



Written by [Rebecca Terrell](#) on January 9, 2024

BlackRock Laying Off ESG Employees

About 600 BlackRock employees are getting their pink slips in the coming days.

According to [Fox Business](#), the world's largest money-management firm is cutting about three percent of its global workforce.

Internal communications describe the cutbacks as routine, citing last year's layoffs that were gauged on employee performance metrics.

However, this year, the metrics may be different.

BlackRock's bottom line is showing the effect of political backlash to the company's embrace of Environmental, Social, and Corporate Governance investing. Popularly known as ESG, or "stakeholder capitalism," it's a way for companies to virtue signal their own wokeness and cancel those who don't comply. Here's Blackrock founder and CEO Larry Fink, describing ESG during a 2017 *New York Times* DealBook panel:



AP Images

Behaviors are going to have to change, and this is one thing we're asking companies. You have to force behaviors. At BlackRock we are forcing behaviors.... What we are doing internally is, if you don't achieve these levels of impact, your compensation could be impacted, okay.... You have to force behaviors, and if you don't force behaviors — whether it's gender, or race, or just any way you want to say, the composition of your team — you're going to be impacted.

It seems that "forcing behaviors" isn't paying off so well, as BlackRock finished the third quarter of 2023 with \$9 trillion in Assets Under Management (AUM) from a peak in 2022 of more than \$10 trillion. Its fourth quarter projections anticipate a 2.46 decline year-over-year to \$8.71 a share.

In December, House Judiciary Chairman Jim Jordan of Ohio [subpoenaed](#) BlackRock as part of a committee investigation into ESG. And many red states have pulled around \$6 billion from BlackRock-managed pension funds in protest of the company's disastrous political correctness.

Lately, the firm has been de-emphasizing ESG, no longer requiring portfolio managers to consider that parameter when making funding decisions. [Fox Business](#) quoted Larry Fink as saying that "he won't use the mention of the letters E-S-G any longer because of the controversy it has stirred up in political circles." Blaming politics alone, however, seems one-dimensional. Fox also pointed out that last year, "many so-called green investment funds have seen declines in asset amid weak performance as



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investments in sustainable energy products fail to produce significant returns.”

However, BlackRock remains popular with its foreign customers, and around \$1 trillion of its assets are from the so-called sustainable sector. It’s a safe bet to assume many of those are heavily backed by government subsidies, or they wouldn’t be worth the investment.



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