

COSMIC SHIFT



The Next Big Thing: How About a Little Meaning?

So what if value investing isn't all the rage on Wall Street right now. It's the search for values, or meaning, that's likely to become really big, according to Charles Hess, president of Inferential Focus, a consulting firm that "detects change" for the likes of Prudential Insurance, Fidelity and J.P. Morgan.

Hess, whose firm began alerting clients in mid-1996 to a shift in Asia that led to a global crisis in the summer of 1997, describes the value change as "moving from communities of wealth to communities of meaning," for people in "a world out of control." Thus, individuals are "shifting their interest from increasing their standard of living to increasing the value of their lives," he says.

Inference seeks to find what's behind developments, with Hess and his partners examining multiple levels of evidence before reaching a conclusion. He notes that "the more you're invested in an area, the more evidence it takes" to convince you that something's happening. Hence, the spouse is always the last to know. Once the picture becomes clear, the change detectors help clients "understand what's going on early" and discuss the implications, so those with the information can adjust to change before it's generally understood.

In keeping with Hess' "world out of control" thesis, he notes that such disparate security items as SUVs, mobile phones, mutual funds, handguns, antidepressants and health foods all had similar sales growth, and drove their industries in the past decade. To support the idea that values are back in vogue, he points to a 39% drop in viewership of the NBA championship, and an 18% decline in Academy Awards ceremonies audience from 1998, while book sales rose 6% and commoners embraced Shakespeare (in part, through movies).

What will drive the meaning revolution? Hess notes that the Dalai Lama has two books on the best-seller list, and that poetry events "have just mushroomed all over the country." Could be his theory explains the popularity of socially responsible investing, which the Social Investment Forum says grew 82% from 1997, to more than \$2 trillion.