



Climate and Our Money: The What, Why and How of Fossil Fuel Divestment and Reinvestment

Interfaith Creation Care of the Triangle and Durham Friends
Meeting (Quakers)
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What is Fossil Fuel Divestment and Reinvestment?

- **Divestment** = moving money from banks, investments (stocks, bonds, mutual funds, public equities etc) that fund fossil fuels, either individually or by institutions (academia, businesses, municipalities, etc., via pension or other investment funds.)
- **Reinvestment** = putting that money into renewables and other ecologically just and sustainable funds, including in climate mitigation, adaptation, and the protection of all life*

(e.g., *United Nations Environment Program reports that financing for climate adaptation is only 5-10% of what's needed)

Why Consider Divesting and Reinvesting?

There are ecological, political, moral and spiritual grounds for divestment from FF and for reinvestment in sustainable funds

Divestment is primarily a moral and political act to weaken FF corporations' public and moral positions, not necessarily to hurt them financially

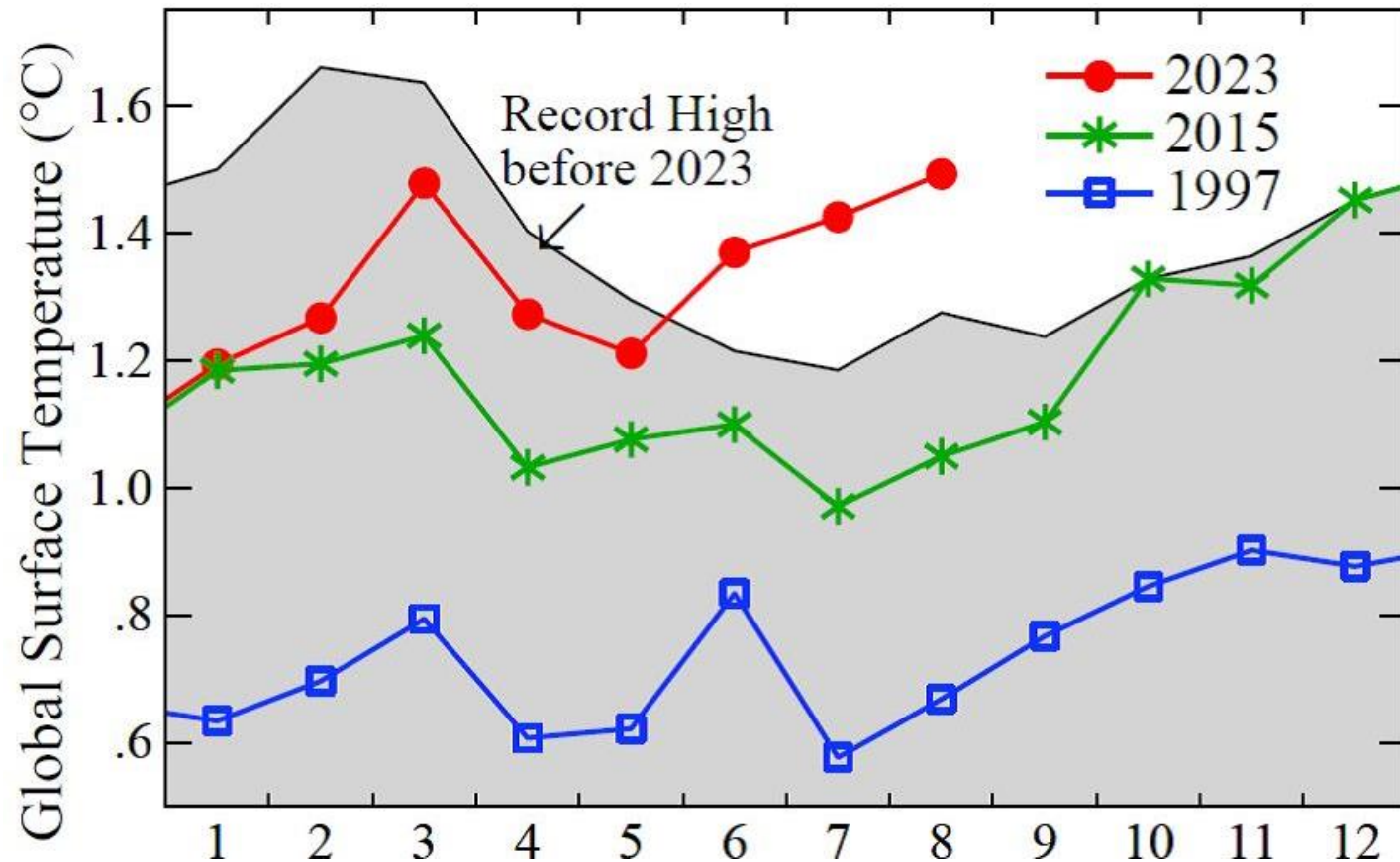
What are the Ecological and Practical Reasons to Divest?

(Here's the bad news...)



Things are Heating Up...

September 2023 was the hottest month since records began

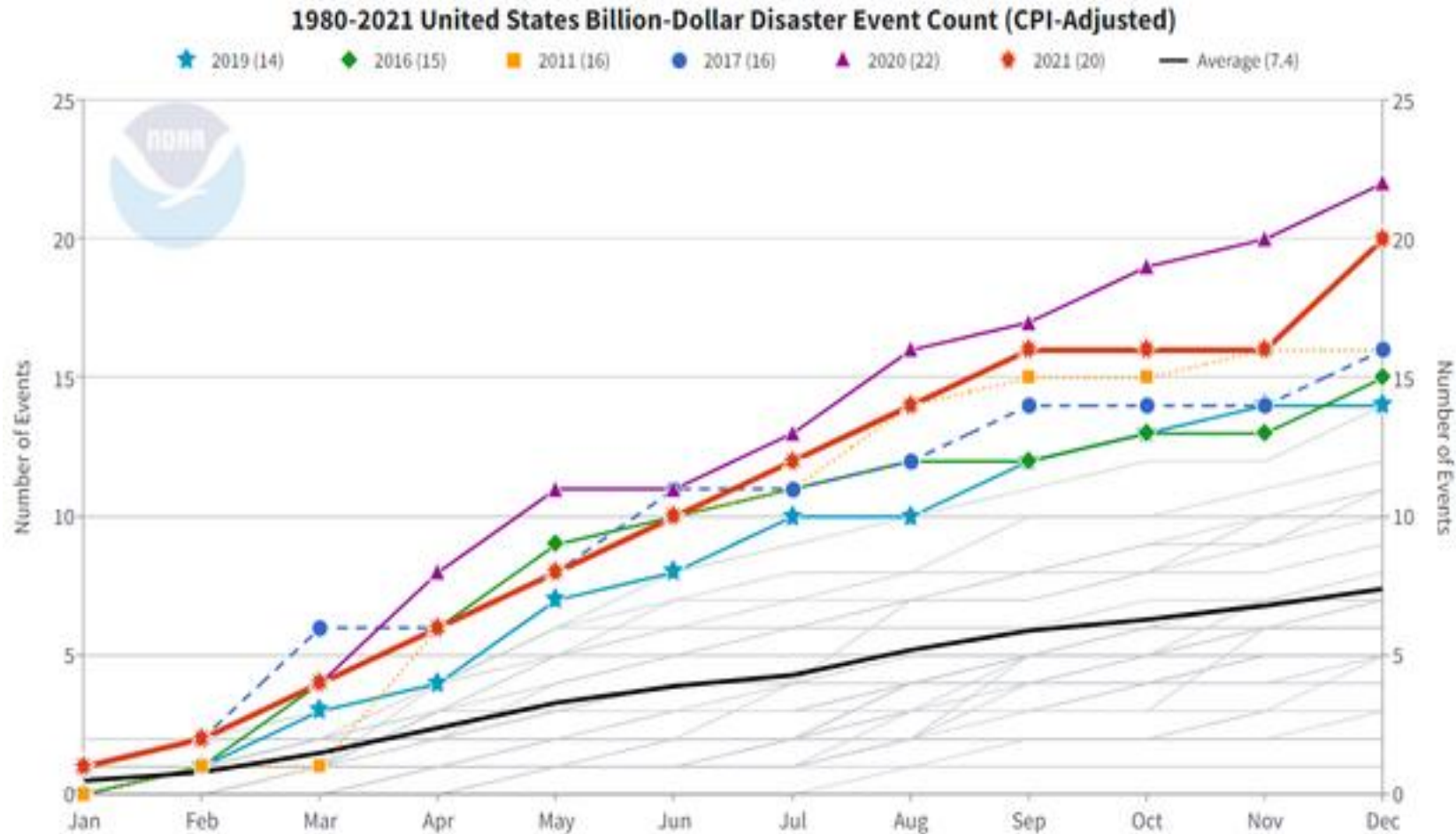


Things are heating up...

- 2023 was a record year for extreme weather events
- Estimated 34 million children were made climate refugees over the past 6 years
- We are close to or past major “tipping points” in global systems
 - e.g., W Antarctic ice sheet, permafrost melt, Amazon rainforest loss, plus loss of ~60-70% species (World Wildlife Fund)

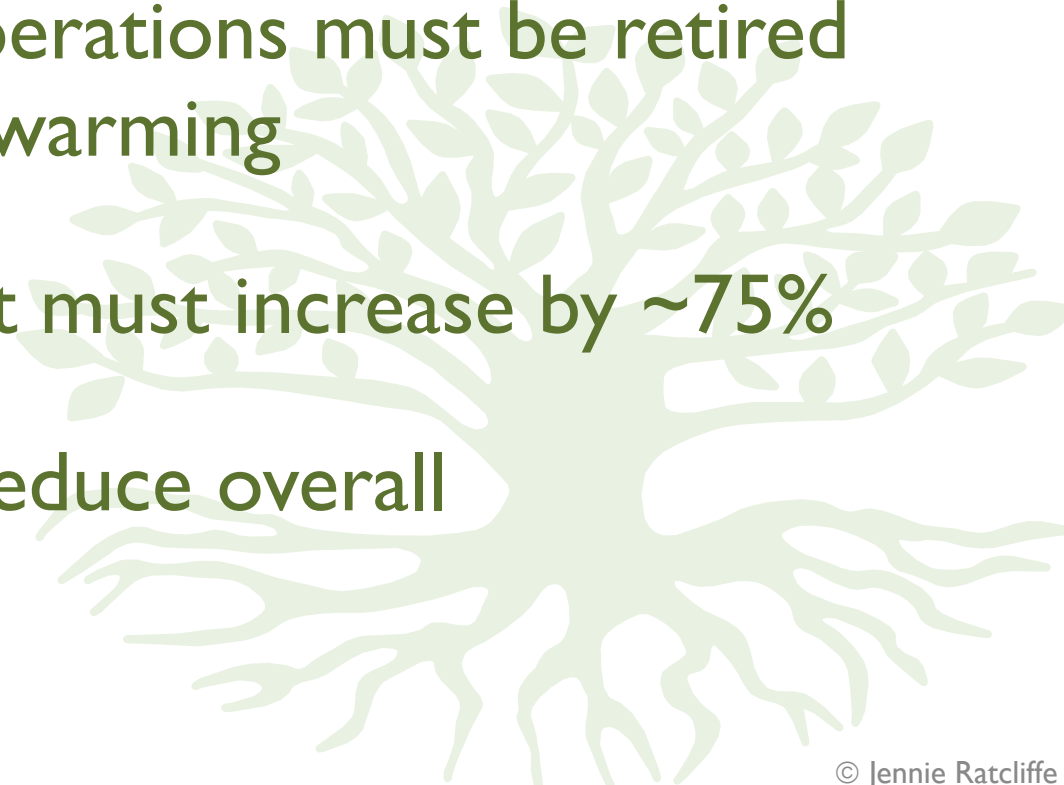


Extreme Weather Events are Rapidly Increasing in the US (and Around the World)

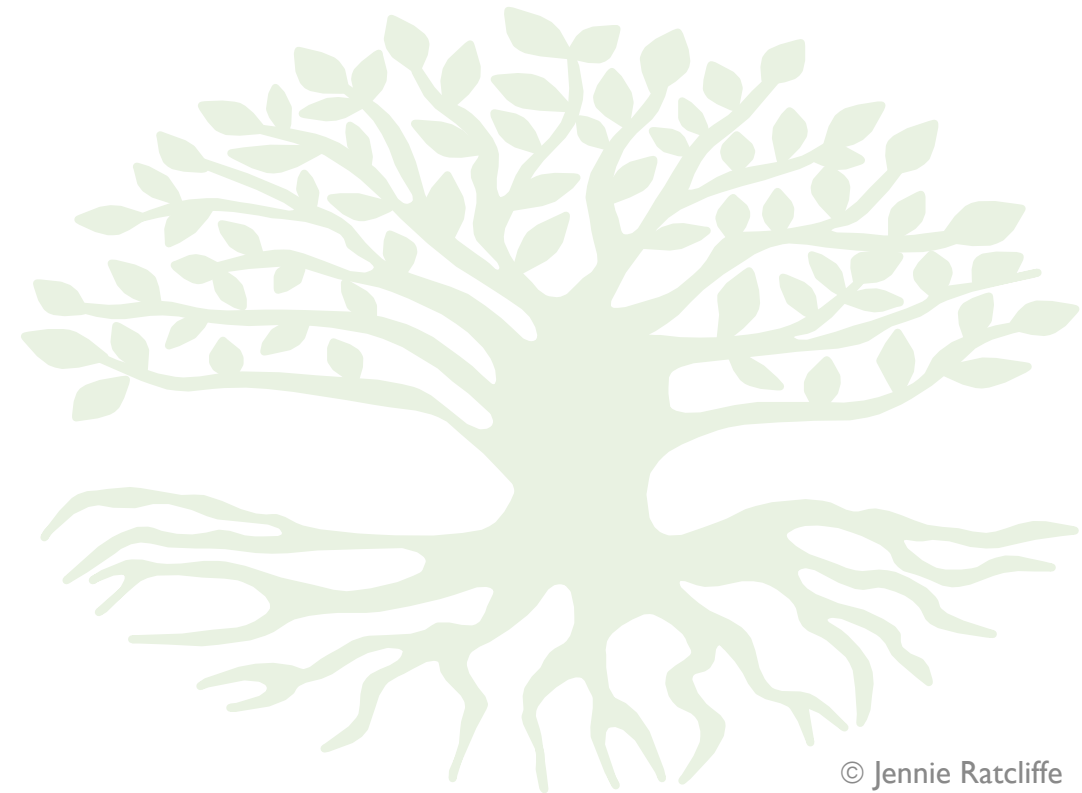


Fossil Fuels are Responsible for 80+% of Global Heating – So What Is Needed Now?

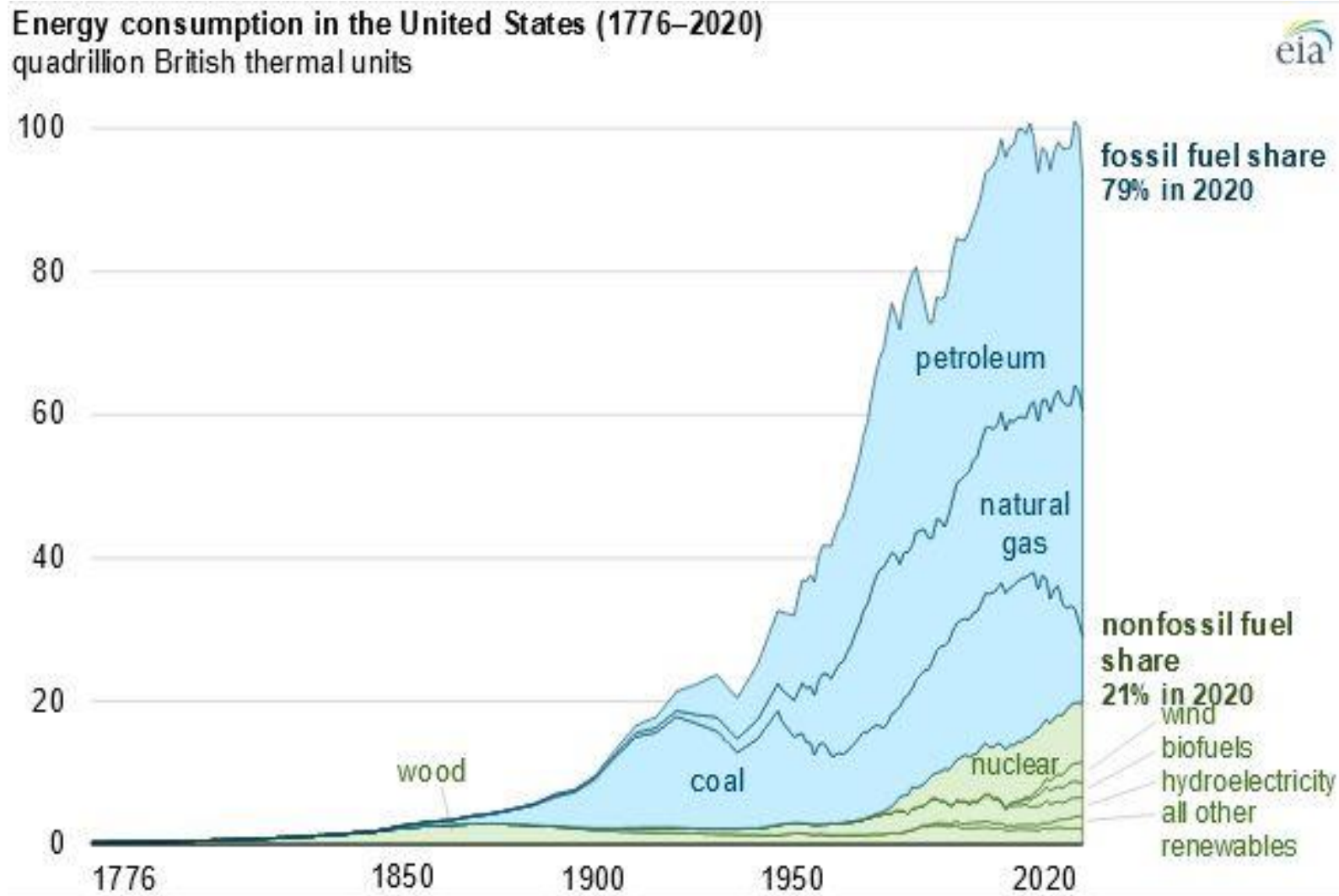
- **NO** expansion or use of existing FF reserves
- **AND** existing coal and other FF operations must be retired early or CC used to avoid $>1.5\text{C}+$ warming
- **AND** renewable energy investment must increase by $\sim 75\%$
- **AND** we (richer countries) must reduce overall consumption



But...



FF Still Provide ~80% of Energy Use in the US and Worldwide



We Must Transition Away From FF **Now**

- FF are a public health hazard, contributing to ~7 million annual deaths from pollution, heat deaths and more infectious disease
- IPCC, climate scientists all say >80% of remaining FF must stay in the ground to have a 50% chance of <2C
- We must “**rapidly phase out and replace all FF**” to avoid exceeding 2.4 C by 2100 (Int’l Energy Assoc, Oct 2023)
- Coal use must fall by up to **99%**, oil by **70%**, and gas by **84%** between 2020 - 2050 to keep the planet from heating by 1.5C above preindustrial levels (Achakulwisit *et al.*, *Nature Comm.*2023)

i.e., the **SPEED** of transition away from FF is critical

Bill McKibben: “*Winning slowly now is the same as losing*”

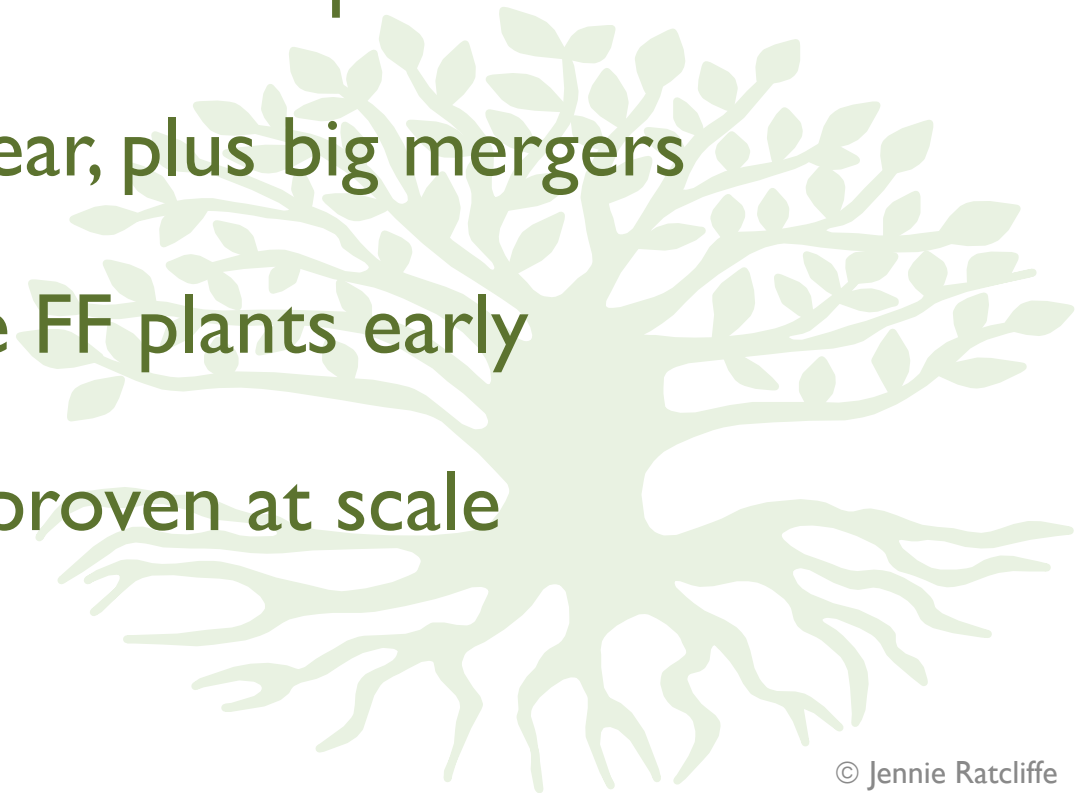
We Must Stop Extracting and Burning FF BUT...

- The world's biggest oil and gas corps are planning a **20% expansion** of FF production over next 5 years
- Some countries (e.g. India, China) still heavily rely on coal plants
- Coal-based steel plants produce 60% of GHG emissions from steel sector; only 1/3rd world producers have net zero plans
- Oil and gas power plants saw 13% global expansion in 2022

AND...

We Must Stop Extracting and Burning FF BUT...

- IEA: planned FF investments over next 2 years are \$3.6 trillion higher than compatible with net zero plans
- FF corps made record profits last year, plus big mergers
- Little has been done so far to retire FF plants early
- CCS and carbon capture tech is unproven at scale



Who Funds the FF Corporations?

- The world's 60 biggest banks have invested \$3.8 trillion in FF over past 6 years; \$1 trillion came from 4 biggest US banks
- US Banks Provide 30% FF Corp Funding Worldwide
- Biggest US FF funders: JP Morgan Chase, Citibank, Wells Fargo, Bank of America, Morgan Stanley
- Biggest US asset managers/insurers: Vanguard, BlackRock, AIG

Who Funds the FF Corporations?

- Banks funding FF corps with “carbon bomb” projects (> 1 gigaton CO₂ , 4 times total global carbon budget if completed)
 - 2016-2022, billion dollars
 - **JPMorgan Chase \$141.8**
 - **Citi Group \$119.2**
 - **Bank of America \$93.5**
 - ICBC \$92.2
 - BNP Paribas \$71.9
 - Bank of China \$65.7
 - **Wells Fargo \$62.4**
 - HSBC \$62.1



Banks May Fund Both FF and “Green” Energy BUT...

- e.g. Wells Fargo (3rd largest US investor in FF) invested \$272 billion in FF between 2016 and 2021 = \$45B per year
- Pledged to invest \$100 billion from 2018 to 2028 in clean energy/tech/bonds = \$10B per year
- Total WF assets = \$1.9 trillion





Image by [Alexander Antropov](#) from [Pixabay](#)

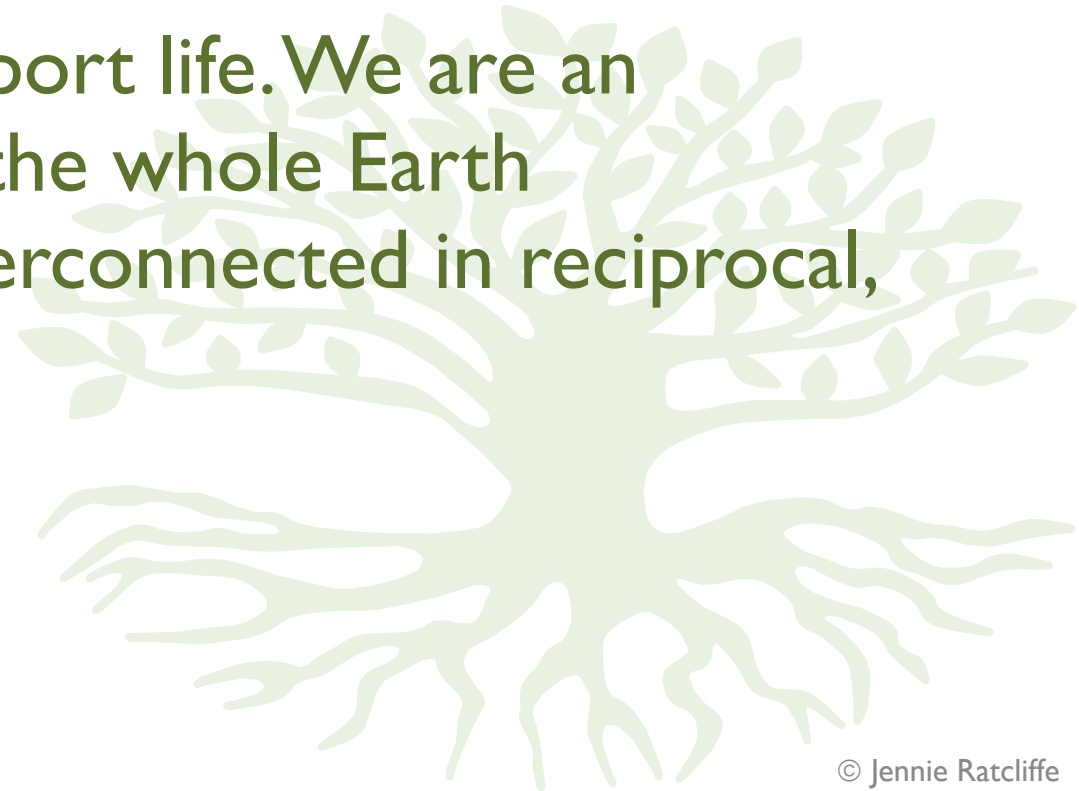
So is it game over for the planet?

What are the Spiritual and Moral Grounds for FF Divestment/Reinvestment?



Ethics of a Deep Ecology, Economy and Peace

- All life has the fundamental intrinsic right to live and flourish, and to continue from one generation to the next
- Humans are in a felt bond of kinship with all life and the rocks, soils, oceans and air that support life. We are an integral part of the web of life and the whole Earth community, interdependent and interconnected in reciprocal, nonviolent and equal relationship.



Quakers:

“We see that of God (the Infinite, All That Is) in everything”

“We are called to care for all creation.”

“Be patterns, examples, and let your lives speak.”

“The guiding principle in making an income should be the good of the community, and the effect of one’s money on the welfare of all through its social and environmental impact.”

BYM

Quaker Testimonies



Quakers and Divestment/Reinvestment

- Many Friends have acted on their consciences in their personal lives, e.g., as COs in war or militarism; now we seek to be conscientious protectors of all creation as we seek an Earth restored., and already practice *socially responsible, ethical investing* (no to e.g., military, guns, weapons makers, discrimination, tobacco etc. and yes to clean energy, water, conservation, public health, social justice etc.)
- Divesting in our wealthier countries is also a matter of eco-justice: the poorest countries have contributed least to global heating and are suffering the most

Faith Organizations are Joining with Other Organizations to Divest and Reinvest Effectively

- e.g., Earth Quaker Action Team, Quaker Earthcare Witness, Quaker Institute for the Future and individual Meetings work with e.g.:
 - ICCT
 - GreenFaith
 - Interfaith Power and Light
 - Third Act, Sierra Club, gofossilfree.org etc.

Remember: Divestment is primarily a moral and political act to weaken FF corporations' public and moral positions, not necessarily to hurt them financially (BYM)

Are FF Divestment Campaigns Working?

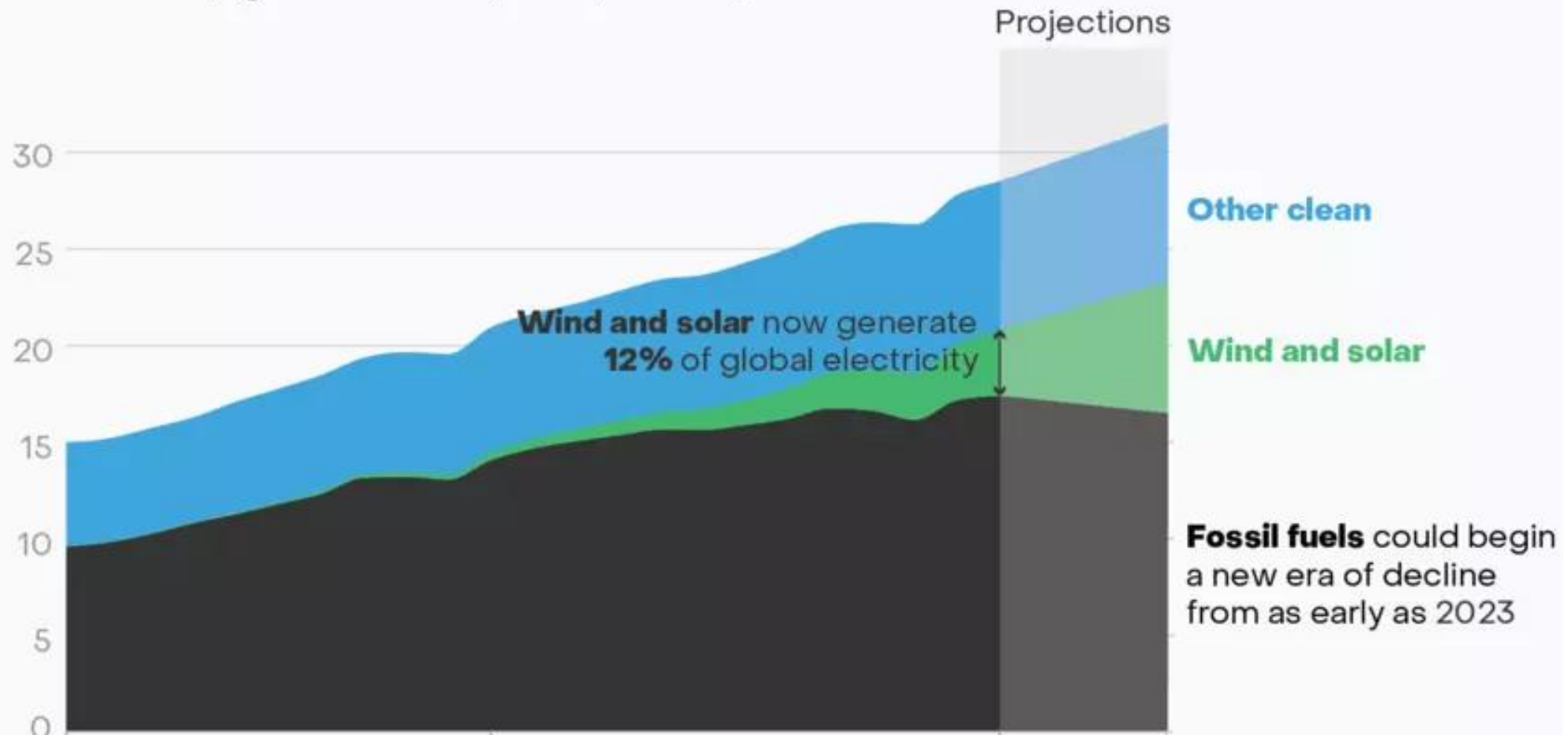
- Over \$40 trillion has been committed to divestment worldwide to date; publicity has significantly increased
- College campaigns: major US universities (e.g. Harvard, NYU) have committed to divest billions
- State pension funds: (e.g NY, \$266 billion, in 2020) and major charities have divested their investments
- 5 European capitals have pledged to divest
- Individuals are divesting as part of campaigns (e.g. [Third Act.org](https://www.thirdact.org))



Are FF Peaking Globally?

Wind and solar hit 12% of global power; an era of fossil decline is about to begin

Electricity generation (TWh, 000s)





We are life, defending sacred life. We can do no other....

To learn more about divesting from fossil fuels and reinvesting in sustainable funds, see our Climate and Money FF guide at

<https://quakerearthcare.org/climate-and-money-a-guide-to-fossil-fuel-divestment-reinvestment/>

or at <https://docs.google.com/viewer?url=https%3A%2F%2Finterfaithcreationcare.org%2Fwp-content%2Fuploads%2F2023%2F10%2FClimate-Money-FF-Guide-rev-7-Sept-2023.docx>

To learn more about our ecological predicament and the spiritual ground of action,
see *Nothing Lowly in the Universe: An Integrated Approach to the Ecological Crisis*)

