

# **Fossil Fuel Divestment**

*how is it effective?*

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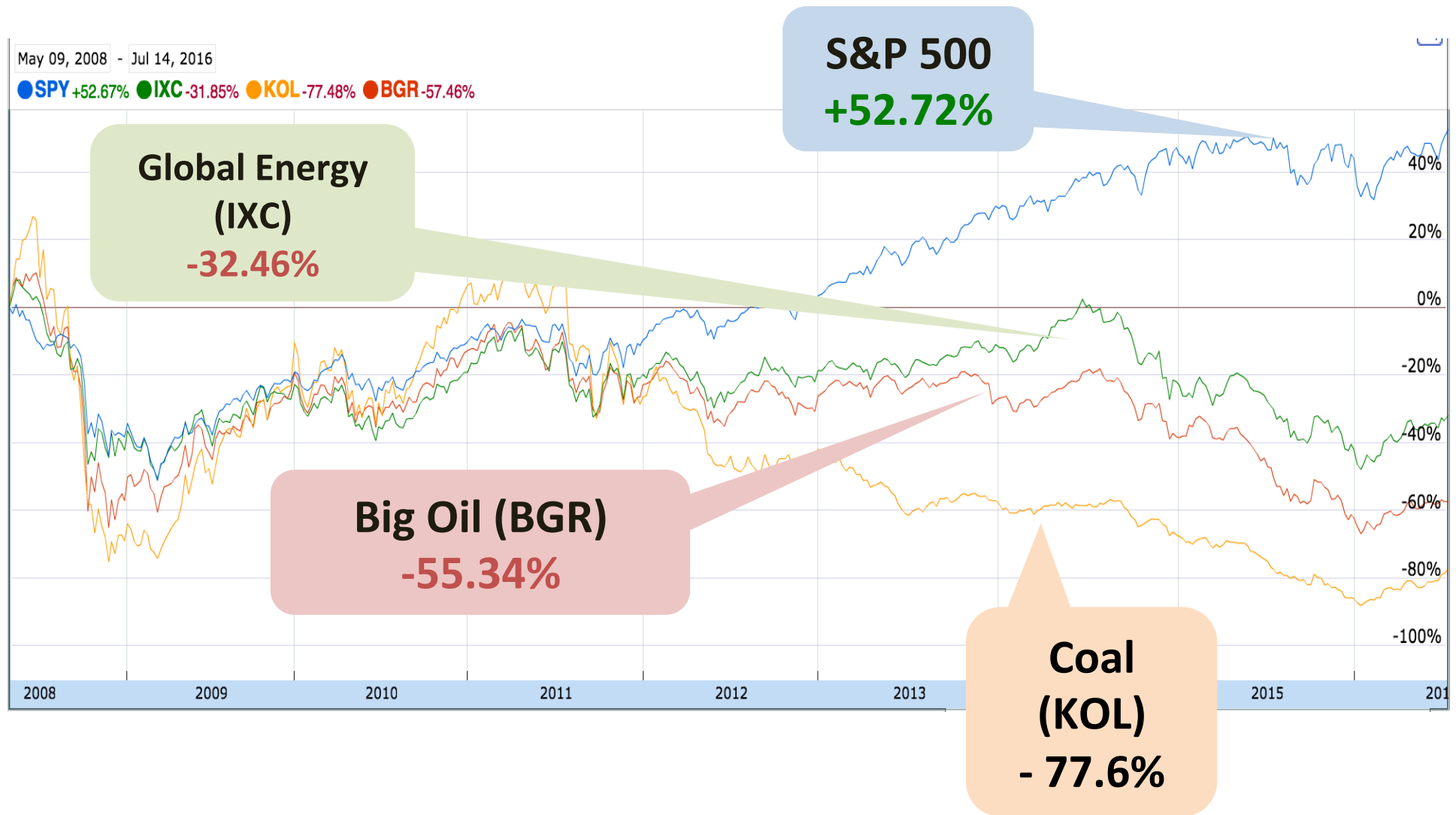
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# Divestment is Effective

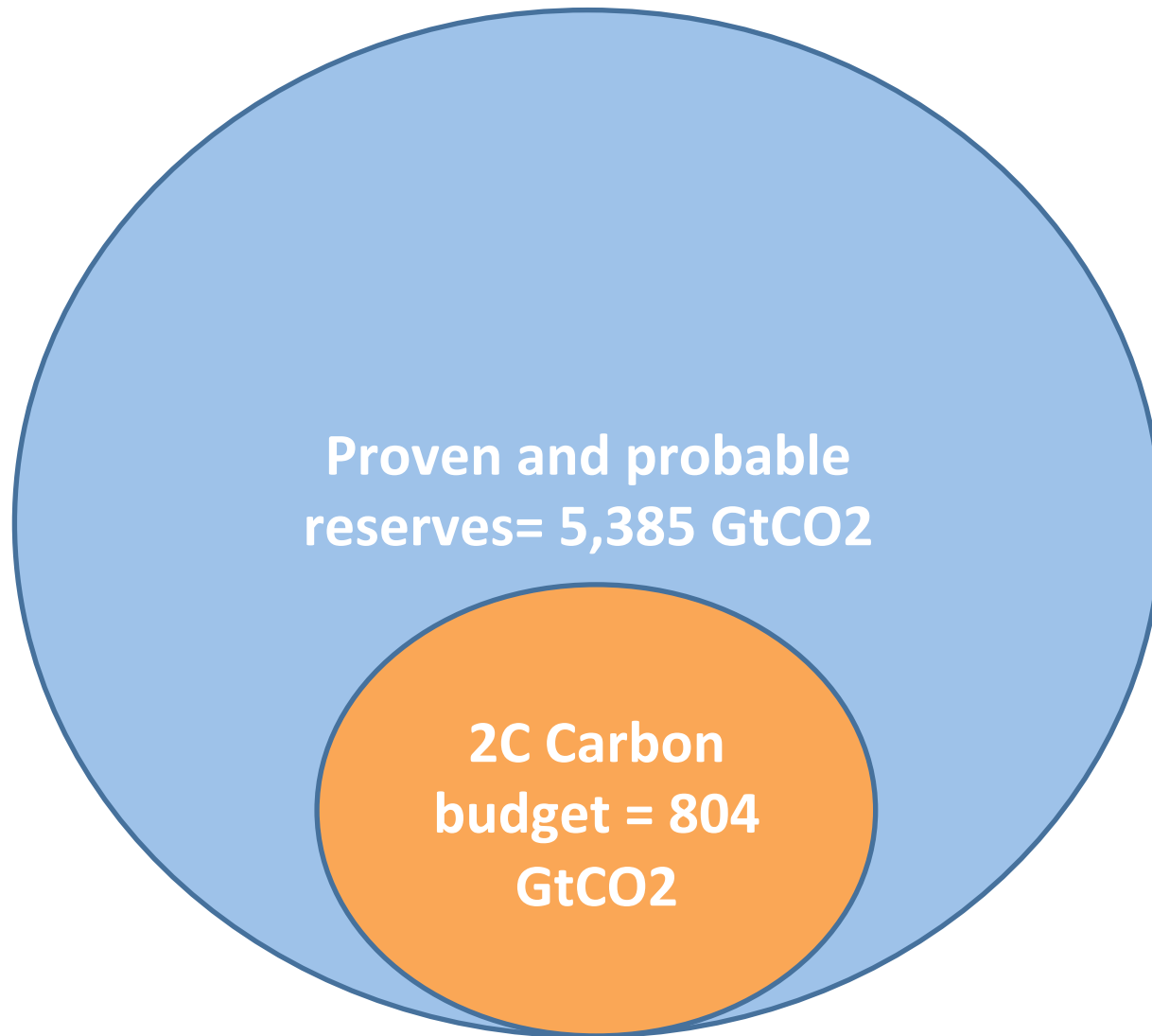
- **Mitigating investment risk**
- Driving the investment market
  - Creating political space

# Fossil Fuels have diverged from, and dramatically lagged, the S&P500



Source: Google Finance, Cumulative Return

# Unburnable Carbon



# Risky and expensive production

Figure 4: Capital Expenditures

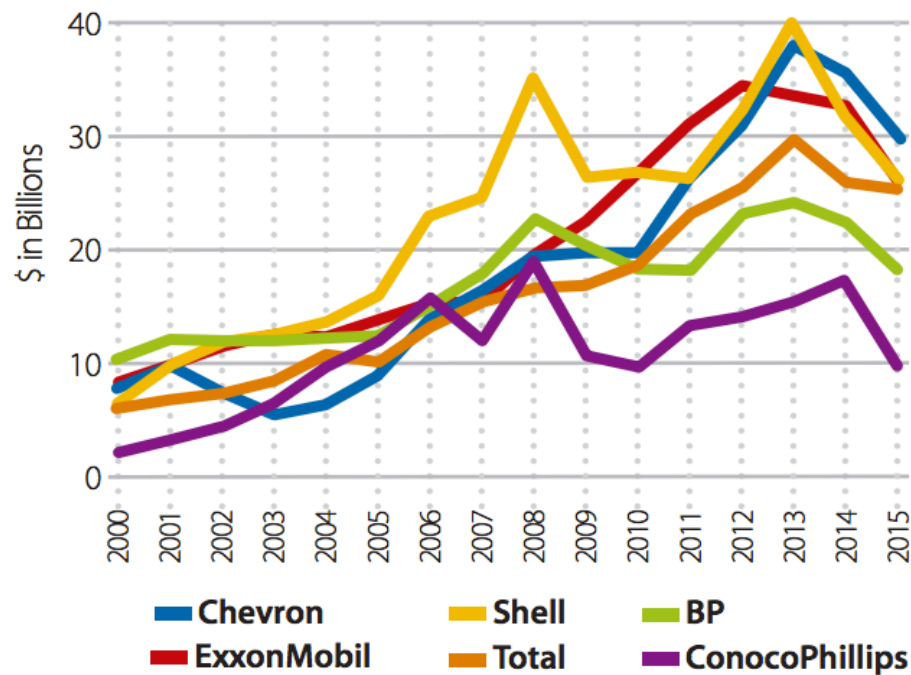
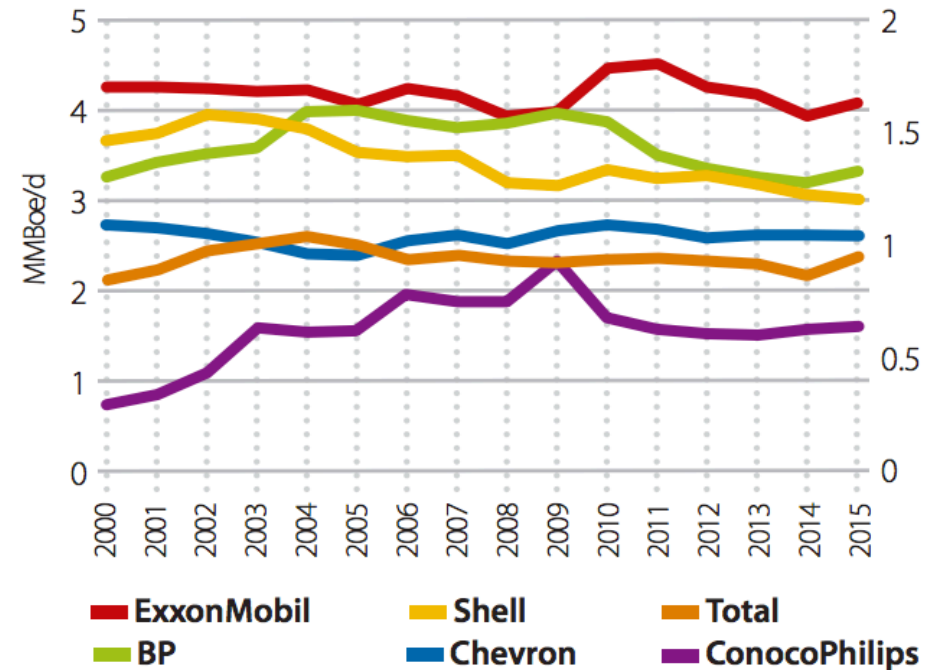


Figure 5: Oil and Gas Production



# Divestment is Effective

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- **Driving the investment market**
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# Fossil Free Investing

- Indices: MSCI, FTSE, S&P
- 554 Institutions: \$4.2tr under management
  - ✓ 35 US: Colleges/Universities/ Uni Systems

# Investing in clean energy

- UC System, \$1bn in climate solutions
- Pitzer College creates a “Pitzer Sustainability Fund” as part of their divestment
- Syracuse University “aims to make additional investments in clean energy”



# Divestment is Effective

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# Political Space

## *Shifting the zeitgeist*

- Historically, divestment leads to policy change

*“In almost every divestment campaign we reviewed, [they] were successful in lobbying for restrictive legislation affecting stigmatized firms” –Oxford University*

- The voice of divestment has already reached the halls of legislators
- Universities step into a deeper conviction in their response to climate change

# Questions?

- Why do you and [350.org](https://350.org) believe that divestment of fossil fuel holdings is an appropriate strategy for institutions such as the University of Denver?
- Why is it superior to other strategies such as affirmative investment in companies fostering a sustainable environment?
- What are the implications of fossil fuel divestment on comingled investment vehicles which are widely used by investors?
- Is it appropriate for the university to make investment policy decisions which may limit investment returns (potentially reducing funds for operations, scholarships, etc.) based on political preferences?
- If the university were to divest its endowment of fossil fuel holdings, what about the next political issue, and the next? Isn't this a slippery slope? What is the standard for judging "appropriate" topics to trigger future divestment?