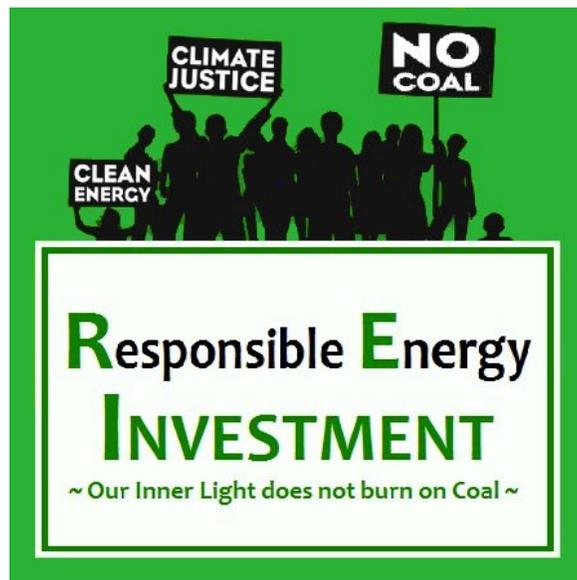


WHY COLLEGE ADMINISTRATIONS SUPPORT DIVESTMENT FROM FOSSIL FUELS

THE RESPONSIBLE ENERGY INVESTMENT CAMPAIGN
("REINVESTMENT")



Earlham College
February 2015

Why Administrators Support Divestment from Fossil Fuels:

The following information was compiled by students and alumni of the Reinvestment Campaign to inform members of the Earlham community about why higher education administrators support divestment from fossil fuels. The first part of this document details the rationale for divestment of thirteen colleges/universities that have committed to divestment; it should be noted that these schools only represent a fraction of the schools that have decided to divest. This document also includes a list of other colleges/universities, religious groups, foundations, and cities that have committed to partial or full divestment from fossil fuels. The members of Reinvestment hope that this information will help to clarify concerns and questions that members of the SRIAC and the wider Earlham community have about the on-going conversation to divest from the worst of extraction companies at our college.

Hampshire College¹

Hampshire College avoided the conversation concerning fossil fuel divestment by simply never investing in fossil fuel companies in the first place. With a rigorous screening process that keeps the college from investing in companies that violate human rights, environmental denigration, and socially irresponsible histories, Hampshire takes a strong stance to use its endowment to support just causes. Hampshire views a company's social practices as directly related to their financial health, and thus tied to the reputation and health of Hampshire. Hampshire's investment policy states that "poor business practices related to human rights, the workplace and the environment pose reputational, financial, operational and legal risks to the College's investments and therefore the future financial security of the College."

Naropa University²

The decision to divest at Naropa University was a collaborative effort that resulted in Naropa's Endowment Committee voting unanimously to divest from the Carbon Tracker 200. The Board of Trustees at Naropa made the decision based on the belief that divestment would not hurt their endowment and that shareholder action would not result in significant changes in behavior on the part of the companies targeted. The step seemed in line with Hampshire's history of attempting to align their values and their investments, including not investing in alcohol, tobacco, nuclear power, and weapons.

The New School³

The New School, located in New York, recently divested from fossil fuels on the premise of using divestment as a learning tool for its students. Economic students from The New

¹Hampshire College, Policy on Environmental, Social and Governance Investing:

https://www.hampshire.edu/sites/default/files/shared_files/Hampshire_ESG_Policy.pdf

²Naropa University, Naropa University Divests from Fossil Fuels:

<http://www.naropa.edu/media/naropa-press-releases/press-2013/naropa-divests-from-fossil-fuels.php>

³ The New School Free Press, Divestment By the Number:

<http://www.newschoolfreepress.com/2014/02/20/divestment-by-the-numbers/>

School are currently researching the \$340 million dollar endowment and investments in fossil fuels to determine which stocks to keep and which to sell. The New School is also taking divestment one step further in using it as a platform to change the curriculum focus at the school to address issues of climate change. Dean Michelle DePass noted that “the ultimate goal of the program was to transform all 14,000 students, faculty members and staff into ‘fully aware, service-oriented, climate citizens.’”

Peralta⁴

The Peralta Community College District Board of Trustees unanimously decided to divest from fossil fuels in 2013. The community college district, which consists of four schools, divested for individual institutional reasons and for more broad political reasons. The community college district decided to divest to continue their commitment to sustainability and to reduce carbon emissions. Specifically, the district wanted to protect the climate and environment for their future students, along with the future world community as a whole, who all depend on a stable climate. The district also divested with an understanding of its power to make a political statement about the importance of environmental sustainability as an institution of higher education.

Pitzer College⁵

In collaboration with their student run divestment campaign, Pitzer College announced in April of 2014 that they would divest their endowment from fossil fuel companies and commit to trimming the college’s carbon footprint by 25% by 2016. In addition, Pitzer has also committed to creating a sustainable-investment fund within their endowment. Pitzer sees its endowment not only as an excellent tool to show their commitment to decreasing their contributions to climate change, but also as a great opportunity to participate in meaningful collaboration with its students.

Prescott⁶

Prescott College has long had a tradition of education focused on environmental responsibility and social justice. When student Kara Kukovich prepared a report on the ethics, finances, and environmental impacts of fossil fuel divestment, the community at Prescott was on board within a few months. James Pittman, the Director of Sustainability, noted that the move for divestment made sense in a series of steps the college had undertaken to be more environmentally conscious. These included being one of the first colleges to sign the American College and University Presidents' Climate Commitment, the creation of a Climate Action Plan, and a LEED Platinum certification for new buildings.

⁴Peralta, Peralta Trustees Pass Resolution to Divest from Fossil Fuel Companies:

<http://web.peralta.edu/blog/2014/01/31/peralta-trustees-pass-resolution-to-divest-from-fossil-fuel-companies/>

⁵The Chronical of Higher Education, “Pitzer to take Fossil Fuel Divestment a step further:

<http://chronicle.com/article/Pitzer-College-to-Take/145905/>

⁶ Prescott College, Prescott College Commits to Fossil Fuel Divestment Resolution:

<http://www.prescott.edu/experience/news/fossil-fuel-divestment-resolution.html>

SFSU⁷

San Francisco State University's foundation decided to divest from fossil fuels to protect the environment for future generations. John Gumas, chair of the Foundation, explained that the Foundation's purpose is to maintain a growing endowment, and that SFSU's decision to divest will in no way hinder that aim. SFSU not only divested its direct holdings in companies associated with tar sands and coal but also committed to divesting from commingled funds that held a certain percentage of fossil fuels companies. As recognition for their institutional commitment they were designated as a "College with a Conscience" by the Princeton Review.

Stanford University^{8 9}

Stanford University made the decision to divest based on the recommendation from the university's Advisory Panel on Investment Responsibility and Licensing (APIRL). The panel, which includes students, staff, alumni, and faculty, worked collaboratively to review the social and environmental impacts of continued investments in fossil fuel companies. The trustees made the decision to divest from all coal that is used in energy production. Even though the Statement on Investment Responsibility policy at Stanford says that fiduciary responsibility is the most important investment consideration, the board made the decision based on the social injury caused by coal extraction companies.

Sterling College^{10 11}

Sterling College is proud to be the third college in the nation to divest its endowment from fossil fuels. The President, Matthew Derr, said that divesting their entire endowment from fossil fuels keeps them in line with their mission to educate problem solvers and environmental stewards for the future. "We hope that we inspire other colleges and universities to take this important next step toward divestment in fossil fuels." Sterling College was one of the first in the nation to have an environmental major and is deeply committed to sustainability, and felt that divesting allowed them to remain in line with their core values. To divest, Sterling moved its portfolio to a fossil fuel free portfolio run by Trillium Asset Management in Boston, MA.

University of Dayton¹²

⁷SF State News, SF State Foundation strengthens its commitment to the environment
<http://news.sfsu.edu/sf-state-foundation-strengthens-its-commitment-environment>

⁸Seiger, Alicia, Institutional Investor, "Inside Stanford's Coal Divestment Decision"
http://www.institutionalinvestor.com/blogarticle/3345908/blog/inside-stanfords-coal-divestment-decision.html#.VGLGs_vIMDWg

⁹Stanford News, "Stanford to divest from coal companies"
<http://news.stanford.edu/news/2014/may/divest-coal-trustees-050714.html>

¹⁰Derr, Mathew, Huffington Post, "Why Sterling College Divested from Fossil Fuels"
http://www.huffingtonpost.com/matthew-derr/college-fossil-fuel-divestment_b_2632391.html

¹¹Sterling College, Sterling College Completes Fossil Fuel Divestment of its Endowment Fund
<http://www.sterlingcollege.edu/news-events/news-archive/sterling-college-completes-fossil-fuel-divestment-endowment-fund/>

¹² University of Dayton, Dayton Divests:
https://www.udayton.edu/news/articles/2014/06/dayton_divests_fossil_fuels.php

University of Dayton's decision to divest its \$670 million endowment from coal and fossil fuels was a unanimous one from the board of trustees. In addition to making the commitment to divest their direct holdings, Dayton also made plans "to invest in green and sustainable technologies or holdings, and restrict future investments in private equity or hedge funds whose investments support fossil fuel or significant carbon-producing holdings." The decision to divest arrived parallel to their unfolding of a new minor in sustainability, energy and the environment. As Rev. Martin Solma, a member of the board's investment committee said in an interview, "The tremendous moral imperative to act in accordance with our mission far outweighed any other considerations for divestment." They are confident that this decision will not negatively impact their endowment.

Unity College¹³

The president of Unity College, Stephan Mulkey wrote an open letter to all college and university presidents to consider divestment from fossil fuels. His letter opens by explaining that making the decision was by no means easy and that only through a thorough investigation of fiduciary responsibility were they able to understand the costs and benefits of divestment. In the end, Unity prioritized their moral beliefs over their fiscal worries. After extensive research, the college discovered that it would not be difficult to divest and they learned that their returns would not be affected in the long term. Mulkey said that "we must turn away from the embedded acceptance of the notion of profits at any price." He urges the presidents of colleges across the county to take a stand and push for divestment at their institutions.

UCSF¹⁴

The UC Academic Senate is a group of dedicated faculty that address issues they find pertinent within the UC system. In response to a request by students at UCSF to divest, the Academic Senate decided that, primarily due to the risk of irreversible climate change, values of carbon reserves (especially those of the Carbon Tracker 200) are inflated and are therefore risky business investments. They implored the Regents of the UC system to divest the holdings of the UC system from fossil fuels in order to safe guard their future investments. The committee decided to reduce holdings to 5% total over the entire endowment and to no longer hold direct investments in fossil fuel companies.

Union Theological Seminary¹⁵

The Union Theological Seminary unanimously decided to divest in June 2014, becoming the first seminary to divest from fossil fuels. The seminary is committed to social justice and

¹³Mulkey, Stephen, Unity College Sustainability Monitor, "An open letter to college and university presidents about divestment from fossil fuels"
<http://sustainabilitymonitor.wordpress.com/2012/11/13/an-open-letter-to-college-and-university-presidents-about-divestment-from-fossil-fuels/>

¹⁴UCSF, Academic Senate, Committee on Sustainability, Annual Report:
<http://senate.ucsf.edu/2013-2014/sus-2013-14-annualreport.pdf#page9>

¹⁵Jones, Serene, Time, "Union Becomes the World's First Seminary to Divest from Fossil Fuels"
<http://time.com/2853203/union-fossil-fuels/>

followed this commitment, and teachings from scripture that say that our place in the world as humans is to take care of the earth, in divesting. The seminary recognizes that divesting will not change the economic climate of the fossil fuel industry; instead, the seminary decided to divest on moral grounds. The seminary also sees divestment as a way to encourage other institutions to take action on climate change.

<http://time.com/2853203/union-fossil-fuels/>

The following is a list of colleges/universities, religious groups, and cities that have committed to partial or full divestment:

College/Universities:

College of the Atlantic, ME
Foothill-De Anza Community College Foundation, CA
University of Glasgow, UK
University of Bedfordshire, UK
Green Mountain College, VT
Humboldt State University, CA
Victoria University, NZ
Chico State University, CA
College of Marshall Islands
Goddard College, VT
Chalmers University of Technology, Sweden
California Institute of the Arts, CA
University of Maine System, ME

Quaker institutions:¹⁶

Abington Quarterly Meeting
Cambridge Friends Meeting
Central Philadelphia Meeting
Dover Friends Meeting
Unami Monthly Meeting
Strawberry Creek Monthly Meeting
Religious Society of Friends, Australia
Nearly 475 Quaker Meetings in Great Britain
Community Friends Quaker Meeting

The following Meetings have begun moving their money to the new Green Fund at Friends Fiduciary:

Mt Holly Monthly Meeting

¹⁶Quaker Earthcare Witness, Minutes and Epistles for Divestment:
<http://www.quakerearthcare.org/article/minutes-and-epistles-divestment>

Lansdowne Monthly Meeting
Westtown Monthly Meeting
Central Philadelphia Meeting
Old Haverford Monthly Meeting (PA)
Haverford Quarterly Meeting (PA)
Lehigh Valley Monthly Meeting (PA)
Newtown Monthly Quaker Meeting,

Other Religious Institutions:

United Church of Christ – National
Massachusetts United Church of Christ
Minnesota United Church of Christ
Evangelical Lutheran Church of Oregon
First Unitarian Church of Salt Lake City, UT
First Parish Unitarian Universalist Church in Cambridge, MA
Portsmouth South Church Unitarian First Unitarian Church of Pittsfield, ME
First Unitarian Society of Milwaukee, WI
First Presbyterian Palo Alto, CA
Uniting Church, New South Wales & ACT, Australia
Melbourne Unitarian Church, Australia
Unitarian Universalist Society of Amherst, MA
Anglican Diocese of Wellington, New Zealand
Anglican Diocese of Auckland, New Zealand
Anglican Diocese of Dunedin, New Zealand
Anglican Diocese of Waiapu, New Zealand
Anglican Diocese of Waikato and Taranaki, New Zealand
Anglican Church of Aotearoa, New Zealand and Polynesia
Anglican Diocese of Perth, Australia
Anglican Diocese of Canberra and Goulburn, Australia
Anglican Diocese of Melbourne, Australia
Anglican National Super, Australia
Brighthelm Church, Brighton, UK
Society for Community Work
Episcopal Diocese of Massachusetts, MA
Maine Council of Churches, ME
Trinity St. Paul's United Church, Toronto, Canada
Diakonia, Sweden
Colorado Ratnashri Sangha
First Unitarian Church, Ottawa
First Religious Society of Newburyport, MA
Unitarian Society of Northampton & Florence, MA
Unitarian Universalist Association
Jamaica Plain Unitarian Universalist, NY, USA

World Council of Churches
Uniting Church in Australia Assembly, Australia
Franciscan Sisters of Mary, MO, USA
Episcopal Diocese of Western Massachusetts, MA, USA
Church of Sweden
Unitarian Universalist Congregation of South County (UUCSC), RI, USA
First Unitarian Church of Portland, OR, USA
Mountain Vista Unitarian Universalist Congregation, AZ, USA
First Universalist Church of Pittsfield, ME, USA
Unitarian Church of Los Alamos, NM, USA
Unitarian Universalist Church of Palo Alto, CA, USA
UU Fellowship of Corvallis, OR, USA
Unitarian Universalist Fellowship of Ames, IA, USA
Lake County Unitarian Universalist Church, WI, USA
First Parish (Old Ship Church), MA, USA
All Souls UU Church, MA, USA
Unity Temple UU Congregation, IL, USA
First Parish Church UU, MA, USA
Thomas Jefferson Memorial Church, VA, USA
Church of England Diocese of Oxford, United Kingdom
The United Methodist Church, USA
EarthSong, Australia
Presentation Sisters, Queensland, Australia

Cities:

Seattle, WA
San Francisco, CA
Portland, OR
Eugene, OR
Berkeley, CA
Richmond, CA
Santa Monica, CA
Boulder, CO
Santa Fe, NM
Madison, WI
Bayfield, WI
State College, PA
Ithaca, NY
Truro, MA
Provincetown, MA
Providence, RI
Cambridge, MA
Northampton, MA
Ann Arbor, MI
Boxtel, the Netherlands

New London, CT
Amherst, MA
Sudbury, MA
Concord, MA
Framingham, MA
Dunedin, New Zealand
Oakland, California
Örebro, Sweden
Oxford, United Kingdom
Eugene, OR
City of Brisbane, CA
City of Moreland, Melbourne, Australia
City of Fremantle, Western Australia, Australia
Ashland, OR
Marrickville, Sydney, Australia
Belfast, Maine
Shire of Goomalling, Western Australia

Foundations:

Divest-Invest Philanthropic Group
Sierra Club Foundation
Wallace Global Fund
Jubitiz Family Foundation
The Educational Foundation of America
Park Foundation
The Russell Family Foundation
Compton Foundation
KL Felicitas Foundation
The Chorus Foundation
Singing Field Foundation
Nia Community Foundation
The John Merck Fund
The Joseph Rowntree Charitable Trust
Solidago Foundation
Jessie Smith Noyes Foundation
Granary Foundation
The Schmidt Family Foundation
Ben & Jerry's Foundation
Pax Fund
Ross Knowles Fund
Madden Sainsbury Foundation
Earth Welfare Foundation
McKinnon Family Foundation
The Hunt Foundation

Pace Foundation
Mullum Trust
NSRC Fund
Robert and Patricia Switzer Foundation
Merck Family Fund