

Waterbury Republican American

Treasurer: Objectives are practical

By Shawn T. Wooden

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The Republican-American's April 9 editorial "Treasurer's latest quest," criticized my call to action directed to companies in which Connecticut pension funds are invested. My ask was a practical one – provide paid leave to employees, retain workers, maintain relationships throughout the supply chain, suspend share buybacks and limit executive compensation. The point is to preserve critical company assets, monetary and human, during the COVID-19 pandemic. Companies must ensure they can resume operations and get our economy back on track.

The editorial inaccurately suggested that my message is at odds with the objective of maximizing returns, while minimizing risk, on our investments. To be clear: long-term returns are precisely what I am focused on, as well as the ability of the companies we invest in to survive, and to thrive again.

Before COVID-19, investors recognized the relationship between human capital – a company's workforce – and the generation of profits and long-term value. More than ever, it's clear that workers are essential to providing services, and are the bedrock of consumer spending that generates economic activity. I am proud to have joined 275 institutional investors from around the world with combined assets of \$7.7 trillion in underscoring the urgency of keeping workforces intact as we grapple with the impact of a near-global shutdown.

Make no mistake about it, I will never apologize for protecting the Connecticut workforce and our economy.

Furthermore, my record of sound financial and investment management as treasurer is well documented. Soon after taking office in January 2019, I ordered a comprehensive review of how pension assets are invested. The result was a de-risking of the portfolio, putting us in a better position now than most underfunded pension plans in the country. I took these steps because, despite the economy's strength at the time, we knew a downturn was inevitable. My team also led some of the most successful bond sales in state history, we made the Teachers' Retirement System more manageable and sustainable, and we fought to protect our rainy day fund – now twice as large as it was when we entered the last recession. Several industry publications have highlighted our success, including Pensions & Investments, a leading global money management publication.

While we could not have predicted the magnitude of COVID-19 on the market, those early steps have placed us in a vastly stronger financial position today than we were in, heading into the 2008 recession.

The editorial also took another opportunity to criticize my decision to divest from manufacturers of civilian firearms, and to consider the policies of financial institutions with which we do business. As treasurer, I will not sit on my hands as gun violence continues to exact an extraordinary toll on Connecticut – approximately \$1.2 billion in economic activity and 180 lives each year – and presents unreasonable risks to our pension funds' long-term returns. In fact, a Connecticut statute explicitly authorizes me to consider the environmental, social and economic implications of investments, and my Responsible Gun Policy is consistent with this and fiduciary law.

During this time of unprecedented turmoil, I will be laser-focused on ensuring we have the financial strength to weather the challenges ahead. I'll continue to fight for the long-term interests of our pension funds, our taxpayers, our workers, and of all of us who desperately want our economy moving again.

Shawn T. Wooden is Connecticut treasurer.