MCERA Divestment Presentation—Jane Vosburg

“The last thing we want is not to have the funds to pay our pensions.”

This is a common concern people express when they consider divesting from fossil fuel companies. Yet, financial experts argue that actual investing in the fossil fuel industry is itself a very risky business.

Beavis Longstreth, former commissioner for the US Securities Exchange Commission presents a strong financial case for divesting from fossil fuel companies. He says future prospects for these companies are suffering and will continue to suffer from four rapidly evolving developments:

1. governmental restrictions;
2. advances in alternative sources of energy for power resulting in falling demand for coal, oil and natural gas;
3. a rapidly growing grass-roots movement that demands “cessation of CAPEX on exploration and development of more fossil fuel”; and
4. the growing stigmatization of fossil fuel companies in the mind of the public.

Nobody knows the economic risks of the climate crisis better than Henry Paulson, the Republican Secretary of the Treasury when the credit bubble burst. Paulson recently warned:

”We’re making the same mistake today with climate change. We’re staring down a climate bubble that poses enormous risks to both our environment *and* economy. The warning signs are clear and growing as the risks go unchecked….This is a crisis we can’t afford to ignore….We can see the crash coming, and yet we’re sitting on our hands rather than altering course. We need to act now….”

I would argue that with warning light and sirens flashing and blaring, continued investment in the fossil fuel industry is itself a breach of fiduciary responsibility. Therefore, I urge you to commit to divesting the MCERA portfolio from the fossil fuel industry within the next five years.