

# IR UPDATE WEEKLY

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## Purpose

Is today a “watershed moment” on Wall Street? The [New York Times](#) and others believe it might be, due to the release of a [letter](#) from Larry Fink, founder and CEO of BlackRock.

Titled, “A Sense of Purpose,” Mr. Fink’s letter to the CEOs of the world’s largest listed companies is a clarion call – perhaps even a foghorn blast – for companies to engage meaningfully by contributing back to society. But the letter is not cut from the standard cloth of “do well by doing good” or filled with encouragement about good citizenship. This is more a sharp elbow to the ribs. But in the nicest way.

After highlighting the “extraordinary run” of the equity markets in 2017, Fink describes the uncertainty faced by many people with low job security, low-wage growth, and inadequate retirement systems, and goes on to point out the inability of government to help people prepare for the future. Then he puts every issuer on notice: “Society is demanding that companies . . . serve a social purpose. Every company must not only deliver financial performance, but also show how it make a positive contribution to society.”

But Fink, who helps oversee \$6 trillion in AUM, goes further, calling for a “new model of shareholder engagement.” He also noted that BlackRock plans to double the size of its investment stewardship team over the next three years and focus more on year-round engagement. You owe it to yourself to read this letter and learn more about how BlackRock intends to hold companies to a new standard. A number of IR practitioners have shared their views about BlackRock’s letter in NIRI’s [eGroups forum](#) and I encourage you to read what they have to say.

Not all are on board, or believe that this is the best way forward. But BlackRock is also not alone, and other influential investors have made similar arguments, including Bill McNabb of Vanguard, who spoke on this topic during a recent NIRI New York program, which is summarized in the latest issue of [IR Update](#) magazine. Since

joining NIRI 10 months ago, I have been struck by the rising tide of sentiment along this theme.

Is the tide rising? Is it a trickle or a flood? And will IR professionals be swamped along the way, or grab the tiller, set the sails, and help steer the course forward?

2018 may well be the time to test the waters. Read the letter and ask yourself what gear you will don: a life preserver, hip boots, or a boat.

All the best,  
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