

DIVESTMENT FAQ'S

What's up with the orange square?

It's the symbol of the international fossil fuel divestment movement. Wear one to show your support for the campaign and in solidarity with those facing the worst impacts of the climate crisis and fossil fuel extraction.

What is divestment?

When you invest your money, you might buy stocks, bonds or other investments that generate income for you. Universities and colleges in the US, as well as religious organizations, retirement funds, and other institutions put millions or billions in these same kinds of investments to generate income to help run their institutions. **Divestment is the opposite of an investment—it simply means getting rid of stocks, bonds or investment funds that are unethical. Fossil Fuel investments are a risk for investors and the planet—that's why we're calling on institutions to divest from these companies.** There have been a handful of successful divestment campaigns in recent history, including Darfur, Tobacco and others, but the largest and most impactful one came to a head around the issue of South African Apartheid. By the mid-1980s, 155 campuses—including some of the most famous in the country—had divested from companies doing business in South Africa. 26 state governments, 22 counties, and 90 cities, including some of the nation's biggest, took their money from multinationals that did business in the country. The South African divestment campaign helped break the back of the Apartheid government, and usher in an era of democracy and equality.

Why divestment? Shouldn't we just focus on not using fossil fuels?

Decreasing our use of fossil fuels and stopping new fossil fuel infrastructure projects are important. We can and should stand with people on the front lines of these fights to stop pipeline projects (like the proposed Kinder Morgan pipeline coming through MA!), which destroy communities and the planet, and contribute to climate change. But, **we can't stop global warming by fighting one pipeline, coal plant or fracking well at a time—or even by installing one solar panel or wind turbine at a time. The numbers just don't add up. At the same time that we're working hard to stop these destructive projects, and starting to shift to a just and renewable energy system, we urgently need to loosen the grip that coal, oil and gas companies have on our economic and political system,** so that we have a chance of success in building a future that works for all people, and the planet. It's time to go right at the root of the problem— to take away the power of the fossil fuel companies themselves.

Will divesting one endowment actually make a difference?

It's true, a single campus divestment campaign is not enough. This is why **we are working with an international coalition of over 500 campaigns around the world all demanding fossil fuel divestment.** One single voice is not enough, but a huge concert of voices from schools around the country can make a huge impact, as was shown by the campaign to divest from South African apartheid. In 1985, UMass became a leader in this movement, when student activists succeeded in pushing the school to end its complicity in an unjust system by divesting from companies supporting South African apartheid. This nationwide campaign was hugely successful in working toward the end of South African apartheid. It is now time for UMass to respond to another system of injustice.

Won't divesting hurt our school's endowment?

No. Actually, divestment could even increase returns. According to Bloomberg Report, **fossil fuel shares have underperformed the market average by 12% over the last ten years.** Fossil fuels are also about to become far, far riskier investments. As a result of the divestment movement, mainstream financial institutions like Morgan Stanley, Bernstein, Citi, Deutsche Bank, Goldman Sachs and HSBC have begun publicly questioning the long term profitability of fossil fuel investments. **If we're going to avoid the worst impacts of climate change, the fossil fuel industry must write off 80% of their reserves- valued at \$20 trillion.** HSBC reported that if they were to write off that 80% of their reserves, fossil fuel companies would be devalued by 4060%. Obviously, we don't want to be invested in the fossil fuel industry when it takes that hit.

SOURCES:

<http://gofossilfree.org/faq/>

<https://swarthmorealumnidivest.files.wordpress.com/2014/11/faq1-pager1.pdf>