



Retirement News Highlights

Monday, March 7, 2022

Advocacy Group Sent Letters to State Governors Complaining about BlackRock's 'Woke' Investing

By Lisa Fu

FUNDfire

March 7, 2022

BlackRock, the world's largest asset manager, is in the crosshairs of a conservative-leaning nonprofit advocacy group that launched a campaign targeting the manager's "concerning ties" to China and alleged prioritization of "woke" politics over business.

Consumers' Research launched a marketing effort taking aim at the \$10 trillion asset manager and CEO Larry Fink that includes websites — WholsLarryFink.com and BlackRockLovesChina.com, TV and radio ads and a mobile billboard that drives around midtown Manhattan. The websites, launched this year, include 30-second videos accusing Fink of "going all in on China" and being "anti-American."

The nonprofit also sent letters and a report on BlackRock to "the governors of the 10 states with the most amount of money being managed in pension funds by BlackRock, alerting them to some of the issues with BlackRock management," said Will Hild, the group's executive director. Hild says the group sent letters to state leaders in Florida, Montana, Nevada, New York, Nebraska, Oklahoma, South Carolina, Pennsylvania, Washington and West Virginia complaining about BlackRock's relationship with the Chinese government.

Shortly after the letters were sent, some states began taking action, Hild said. In late December, Florida Governor Ron DeSantis took a stance against "communist China and woke corporations," according to a news release. The State Board of Administration decided to revoke all proxy voting authority given to outside fund managers and investigate all the investments of the state's retirement system to see how much Florida invests in Chinese companies.

In West Virginia, State Treasurer Riley Moore announced that the state's \$8 billion Board of Treasury Investments will no longer work with BlackRock. The decision, made in January, was driven by "reports that BlackRock has urged companies to embrace 'net zero' investment strategies...while increasing investments in Chinese companies," a press release shows.

A spokesperson for the West Virginia State Treasurer's Office claimed the letter was not what prompted its decision.

"Our decision to divest from BlackRock was not specifically in response to the Consumers' Research campaign, though they have certainly been raising public awareness of the issue," the spokesperson said.

Consumers' Research's effort is part of the larger "consumers first initiative," a multimillion-dollar advertising campaign criticizing companies "that are going woke in order to distract from their mistreatment of their customers," Hild said. Consumers' Research launched the Consumers First Initiative in early June of 2021 and began by targeting mostly business-to-consumer and retail companies such as Nike, Coca Cola and a number of airlines. The group thought that BlackRock deserved a spotlight "because of how important they are and how much influence they have, especially relative to how unknown they are among the general populace," Hild said. "They've been so political in the way they use [shares in portfolio companies] to, in our opinion, bully companies."

Last year, BlackRock used its proxy voting powers to help activist hedge fund Engine No.1 install three directors on the Exxon Mobil board and push the portfolio company to reduce its carbon footprint.

BlackRock supports its clients in making informed investment decisions by providing "clear and current disclosure of all material risks associated with different investment products and markets," a spokesperson told FundFire.

The company is a fiduciary to clients and focuses on matters like diversity in the boardroom and climate risks because it believes "these are material issues that can affect the long-term value of our clients' investments," the spokesperson added. "Those are issues that the funders and leaders of this campaign do not appear to agree with."

Fink also pushed back against allegations of "wokeness" in his annual letter to portfolio company CEOs, released in January. BlackRock's focus on sustainability is not due to being "woke" but about "capitalism," Fink argued. In February, the firm went further, pledging not to boycott fossil fuel companies.

So far, Consumers' Research has spent "probably at least \$2 million" on the campaign, Hild estimated. "Our view is, this needs to continue until this phenomenon stops and we've educated the populace." He declined to reveal the foundation's donors.

Consumers' Research most recent Form 990 filed with the Internal Revenue Service in 2019 describes the group as an independent educational organization aimed at increasing the "knowledge and understanding of issues, products, and services of concern to consumers" and promoting "the freedom to act on that knowledge and understanding." The nonprofit reported \$475,000 in contributions and grants in 2019, the form shows.

[Back to top](#)