emergency Economic Stabilization Act of 2008," the bill that established the "Troubled Asset Relief Program" (TARP), was signed into law by President George Bush on 10/03/08 or 4 years ago. The total cost of TARP was originally estimated at \$700 billion. As of 8/31/12, 85% of the funds disbursed through TARP have been paid back (source: Treasury Department).

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