



**A GUIDE FOR
CITY OFFICIALS
and
ACTIVISTS**

[DIVESTFROMWARMACHINE.ORG](https://divestfromwarmachine.org)



About this Guide

This City Divestment Campaign Guide was produced by CODEPINK in support of the Divest from the War Machine Campaign. We would like to acknowledge the following for their support, advice, input, resources, feedback or participation that has been vital to this project: Satya Rhodes-Conway, Susi Snyder, Garik Lopez, Simon Billenness, Jamie Trinkle, Greta Neubauer, Andrew Behar, Natalie Casal Alcaino, Kevin Martin, Dalit Baum, Paul Martin, Campaign Against Arms Trade, and all campaigners who continue to work tirelessly to dismantle the U.S. war machine in order to create a transformed system that delivers peace and justice for all.

Much of the contents of this City Divestment Campaign Guide are inspired by the work of The Mayors Innovation Project, PAX's Don't Bank on the Bomb report and related campaign, as well as the Future of Life Institute. We are extremely grateful to them and the above supporters for contributing their insight and experience to people-led peace movements around the world. Much of the material in this campaigner guide has been adapted with permission from the campaigner materials published by the Future of Life, PAX, and Mayors Innovation Project. To learn more about their work and view their resources, including a City Guide to Nuclear Investments, visit Future of Life Institute's webpage at <https://futureoflife.org/>. To learn more about Mayors Innovation Project, visit their website at <http://www.mayorsinnovation.org/>. To learn about the work of PAX and their Don't Bank on the Bomb project, visit <http://www.dontbankonthebomb.com/>.

About CODEPINK

CODEPINK is a women-led grassroots organization working to end U.S. wars and militarism, support peace and human rights initiatives, and redirect our tax dollars into healthcare, education, green jobs and other life-affirming programs. Founded in fall 2002 as a grassroots effort to prevent the US war on Iraq, we continue to organize for justice for Iraqis and to hold war criminals accountable. We actively oppose the continuing U.S. war in Afghanistan, torture, the detention center at Guantanamo, weaponized and spy drones, the prosecution of whistleblowers, U.S. support for the Israeli occupation of Palestine and repressive regimes. Rooted in a network of local organizers, online supporters and generous donors, with an emphasis on joy and humor, our tactics include satire, street theatre, creative visuals, civil resistance, and directly challenging powerful decision-makers in government and corporations. And of course, wearing pink!

More information

For more information about this city divestment guide, to add your story and suggestions, or to share insights from your national and local efforts, please email divest@codepink.org. For more information, latest updates and more on global efforts for peace and disarmament, visit divestfromwarmachine.org.

Please keep us informed about your actions and activities, so that we can share with other campaigners on the www.divestfromwarmachine.org website.



Table of Contents

<u>Introduction</u>	3
<u>Why Divestment?</u>	6
<u>What is Divestment?</u>	6
<u>How to Divest</u>	7
<u>Tips for Activists</u>	12
<u>Answers to Common Reservations Regarding Socially Responsible Investing (SRI)</u> .	13
<u>Conclusion</u>	14



Introduction

The Divest from the War Machine Campaign aims to encourage institutional investors such as universities, pension funds, municipalities, religious institutions, and individual investors to remove invested assets from weapons producers that profit from U.S. military interventions, expansions, and the militarization of our police forces.

What is this campaign about?

The logic of divestment is simple: We shouldn't be funding our cities by investing in companies whose profits depend on destruction and killing. Local governments have the opportunity to be leaders in combatting this contradiction by divesting their funds – general, retirement, utility, pension, etc.–from companies that profit from the production and export of weapons.

Why is it necessary?

The U.S. war machine is impoverishing our people and depriving our social resources of desperately needed funds. This is a shared American problem. Weapons don't house us, don't clothe us, don't help us get to work and don't cure our diseases. This campaign is a tool to demand a transformation of American priorities away from building bombs, and toward educating, feeding, housing, and healing our people and making the U.S. a nation that upholds the right of all mankind to live with dignity.

In 2016, 64 percent of discretionary spending, meaning \$741 billion, was spent on wars and militarism. Discretionary spending refers to the portion of the budget that is decided by Congress through the annual appropriations process each year. This spending is an optional part of fiscal policy that our Congress members have control over, in contrast to entitlement programs for which funding is mandatory. This means only 36 percent, or about \$414 billion, was left for investment in jobs and the economy, education, health care, protecting the environment, and other priorities that strengthen families and communities (National Priorities Project. Retrieved from: <https://www.nationalpriorities.org/>). Far more of our tax dollars are channeled into the U.S. war machine than to peaceful and life-affirming sectors such as education, legal services for the poor, and clean energy. This has a major impact on our nation's cities.



The Power of City Divestment

The potential impact of local government divestment is significant. Assets in state and local government pension plans (including counties, school districts, and special districts) totaled roughly \$3.739 trillion in 2016 (US Census Data 2016. Retrieved from: <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkml>). In Fiscal Year 2013, the most recent year data is available, cities earned \$215.4 billion more than they spent, primarily from returns on investments. While not all city funds are invested in weapons manufacturers, it is certain that some portion of city profits came from companies involved in war-making. The portion of these funds that are invested in the arms trade would make a massively significant impact if divested from the arms industry.

In June, 2017 the U.S. Conference of Mayors, the nonpartisan national association of cities with populations over 30,000, adopted a resolution highlighting the need for a transformation of funding priorities away from war-making and into our communities. The resolution “called on the President and Congress to reverse federal spending priorities and to redirect funds currently allocated to nuclear weapons and unwarranted military spending to restore full funding for Community Block Development Grants and the Environmental Protection Agency, to create jobs by rebuilding our nation’s crumbling infrastructure, and to ensure basic human services for all, including education, environmental protection, food assistance, housing, and health care.” Previous resolutions welcomed weapons related divestment efforts from member cities.

Cities and mayors are in a unique position to take leadership in transforming how public funds are invested. Concerned citizens should organize and urge their cities to take proactive and bold leadership to make sure city funds aren’t supporting the arms companies that supply the tools of warfare at the root of the war machine. Our local governments must divest from companies whose products, when used for their intended purposes, serve only to kill and injure living beings. Divestment is an accessible, effective action that enables the public to revoke its consent for supporting a war machine that channels our tax dollars into continuing endless wars and securing endless profits for arms dealers.



The Purpose of this Guide

The purpose of this Guide for City Officials and Activists is to provide tools, suggestions, lessons, and help in your campaign to get your city to divest public funds from arms producers. Cities provide an enormous platform for divestment, and we hope this Guide will inspire campaigners and city leaders to take some practical steps towards achieving an ethical dimension to all city investments.

The arms trade is going to be around for a long time and it is important that we take a long view, recognising that the changes we are working to achieve will not occur overnight. But we can build on each other's work and the successes of one campaign may give someone else the encouragement to take the campaign a step further or start another campaign in another city. Divestment is a long-term strategy, but does offer the chance for some potent short-term wins. These short-term wins build on each other until the funds withdrawn from the weapons sector accumulate to strip the arms industry of its social licence and fill our communities with sustainable, healthy, life-affirming investment opportunities.



Why Divestment?

Divestment is a tool that provides a clear means of organizing to target the war machine by stigmatizing those companies that profit from war-making. Divestment is a focused, targeted, empowering, and effective organizing technique that enables campaigners to target different institutional investors. These campaigns can target educational institutions, faith-based organizations, health care institutions, governments, individuals, non-governmental organizations, pension funds, trusts, foundations, and more. With so many possible angles for action, divestment is a very accessible tool that can be used by a wide variety of communities.

The fossil fuel divestment movement resulted in over 5 trillion dollars being taken away from the fossil fuel industry and reinvested in more clean, sustainable, and ethical ways. This shows divestment is a great tactic for taking on a strong, established industry and for moving money away from unethical and unsustainable systems and into other, life-affirming sectors.

Divestment is an opportunity to educate people on the connections between the militarization of our streets at home and our government's assaults on human rights and sovereignty around the world. The stories we tell through this campaign will cast a light on the companies making billions from endless global chaos and the unrestrained spread of militarism.

Divestment can also help shape a national conversation. While the arms industry maintains its stranglehold over Congress and U.S. foreign policy, divestment is a strong method for a unified public to cast a light on the ways our different financial institutions are invested in profit-driven merchants of death. While our government continues to treat the arms trade as a legitimate and ordinary industry, the public can express that we want our assets, and our country, to divest from the war machine and to invest in the health of our people and planet.

What is Divestment?

Divestment from the War Machine means divesting (removing invested assets) from a particular industry or set of companies. This campaign calls for divestment from the arms-producing companies that fuel the spread of war and militarism.



How to Divest

The process of divesting does not have to be especially onerous or complicated, though that will vary depending on the size and financial structures of the government(s) involved. It also does not conclude immediately - we are calling for divestment implementation within 1 to 2 years.

Here are steps to get your local government to divest:

1. Determine what funds your government controls, what banks your city uses, and how much is invested in companies that produce nuclear and conventional weapons.

For most jurisdictions, the process will start with an assessment of what funds the city has, and where those funds are invested. These may include the city's general fund, retirement fund, pension fund, insurance fund, utility funds, and others. Not all are necessarily under the local government's direct control – some may have their own administration, or the city may invest in a state fund. Determining where the money is and who controls it are essential first steps in a divestment campaign. If the city has limited holdings or does not directly control its funds, leaders and activists should commit to weapons-free investments and to work with the governing bodies of the authorities that control the pension or other funds to convince them to divest and work with them on a plan to do so. Once a list of publicly controlled funds is developed, the holdings need to be assessed for weapons content. The financial structure of some portfolios may make determining where these assets are located (in mutual funds, for example) less straightforward, but is certainly within the capacity of the entities managing those funds.

In addition, figure out which bank or banks your city uses, to determine if the city uses banks that are leading weapons investors. Pressuring your city to move public funds to a community-owned bank or other bank that does not invest in weapons is another pathway to divestment. Read the Don't Bank on the Bomb report to see a list of banks that act as major weapons investors.



2. Meet with the managers of the funds.

These are the people who will implement divestment and who can be your strongest ally – or your worst opposition. It is important to recognize that the first responsibility of the managers of public money is to make money. They are looking at their fiduciary responsibilities: how to preserve the fund, to make sure money can be accessed when needed, and to grow the accounts. Other requirements come second, and thus it is important to show that divestment will not harm the financial viability or future of these investments, and indeed may enhance it. Given that all fund managers want to manage risk, a frequent concern is that divestment might increase risk. While it is true that constraining a portfolio (thereby reducing diversification) adds some element of risk, it is such a small increase as to be insignificant. Divestment also does not have to be an immediate process – the analysis and rebalancing of a portfolio can take time, and a planned sell off of weapons-related assets should probably proceed over several years. This will further minimize transaction costs and give time to rebalance portfolios.

3. Craft legislative or executive language to remove city holdings from weapons producing companies and/or ensure they won't be invested in the future.

Divestment from Manufacturers of Nuclear and Conventional Weapons: Model Resolution

WHEREAS, since 2001 ,the United States has spent over \$4.79 trillion on wars resulting in over 1.17 million deaths and displacing more than of 10.1 million people;[1] and

WHEREAS, the cost of U.S. domestic and foreign militarism, including veterans' affairs, homeland security, and law enforcement and incarceration, totaled \$741.3 billion in 2016, accounting for 64 percent of federal discretionary spending at a time when federal funds are desperately needed in order to build affordable housing, improve public transit, and develop sustainable energy sources;[2] and

WHEREAS, the United States remains the most militarized nation in the world, with a military budget greater than the next eight countries combined; an estimated 800 military bases and stations in over 70 countries around the world; and arms producers that dominated 56.6% of the share of major global arms sales in 2015;[3] and

WHEREAS, nearly 15,000 nuclear weapons, most of an order of magnitude more powerful than the U.S. atomic bombs that destroyed Hiroshima and Nagasaki, over 90%



held by the United States and Russia, continue to pose an existential threat to humanity [4]; and detonation of even a small fraction of these weapons would disrupt the global climate and agricultural production so severely that the resulting famine could put the lives of more than two billion people at risk; [5] and

WHEREAS, the United States is poised to spend well over one trillion dollars over the next three decades to maintain and modernize its nuclear bombs and warheads; the submarines, missiles and bombers to deliver them; and the infrastructure to sustain the nuclear enterprise indefinitely, which many experts believe actually increases the risk of nuclear proliferation; nuclear terrorism; and nuclear war by accident, miscalculation or intent, at a time when nuclear-armed countries are already on the brink of military confrontation; [6] and

WHEREAS, investing in companies producing the nuclear and conventional weapons at the roots of U.S. militarism implicitly supports this misdirection of our tax dollars; and

WHEREAS, many major arms producers depend on the federal government as their primary consumer and are thus dependent upon perpetual warfare, political instability, and the prioritization of militarism over diplomacy; and

WHEREAS, U.S. weapons manufacturers continue to supply repressive regimes around the world, and U.S.-produced weapons are being used in attacks that the international community deems unlawful for their disproportionate and excessive harm to civilians; and

WHEREAS, the average American taxpayer works 27 days a year to pay Pentagon contractors and pays 23.4 cents of each of their federal income tax dollars on military spending at a time when 43 million Americans live in poverty or qualify as low-income;[7] and

WHEREAS, The U.S. Conference of Mayors unanimously “calls on the President and Congress to reverse federal spending priorities and to redirect funds currently allocated to nuclear weapons and unwarranted military spending to restore full funding for Community Block Development Grants and the Environmental Protection Agency, to create jobs by rebuilding our nation’s crumbling infrastructure, and to ensure basic



human services for all, including education, environmental protection, food assistance, housing and health care”; [8] and

WHEREAS, the city's investment practices may be in conflict with the city's commitment to equality and justice; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of _____ formally declares its opposition to investing city funds in any entities that are involved in the production or upgrading of nuclear or conventional weapons systems, and decides that it shall be city policy to divest from such entities; and

BE IT FURTHER RESOLVED, that the City Council directs any and all persons acting on behalf of city investment activity to enforce the provisions of this Resolution.

BE IT FURTHER RESOLVED, that this Resolution shall be binding city policy and shall be in full force and effect after adoption by the City Council.

[1] Brown University, Watson Institute of International and Public Affairs, [Costs of War](#)

[2] National Priorities Project and Institute for Policy Studies, [The Militarized Federal Budget](#)

[3] Stockholm International Peace Research Institute, [International Arms Transfers](#)

[4] Arms Control Association, [Nuclear Weapons: Who Has What at a Glance](#)

[5] International Physicians for the Prevention of Nuclear War, [Nuclear Famine: Two Billion People at Risk?](#)

[6] Arms Control Association, [U.S. Nuclear Modernization Programs](#)

[7] National Priorities Project, [Tax Dollar Receipt](#)

[8] U.S. Conference of Mayors 2017 Adopted Resolutions, [International Affairs](#)



4. Build support for a public commitment to divestment.

Elected leaders need public support on issues like this. Citizens can provide that support through letters, phone calls and emails to your mayor and city council, or through attending meetings where the issue will be discussed. Letters to the local paper are also helpful. Get in touch with us at divest@codepink.org to see if there is an active local group in your area we could connect you with. Otherwise, the Divest from the War Machine campaign is built to help you in local organizing, and will assist with outreach in any way possible.

5. Shift Public Investment to Communities by reinvesting in clean, life-affirming solutions such as renewable energy, energy efficiency, sustainable agriculture, water efficiency, and more.

When reinvesting assets, cities should make deliberate choices about how money is invested – and should make those choices represent values of sustainability, community empowerment, action on climate, establishment of a renewable energy economy, etc. The Future of Life Institute has compiled a list of funds that are not invested in weapons. You can present this list to your city officials. Find the list here: <https://futureoflife.org/invest/>.



Tips for Activists

» **Know your target**

Who can decide to divest – the Mayor? The City Council? The City Treasurer? A Pension Board? Find out who they are, what they care about, and who they listen to.

» **Know the process**

Executive order? Resolution? Ordinance? Figure out what you're asking them to do and the process for doing it.

» **Be informed**

How does your city invest its funds now? What actions have they taken in the past against war and weapons? In support of fossil fuel divestment? In support of the divestment movement targeting South African apartheid?

» **Ask nicely**

Start by asking the decision maker to work with you to do this. There's plenty of time to make the case publicly if they don't want to champion divestment.

» **Personal touch**

Email is easy, but you'll be taken more seriously if you set up a meeting and show the decision maker that you're prepared and knowledgeable.

» **Voters matter**

Elected officials answer to their constituents, so get their constituents to contact them! Direct, individual emails or phone calls are best (rather than form letters or petitions). Always include your name and address.



Answers to Common Reservations Regarding Socially Responsible Investing (SRI)

1) **“We are too small to use SRI strategies.”**

Many SRI strategies are available through pooled structures or have low customizable separately managed account (SMA) minimums.

2) **“We don’t have the resources to implement SRI.”**

Investing with values doesn’t require much staff effort, but it does require an internal champion to make it happen. Developing SRI criteria for your Investment Policy Statement will take some time but the introspective and strategic conversations that result will be worth it. Experienced consultants will be able to help here enormously so that you don’t have to “reinvent the wheel.”

A clear implementation plan with benchmarks and a realistic timeline for measuring success is also helpful.

And you don’t need to do everything at once. For example, you can start by applying your values to cash management—making deposits in community finance development institutions (CDFIs) does not require specialized skills. As you gain experience and confidence, you can expand your remit.

3) **“SRI underperforms.”**

This unfortunately widely-held myth has—fortunately—no basis in fact. There have been reams and reams of academic studies as well as meta-analyses that show SRI does not negatively impact performance. Visit www.ussif.org/performance to view the latest performance studies.

4) **“There aren’t enough good SRI products out there.”**

This may have been the case 10 or 20 years ago, but it is certainly no longer true. There is a large and expanding range of investment vehicles designed specifically to achieve both a social and financial return across all asset classes. It is time for your consultant or advisor to do some more research. It will take time and effort on their part, but this what you pay them for.



Conclusion

The U.S. war machine fuels violence at home and abroad, deprives our communities and life-affirming sectors adequate funding, and makes us, and the world, less safe. Profiting from that self-destruction is unethical and illogical. Divesting public funds from the weapons manufacturers at the roots of the war machine poses minimal financial risk—and may indeed reduce risk in the longer term--and there are many reinvestment opportunities that serve and support peaceful initiatives and provide comparable financial returns.

Important Next Steps

1. Determine what funds your government controls and how much is invested in weapons companies.
2. Meet with the managers of the funds to enlist their support.
3. Craft legislative or executive language to remove your holdings from weapons companies and ensure they won't be invested in the future.
4. Build support for making an official, public commitment to divestment by legislative or executive action.
5. Prepare options for your city to re-invest the funds in more positive ways, particularly in energy efficiency and clean energy.
6. Prepare responses to common reservations regarding SRI.