**Climate and Money:**

**A Guide to Fossil Fuel (FF) Divestment and Reinvestment**

This guide provides resources on the What and Why of divestment, which banks or funds to divest from, how to go about divesting, and how to reinvest in a more livable whole earth community.

The latest IPCC AR6 report (<https://www.ipcc.ch/report/ar6/syr/>) concludes that we are very close to the greenhouse gas levels that will tip us into catastrophic global warming. Around 70-80% of remaining fossil fuels (FF) must remain unburned to try to prevent this. Yet the world's 60 largest banks have invested more than **$3.8 trillion** in FF companies from 2016 to 2022. *Over $1 trillion has come from the four largest US banks* (<https://www.bankingonclimatechaos.org/>). The bulk is funneled to countries in e.g., Africa and South America to fund FF expansion, according to a new report by ActionAid (<https://actionaid.org/publications/2023/how-finance-flows-banks-fuelling-climate-crisis>.) This figure dwarfs the just over $22 billion in emission reduction and climate resilience assistance to such countries from the governments of richer countries.

An increasing number of individuals and pension funds, banks, and academic, healthcare, faith-based and related institutions, representing an estimated $40+ trillion in funds worldwide, have now committed to divesting from FF extraction, refining, transport and insurance, (<https://divestmentdatabase.org/>).

 In addition, *reinvesting* these funds in socially responsible and “green” banks and funds is a key strategy to mitigate the climate crisis and create a more just, regenerative, and ecological economy.

# A. What is Divestment from Fossil Fuels and Why Do It?

## a) Scientific, economic, and political basis:

* <https://gofossilfree.org/divestment/what-is-fossil-fuel-divestment/>
* <https://sandersinstitute.org/bill-mckibben-discusses-a-decade-long-activist-crusade-to-shame-banks-into-stopping-investment-in-fossil-fuels>

## b) Spiritual and moral grounds:

* <https://quakerearthcare.org/wp-content/uploads/2021/06/divestment_as_lived_faith_2020.pdf>
* <https://quakerearthcare.org/divestment-faq-dead-links/>
* <https://www.quaker.org.uk/documents/guide-to-fossil-fuel-divestment-oct-2018>: From Britain YM

# B. *Which* Banks/Investment Funds/Companies Should We Divest From?

* <https://www.bankingonclimatechaos.org/#score-card-panel>: 2021 report ranks banks on FF investments
* <https://fossilfreefunds.org> : Searchable guide to mutual and related funds that include FF
* <https://investyourvalues.org>: Searchable guide to mutual and related funds that invest in FF, deforestation, weapons, guns, tobacco, the prison industrial complex and more

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| **CitiGroup, Bank of America, JPMorganChase, Wells Fargo, and Morgan Stanley** banks are the biggest US global funders of FF industries. **BlackRock** and **Vanguard** are among the biggest asset managers and finance companies and **AIG** is one of the biggest insurers of FF projects. |

**C. *How* Do We Divest from Fossil Fuels?**

## a) Move your own money – banks, credit cards, and investments (see also D. below)

* <https://thisiswhatwedid.org/move-your-money/>: Excellent step-by-step guide for changing banks/credit cards that invest in FF, plus sample letters and addresses of big banks (see below)
* <https://gofossilfree.org/uk/wp-content/uploads/sites/3/2015/05/Move-Your-Money-Divest-Full-Report.pdf>: 350.org campaign including a guide to moving your own money
* <https://www.greenamerica.org/responsiblecards>: Good guide to credit card alternatives

## b) Support campaigns that urge companies/institutions to divest:

[Note: A college or community campaign group is typically more effective than only acting individually. For example, **EQAT’s** Vanguard campaign and **Third Act’s** campaigns for older Americans (who hold ~ 70% of US wealth) to divest from “dirty” banks plus public protests. More than 100 major US colleges have divested from FF to date.]

* *Community campaigns:* <https://thirdact.org/our-work/banking-on-our-future/>; <https://www.eqat.org/> Earth Quaker Action Team’s campaign against Vanguard (one of world’s largest investor in oil, gas and coal); <https://gofossilfree.org/about/> and <https://350.org/350-campaign-update-divestment/> (350.org’s divestment campaigns); <https://stopthemoneypipeline.com/>; <https://www.sierraclub.org/fossil-free-finance>; <https://greenfaith.org/divest-invest-now/>
* *College/academic/institutional campaigns:* See <https://www.bestcolleges.com/news/list-of-colleges-divested-from-fossil-fuels/> lists US colleges divesting research/endowment funds from FF. See <https://gofossilfree.org/samples/> for sample letters to academic Boards, Trustees, or Presidents

***c)*** ***Support related campaigns:***

e.g. Support the Fossil Free Finance Act (<https://www.citizen.org/article/why-we-need-the-fossil-free-finance-act/>; <https://thirdact.org/act/support-fossil-free-finance-act/>

## d) Support nonviolent direct action (e.g. blocking drilling, oil and gas pipelines; court actions):

e.g., <https://www.defendthesacredalaska.org/arctic-refuge>; <https://stopwillow.org/>, <https://stopmvp.org/>

# D. *Where* Could We Put Our Money Instead?

[Note: This information is not financial advice. Consult with a financial adviser wherever possible.]

## a) Quaker-friendly Funds

* Quakers and others often wish to invest in FF-free funds that also support sustainable investments, e.g., clean energy, social and environmental justice *and* don’t invest in military, weapons, tobacco etc. (See <https://quakerearthcare.org/friends-history-of-investing-with-integrity/>)

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| **For Meetings: The Quaker Green Impact Fund** of Friends Fiduciary (501 (c)3). Since ~2021, QGIF handles investments for Friends’ Meetings: <https://friendsfiduciary.org/our-funds/quaker-green-impact-fund/> (e.g. Philadelphia YM has divested $2 million in FF funds and reinvested them in the QGIF, as have other Meetings)**For Individuals:** QGIF does not currently serve individuals, but you can **gift** money to Friends Fiduciary via e.g., a donor advised fund; they can invest it in the QGIF and other of their funds that are all fossil fuel-free |

## b) Other funds with socially responsible, sustainable, FF-free options AND no military/weapons, etc.:

* <https://fossilfreefunds.org/>: Lists FF-freemutual and exchange-traded funds and ranks them. You can combine their rankings with ranks for military free funds at <https://weaponfreefunds.org/>

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| **Examples of low military/FF-free/“green” funds: [ALWAYS check for specifics]:**Calvert (e.g. <https://www.calvert.com/Calvert-Global-Energy-Solutions-Fund-CAEIX.php>)Pax World Growth Funds (<https://www.thebalance.com/pax-world-mutual-funds-3025591>)Domini (<https://www.domini.com/investing-for-impact> )Green Century (<https://www.greencentury.com/>) |

## c) Banks and investment funds with fossil-free and/or environmental, sustainability, social, and governance (ESG) criteria (not necessarily avoiding weapons or military):

[Note: Some funds rely on “net zero” or other investments which may or may not avoid fossil fuel or other ecologically destructive funding; getting full details of specific investment strategies is advisable.]

* Banks: Credit unions, public banks, cooperative/municipal sustainability banks. See e.g., <https://mightydeposits.com/posts/environmentally-friendly-banks> and <https://bank.green/sustainable-eco-banks> for FF or eco-sustainable banks
* Funds: consider investment portfolios with clean energy/sustainable options e.g., <https://www.greenamerica.org/magazine/guide-socially-responsible-investing-and-better-banking-2021>; <https://thirdact.org/blog/responsible-finance-an-overview-of-how-to-align-your-money-with-your-values/>; <https://investyourvalues.org/>
* For an initial screen of funds, Morningstar ranks funds’ ESG performance: <https://www.morningstar.com/topics/sustainable-investing>.

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