

CHAPTER 6: BILLBOARDS, BUBBLES, AND BRANDING: THE PROS AND CONS OF FOSSIL FUEL DIVESTMENT

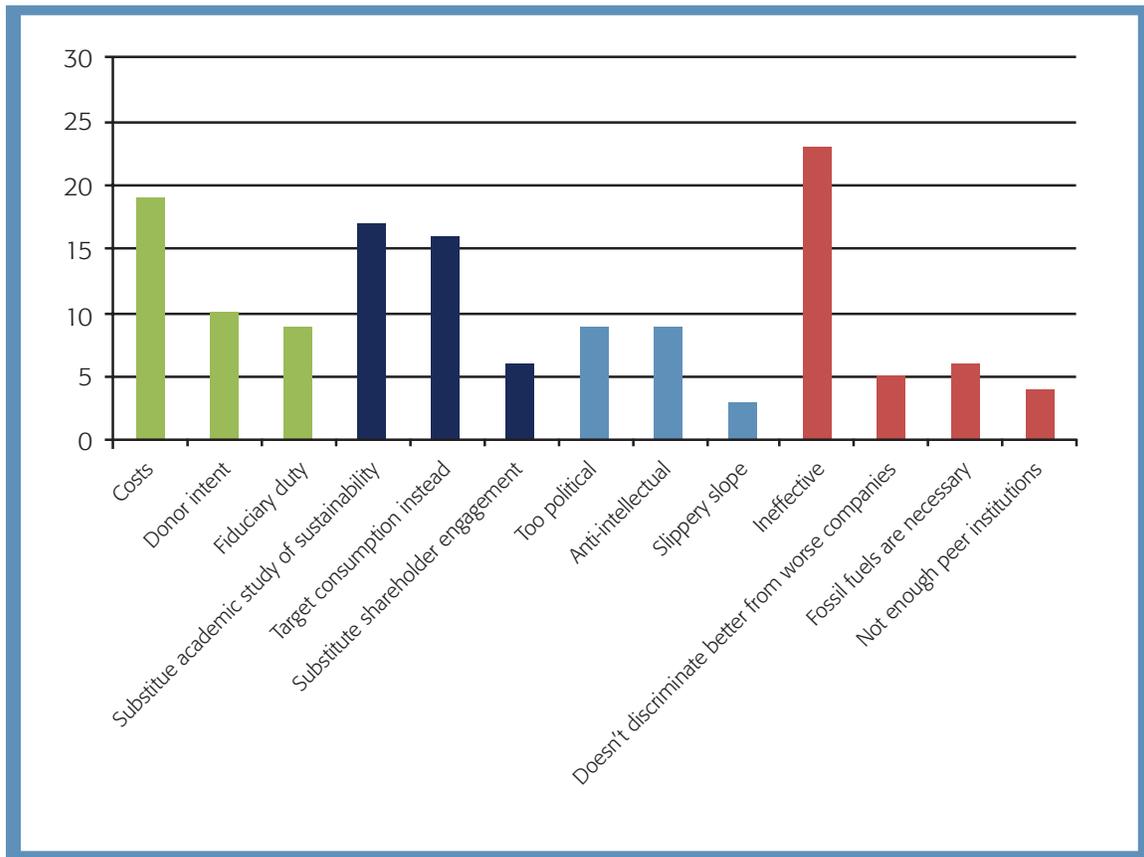
Advocates of divestment say they intend to polarize their campuses. That polarization is evident not only in the hostile environment they have created for free speech and debate. It can also be seen in the gulf between those who reject and those who champion divestment. Many of the reasons that college representatives give for and against divestment directly contradict each other. This chapter explores those reasons, as well as the reasons that students join divestment campaigns.

Trustees Against Divestment

Thirty-five American colleges and universities have declined to divest. Twenty-nine of these have released formal statements explaining why, summarized in Table 17 and Figure 26. The single most popular reason to reject divestment was its ineffectiveness at improving the environment (23), followed by the costs of divesting (19), and recommendations that colleges and universities should pursue other alternatives, such as teaching about climate change and sustainability (17).

Table 17: Reasons Colleges and Universities Reject Fossil Fuel Divestment

Reasons	Number of colleges
Financial reasons	
Costs	19
Donor intent	10
Fiduciary duty	9
Alternatives	
Academic study of sustainability	17
Target consumption	16
Shareholder engagement	6
Principled reasons	
Too political	9
Anti-intellectual	9
Slippery slope	3
Practical reasons	
Ineffective	23
Doesn't discriminate better from worse fossil fuel companies	5
Fossil fuels are necessary	6
Not enough peer institutions	4

Figure 26 Reasons Colleges and Universities Reject Fossil Fuel Divestment

Finances

Colleges repeatedly expressed concern that divestment would cost money. Nineteen colleges—66 percent—noted that the endowment existed primarily to provide funds for the institution's educational endeavors. Trustees would not jeopardize returns in order to exclude fossil fuel companies. Clayton Spencer, president of Bates College, reported that to entirely divest the endowment would require liquidating and moving more than half the endowment. The transactions costs alone—regardless of potential lost income from the exclusion of fossil fuel stocks—would

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result in a substantial “loss in annual operating income.”⁵³⁸ Bryn Mawr College trustees estimated, “at minimum,” a \$10 million loss.⁵³⁹

Cornell president David Skorton said the university’s budget was balanced “by a very fine margin.” With the university’s finances in such “delicate” condition, he could not afford tinkering with the endowment structure.⁵⁴⁰

Nine colleges and universities specifically cited their “fiduciary duty” to steward the funds. “The board’s primary investment objective is fiduciary—to preserve and enhance the value of the endowment,” Reed College trustees explained.⁵⁴¹ “Given its fiduciary responsibilities,” Middlebury College president Ronald Liebowitz wrote that the board “cannot look past” the costs, “uncertainties and risks,” and the “lack of proven alternative investment models.”⁵⁴²

Ten said the democracy of the dead should count for something. Donor intent mattered. Generous benefactors had given to the college to support its classes, professors, and the educational experiences it provided—not to spend on symbolic or political ploys they might not themselves favor. Evading donors’ “original intent” was an “extraordinary step,” said Seattle University.⁵⁴³ “Donors did not invest the university for us, in turn, to be activist shareholders,” Tulane’s president pointedly remarked.⁵⁴⁴

Alternatives

What might be more effective than divestment? Sixty-nine percent of colleges and universities that declined to divest suggested that other steps could better improve the environment and better match the university’s purpose. The divestment movement has in some ways pushed colleges and universities to adopt other measures that promote the idea of “sustainability.”

538 Clayton Spencer, “President Clayton Spencer’s Statement on Climate Change and Divestment,” Bates College, January 21, 2014. <http://www.bates.edu/president/2014/01/21/statement-on-climate-change-and-divestment/>.

539 Cheryl R. Holland, Letter to Lina, Caroline, Eva, Lena, Betsy, Johanna, Karen, Lee, Sofia, and Jacinda, Bryn Mawr College Board of Trustees, Investment Policy Subcommittee, August 2013. http://news.brynmawr.edu/files/2013/08/August_27_2013BMCDivest-1.pdf.

540 David J. Skorton, “Divestment: A Complicated Issue for Universities,” *Cornell Daily Sun*, April 15, 2013, reprinted in *Sustainable Campus Cornell University*, April 18, 2013. <http://www.sustainablecampus.cornell.edu/blogs/news/posts/op-ed-from-president-skorton-divestment-a-complicated-issue-for-universities>.

541 “Reed College Board of Trustees Chairman Responds to Fossil Free Reed,” Reed College Campus News, July 17, 2014.

542 Ronald D. Liebowitz, “Middlebury College Statement on Divestment,” Middlebury College Newsroom, August 28, 2013. <http://www.middlebury.edu/newsroom/archive/524638/node/459563>.

543 Connie Kanter, Letter to Members of Student Sustainable Action, Seattle University, February 21, 2014. http://www.seattleu.edu/uploadedFiles/Student_Government_of_Seattle_University/Content/2014.02.21%20Letter%20to%20SSA.pdf.

544 Scott S. Cowen, “Letter to Divest Tulane Members,” April 23, 2014. http://www.divesttulane.org/uploads/2/4/6/6/24661412/reponse_from_president_cowen_and_the_board_of_tulane_university.pdf.

Seventeen (59 percent) said the university should instead promote academic work on climate change, sustainability, and technologies that could make wind and solar sources of energy more competitive. Most cited programs already in existence, such as the “thriving multidisciplinary Environmental Studies program” at Whitman College,⁵⁴⁵ or the “world-class research and education on environmental issues primarily at the Earth Institute” at Columbia.⁵⁴⁶

Other institutions expressed openness to developing new majors and programs. President Tony Monaco and the board of trustees at Tufts University recommended the university consider “expanding curriculum and research” that addressed climate change.⁵⁴⁷ Cornell’s president, David Skorton, even vowed to “use my bully pulpit as president” to “exhort my faculty colleagues, where appropriate,” to spend more time teaching about environmental issues.⁵⁴⁸

Sixteen (55 percent) said the producers of fossil fuel-based energy were the wrong target. If fossil fuels should be targeted at all, much better—and appropriate—to reduce demand, not supply. The irony of a divestment movement that condemns the very energy it uses did not escape trustees. “We find divestment difficult to reconcile with our reliance on these companies to heat our buildings, power our electronics, and fuel our transportation,” Whitman College pointed out.⁵⁴⁹ Harvard President Drew Faust noted “a troubling inconsistency” in the “notion” that investors should boycott a class of companies “at the same time that, as individuals and as a community, we are extensively relying on those companies’ products and services for so much of what we do every day.”⁵⁵⁰ Swarthmore chairman Gil Kemp, writing on behalf of the rest of the board of managers, worried divestment was hypocritical, since it ignored, “from a moral perspective, the link between personal sacrifice and making an impact on the industry’s profits.” It was wrong to scapegoat a company and forget that “our consumption of energy

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545 “Whitman College Board of Trustees Statement on Divestment,” Whitman College, February 7, 2014. Whitman College Board of Trustees Statement on Divestment.

546 “Response to Request from Barnard Columbia Divest,” Advisory Committee on Socially Responsible Investing, Columbia University. <http://finance.columbia.edu/files/gateway/content/evp/Response%20to%20Barnard%20Columbia%20Divest%20Proposal%20FINAL.pdf>.

547 “Recommendations of the Tufts Divestment Working Group,” Tufts University Office of the President, January 9, 2014. <http://president.tufts.edu/recommendations-of-the-tufts-divestment-working-group/>.

548 David Skorton, “Skorton Responds to Faculty Senate Call for Divestment,” *Cornell Chronicle*, February 26, 2014. <http://www.news.cornell.edu/stories/2014/02/skorton-responds-faculty-senate-call-divestment>.

549 “Whitman College Board of Trustees Statement on Divestment.”

550 Drew Faust, “Fossil Fuel Divestment Statement,” Letter to Members of the Harvard Community, Harvard University Office of the President, October 3, 2013. <http://www.harvard.edu/president/news/2013/fossil-fuel-divestment-statement>.

makes us complicit in the threat to the planet and that it is in our hands to reduce our demand for it," Kemp said.⁵⁵¹ Reed College warned that to divest while still using fossil fuels would "lack the integrity we all expect from the Reed community."⁵⁵²

Six colleges and universities thought filing shareholder resolutions and pressuring companies from the inside surpassed divestment in efficacy or appropriateness. Columbia University said to divest before even trying to engage to fossil fuel companies would be "premature."⁵⁵³ Duke University made the same point: the guidelines for trustees "indicate that before divestment a company is to be 'afforded reasonable opportunity to alter its activities.'"⁵⁵⁴

Principles

There are reasons that divesting from fossil fuels might be inherently inappropriate for a particular actor (such as a college or university). Colleges and universities identify three such reasons in their rejections of divestment: divestment is too political; it is in some way anti-intellectual, or at least does not in any way advance knowledge; and its ideological underpinnings edge a slippery slope.

Nine colleges and universities—about a third of those rejecting divestment—say divestment is too political for an educational institution to consider. The endowment is not a billboard. It is not a political tool.

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We should, moreover, be very wary of steps intended to instrumentalize our endowment in ways that would appear to position the University as a political actor rather than an academic institution. Conceiving of the endowment not as an economic resource, but as a tool to inject the University into the political process or as a lever to exert economic pressure for social purposes,

551 Kemp, "An Open Letter on Divestment."

552 "Reed College Board of Trustees Chairman Responds to Fossil Free Reed."

553 "Response to Request from Barnard Columbia Divest."

554 "ACIR Report and Recommendations on Fossil Fuels," Letter to President Richard Brodhead from Advisory Committee on Investment Responsibility, Duke University, November 24, 2014. https://today.duke.edu/showcase/reports/2014-11-24_ACIR_Report.pdf.

555 "Response to Request from Barnard Columbia Divest."

*can entail serious risks to the independence of the academic enterprise. The endowment is a resource, not an instrument to impel social or political change.*⁵⁵⁶

Bates president Clayton Spencer cited Faust directly in his own rejection of divestment, noting that “instrumentalizing an endowment for political ends distorts its function as a core resource for our academic mission.”⁵⁵⁷

Nine colleges and universities, many of them the same institutions that labeled divestment “political,” said divestment cut against higher education’s purpose to advance knowledge and protect and promote the search for truth. Faust had linked divestment to “serious risks in the independence of the academic enterprise.”⁵⁵⁸ New York University said that because divestment “has been presented as primarily a political statement,” it contradicted the university’s mission and endangered academic freedom:

*A direct statement by the University in support of a public policy issue could be interpreted as having a chilling effect on the academic freedom of those in the community who have chosen to research, write, or advocate for a different point of view.*⁵⁵⁹

Reed drew a line in the sand of political entanglements. “Institutional neutrality” in political debates would provide “the best protection for freedom of inquiry and expression.” Reed should divest only “where the action taken reflects widely-held, perhaps almost universally held, social, or moral positions.”⁵⁶⁰ As long as serious arguments continued to rise against divestment, Reed would stay neutral.

Columbia University concurred: “The merits of this divestment argument do not lie clearly on one side,” and to pretend that they did would discount a serious body of academic research.⁵⁶¹ Yale added its voice: “a decision to divest . . . should be taken only when justified by the presence of grave social injury and broad moral consensus concerning that injury.” Otherwise, divestment could “undermine Yale’s most central mission.”⁵⁶² Duke, too, made the point in its rejection: “There has not been sufficient

556 Faust, “Fossil Fuel Divestment Statement.”

557 Spencer, “President Clayton Spencer’s Statement on Climate Change and Divestment.”

558 Faust, “Fossil Fuel Divestment Statement.”

559 “Report of the Fossil Fuel Divestment Working Group,” Financial Affairs Committee of the University Senate, New York University, March 26, 2015. <http://www.capitalnewyork.com/sites/default/files/Fossil%20Fuel%20Divestment%20Working%20Group%203%2026%202015.pdf>.

560 “Reed College Board of Trustees Chairman Responds to Fossil Free Reed.”

561 “Response to Request from Barnard Columbia Divest.”

562 “Statement of the Yale Corporation Committee on Investor Responsibility,” Yale University, August 27, 2014. <http://secretary.yale.edu/sites/default/files/files/CCIR%20Statement.pdf>.

discourse on the topic” at Duke, and the university’s investment policies should never impede “the values of a great university, namely open and vigorous engagement.”⁵⁶³

Once academic freedom was curtailed in the name of environmentalism, there was no telling where it might stop, fretted three universities. How far would the slippery slope slide? “Many were concerned that a decision for divestiture would open other discussions about other causes in ways that would ultimately divide the community,” Reed trustees noted. Setting a precedent of divesting could force the university “to make official decisions about matters of reasonable academic and political debate” that should remain open for discussion.⁵⁶⁴ At Middlebury, president Ronald Liebowitz asked, “Would divesting from companies in the fossil-fuel sector open the door to future requests for the College to divest from other areas of the economy?”⁵⁶⁵ At the University of Tennessee, the office of the treasurer predicted that “To adopt this proposal risks opening a “Pandora’s Box” of potential agendas.”⁵⁶⁶ Without excellent reasons to pop the box’s lid, it was better, even if only from a position of precaution, to leave that box closed.

Practical Concerns

There are also practical reasons that divestment might not be a good idea. The single most frequently cited reason against divestment was that divestment was ineffective. It could not achieve the advocates’ goals of improving the environment or making climates more conducive to human life. Twenty-three colleges and universities—79 percent—said divestment’s impotence was a reason to toss it from consideration.

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Some noted divestment’s inability to affect fossil fuel companies’ bottom lines. Whitman College noted simply that its endowment was “modest,” making its exit from fossil fuel investment “insignificant.” That left the entire weight of the case for divestment “resting on its ‘symbolic’ nature,” which wasn’t enough to satisfy the board.⁵⁶⁷ Haverford College trustees reviewed the reasons divestment had insufficient financial weight to affect fossil fuel companies and concluded, “Clearly,

563 “ACIR Report and Recommendations on Fossil Fuels,” Duke University.

564 “Reed College Board of Trustees Chairman Responds to Fossil Free Reed.”

565 Liebowitz, “Middlebury College Statement on Divestment.”

566 “Resolution for Responsible Investment,” Letter from Office of the Treasurer, University of Tennessee System, December 2, 2013.

567 “Whitman College Board of Trustees Statement on Divestment.”

then, any impact of a decision to divest would be symbolic”—an inadequate reason to their minds.⁵⁶⁸ Bryn Mawr admitted candidly,

*We don't believe it (divestment) would have any impact on the companies targeted by your proposal. The wealth of these companies is primarily generated by the sale of oil, gas, and coal and not by the sale of stock.*⁵⁶⁹

Others saw hypocrisy clouding divestment's efficacy. Columbia judged the symbolism watered down by the continued use of fossil fuels: "It seems unlikely to us that divestment from fossil fuel would 'revoke a social license' when we continue to use fossil fuels day after day in every aspect of our lives."⁵⁷⁰

Some calculated that divestment could not grease political gears to make way for environmental policies. "I do not think divestment will accelerate our progress toward carbon neutrality," Cornell's president Skorton said simply.⁵⁷¹ Faust at Harvard suggested that "a focus on divestment" might "distract us from more effective measures."⁵⁷² At Tufts, president Monaco reviewed the history books and judged there was "scant evidence" that divestment had ever changed corporate behavior and only "mixed evidence" that it affected public policy.⁵⁷³ Yale's Advisory Committee on Investor Responsibility said divestment "does nothing" to implement new policies and failed at the task of "incentivizing the substitution or development of technologies and behaviors that may ameliorate GHG buildup."⁵⁷⁴ Duke's judgment came down hardest. Not only was divestment not an "effective strategy" to wean the economy off fossil fuels, the trustees thought, but it risked making things worse: because "divestment could polarize discussions surrounding strategies that could accelerate development and use of non-fossil fuel energy, we do not support the divestment options set forth by Divest Duke."⁵⁷⁵

Five colleges and universities also deemed the fossil fuel divestment campaign too blunt an instrument. It did not distinguish better from worse companies. "All of these companies are treated as equal offenders, and no distinction is made between the dirtiest coal company and the most innovative natural gas enterprise," Columbia University complained. Whatever fossil fuel companies may have done in the past,

568 Koshland, et. al., "Letter to Members of the Haverford Community."

569 Holland, "Letter to Lina, et. al.," Bryn Mawr College Board of Trustees.

570 "Response to Request from Barnard Columbia Divest."

571 Skorton, "Skorton Responds to Faculty Senate Call for Divestment."

572 Faust, "Fossil Fuel Divestment Statement."

573 Tony Monaco, "Statement on Divestment from Fossil Fuel Companies," Tufts University Office of the President, February 12, 2014. <http://president.tufts.edu/blog/2014/02/12/statement-on-divestment-from-fossil-fuel-companies/>.

574 "Statement of the Yale Corporation Committee on Investor Responsibility."

575 "ACIR Report and Recommendations on Fossil Fuels," Duke University.

"we are also mindful of the fact that the solutions to the climate crisis may well be the result of the work of some of today's energy companies."⁵⁷⁶ Haverford seconded: "The divestment campaign does not distinguish between the dirtiest coal company and the cleanest natural gas company – it paints all with the same broad brush."⁵⁷⁷

Cornell, Tulane, and Bryn Mawr College noted the investments that fossil fuel companies had made in renewable sources of energy. President Skorton said the energy companies in Cornell's investment portfolio "collectively have large research and development budgets committed to alternative energy," and divesting would "give us no ability as shareholders to influence the decisions that these companies make."⁵⁷⁸ "Many fossil fuel companies are currently investing in alternative energy sources," Tulane president Scott S. Cowen protested.⁵⁷⁹ Divesting "ignores the extent to which they are investing in alternative energy sources," Bryn Mawr trustees wrote of the fossil fuel companies targeted.⁵⁸⁰

Four colleges and universities also noted that their peer institutions had not divested, making divestment less attractive. Students had pressed them to take this as an opportunity to pioneer a new technique, but where students envisioned glory, trustees saw pitfalls. Columbia said, "only one peer university, Stanford, has taken divestment action," though Stanford's decision "was limited." That sluggish response undermined one of the central reasons students advised divestment: "if the goal is to send a signal and 'revoke the social license' of fossil fuel companies, we were interested to see what positions other institutions were taking as a barometer of how successful this signaling might be."⁵⁸¹ Tulane University bluntly noted the flimsy nature of the majority of divestment pledges: "Currently very few organizations and individuals are significantly disengaging from the fossil fuel industry."⁵⁸²

Tufts concluded that divestment was too expensive. "Although socially responsible investing is developing," the statement concluded, the slim availability to fossil fuel-free funds made divestment costly.⁵⁸³ The University of Rhode Island noted a similar difficulty: although the board members "remain very interested in the subject matter," the "very limited availability of institutional quality investment vehicles with no fossil fuel exposure that fit the foundation's investment strategy" made

576 "Response to Request from Barnard Columbia Divest."

577 Koshland, et. al., "Letter to Members of the Haverford Community."

578 Skorton, "Divestment: A Complicated Issue for Universities."

579 Scott S. Cowen, "Letter to Divest Tulane Members," April 23, 2014. http://www.divesttulane.org/uploads/2/4/6/6/24661412/reponse_from_president_cowen_and_the_board_of_tulane_university.pdf.

580 Holland, "Letter to Lina, et. al.," Bryn Mawr College.

581 "Response to Request from Barnard Columbia Divest."

582 Cowen, "Letter to Divest Tulane Members."

583 "Recommendations of the Tufts Divestment Working Group."

divestment impossible. They invited students to “share any new information... particularly related to other colleges and universities and their actions relating to fossil fuel divestment.”⁵⁸⁴

Trustees for Divestment

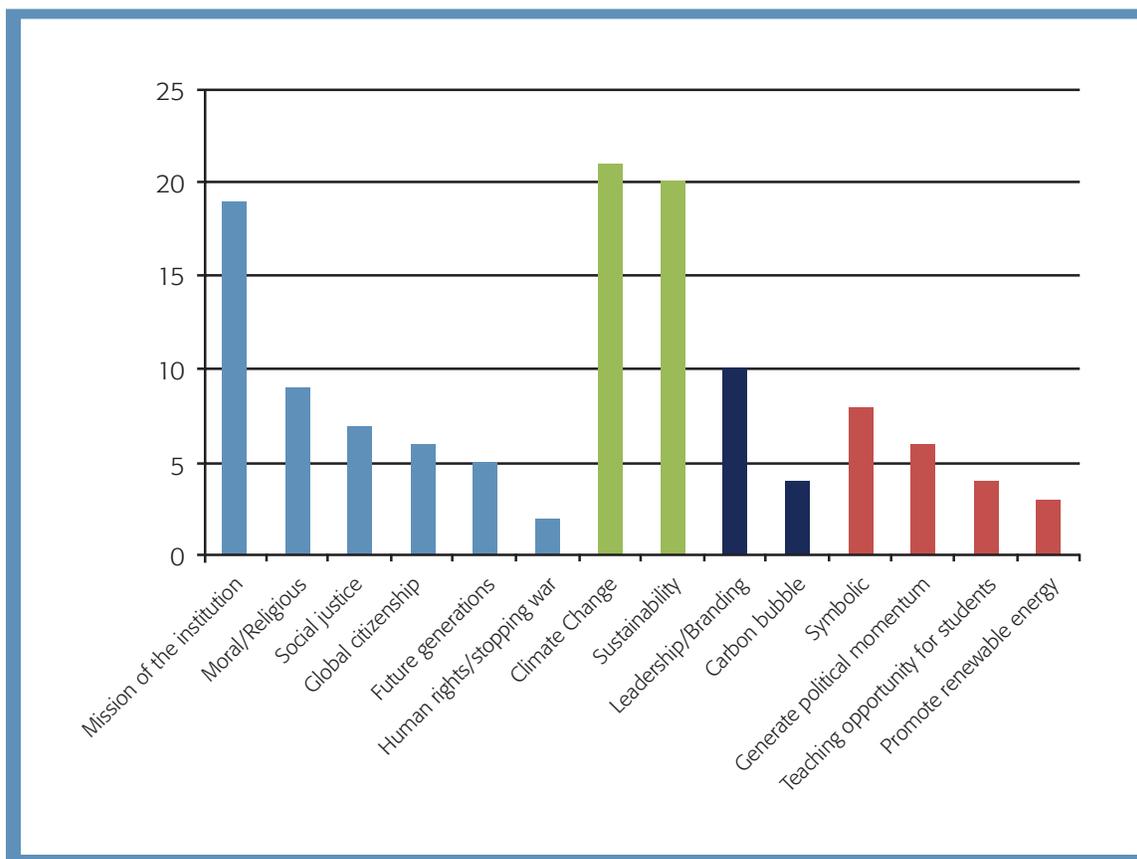
Trustees at twenty-nine American colleges and universities have thought differently and have announced plans to divest some or all fossil fuels. We examined the announcements and investment policies of these institutions, and wherever possible interviewed members of the administration involved in the decisions.

Some of the reasons for divesting directly contradict the reasons that other trustees gave to not divest. Some institutions, for example, have said they expect their divestments to improve the climate or to protect the institutions’ finances, directly opposite what institutions that rejected divestment have claimed.

Table 18: Reasons Colleges and Universities Divest

Reasons	Number of Colleges
Ethical	
Mission of the institution	19
Moral/Religious	9
Social justice	7
Global citizenship	6
Future generations	5
Human rights/stopping war	2
Environmental	
Climate Change	21
Sustainability	20
Financial	
Leadership/branding/competition from others/ recruitment	10
Carbon bubble	4
Strategic	
Symbolic	8
Generate political momentum	6
Teaching opportunity for students	4
Promote renewable energy	3

584 Michael J. Smith, “Letter to Professor Peter Nightingale, Fossil Free Rhode Island,” University of Rhode Island Foundation, March 14, 2014. http://static1.1.sqspcdn.com/static/f/421074/24559784/1395186372277/Fossil+Free_sig.pdf?token=Fw%2F40MyNr3VXRaPUiHmKYcVWmg%3D.

Figure 27 Reasons Colleges and Universities Divest Fossil Fuels

Ethics

Institutions list a variety of ethical reasons for their decisions to divest. Nineteen (66 percent) said divesting was important to fulfill the mission of the college, and to avoid hypocrisy. For instance, Unity College, a school dedicated to “sustainability science,” needed to divest to meet its values: “The alternative is unacceptable,” Unity president Stephen Mulkey explained.⁵⁸⁵ For Naropa University, which announced its divestment near the one-year anniversary of its “Statement of Commitment to the Practice of Sustainability,” “divestment from fossil fuels seemed a logical next step.”⁵⁸⁶ Divestment is “an outstanding example” of California State University-Chico making its “actions match our professed values,” president Paul Zingg explained. He added, “It is essential to all of us at Chico State that we ‘walk

585 Mulkey, “An Open Letter to College and University Presidents About Divestment from Fossil Fuels.”

586 “Naropa University Divests from Fossil Fuels.”

the talk' on sustainability."⁵⁸⁷ "Sustainability is in Pitzer's DNA," Robert Redford, a trustee of Pitzer College, explained when he announced Pitzer's divestment.⁵⁸⁸

Nine divesting colleges and universities gave religious or moral reasons for their decisions. Naropa University invoked "the Buddhist precept of 'not causing harm.'"⁵⁸⁹ At the University of Dayton, a Jesuit institution, "The tremendous moral imperative to act in accordance with our mission far outweighed any other considerations for divestment," explained Rev. Martin Solma, S.M., provincial for the Marianist Province of the U.S. and a member of the board's investment committee.⁵⁹⁰ Georgetown University president John J. DeGioia waxed eloquent: "As a Catholic and Jesuit university, we are called to powerfully engage the world, human culture, and the environment—bringing to bear the intellectual and spiritual resources that our community is built upon."⁵⁹¹

Others listed specific moral ends that divestment could help achieve. Seven—just under one-fourth—said divestment advanced "social justice." Prescott College in Arizona said its divestment was "part of a long-standing commitment to environmental responsibility and social justice."⁵⁹² At the University of Dayton, president Daniel J. Curran recalled that the consequences of climate change "disproportionately impact the world's most vulnerable people," but divestment, in keeping with Catholic Marianist values of service to humanity, could provide "a catalyst for civil discussion and positive change that benefits our planet."⁵⁹³ David Vasquez-Levy, president of the Pacific School of Religion, echoed Curran: "Our new divestment policy recognizes that climate change has the potential to cause unimaginable environmental damage and human suffering with disproportionate impact on the poorest countries and the most impoverished people."⁵⁹⁴

Perhaps for similar reasons, six colleges and universities see divestment as a civic duty, especially of the global sort. "Stanford has a responsibility as a global citizen to promote sustainability for our

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587 Wills, "University Foundation Board Approves Divestment of Fossil Fuel Holdings."

588 "Pitzer College and Robert Redford Announce Breakthrough Fossil Fuel Divestment-Climate Action Model."

589 "Naropa University Divests from Fossil Fuels."

590 "Dayton Divests."

591 "Georgetown Divests From Direct Investments in Coal Companies."

592 "Prescott College Commits to Fossil Fuel Divestment Resolution."

593 "University of Dayton Becomes First Catholic University to Divest from Fossil Fuels," 350.org, June 23, 2014. <http://350.org/press-release/university-of-dayton-becomes-first-catholic-university-to-divest-from-fossil-fuels/>.

594 "Pacific School of Religion First Seminary in California to Divest in Fossil Fuels," Pacific School of Religion, February 25, 2015.

planet,” said President John Hennessy. Divesting coal, as his institution did, was “a small, but constructive, step” toward “sustainable energy solutions for the future.”⁵⁹⁵ “We want to provide a good community, and that includes being a global citizen,” David Joyce, president of Brevard College, said in an interview on why his college concluded it was important to divest.⁵⁹⁶ “Syracuse has a long record of supporting responsible environmental stewardship and good corporate citizenship, and we want to continue that record,” Syracuse University Chancellor Kent Syverud noted. “Formalizing our commitment to not invest directly in fossil fuels is one more way we do that.”⁵⁹⁷

Five colleges and universities cited obligations to “future generations” in their reasons to divest. Pitzer College president Laura Skandera Trombley called divestment an “investment in our shared future.”⁵⁹⁸ Duncan Robins, a member of Humboldt State University’s Finance Committee, noted the weight of responsibility that drove him to find something within his power to claim as a victory: “Someday we want to tell our grandchildren and our great-grandchildren that we did what we could. When we were confronted by the reality of climate change, we tried to be part of the solution.”⁵⁹⁹

Two cited obligations to protect the lives of current generations. Global warming aggravated human rights violations and war, they held, so divesting helped make today’s world a safer place. The press release announcing the University of Dayton’s divestment said the decision “reflects the University’s commitment to environmental sustainability, human rights and its religious mission.”⁶⁰⁰ At the University of Hawaii, the Task Group on Divestment and Sustainability noted, “many global security analysts believe that unchecked climate change will be a major destabilizing force in the world.”⁶⁰¹

Environment

The two most popular reasons to divest are concerns about climate change and an interest in promoting the idea of “sustainability.” Twenty-one colleges and universities (72 percent) said climate change was an important factor in their

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595 “Stanford to Divest From Coal Companies.”

596 David Joyce, interview with Rachelle Peterson, August 8, 2015.

597 Kane, “University Formalizes Commitment to Prohibit Direct Investment in Coal, Fossil Fuels.”

598 “Pitzer College and Robert Redford Announce Breakthrough Fossil Fuel Divestment-Climate Action Model.”

599 “Humboldt State University Targets Fossil Fuels and More.”

600 “Dayton Divests.”

601 “Board of Regents Approves Fossil Fuel Divestment,” University of Hawaii News.

decisions to divest; 20 (69 percent) said their appreciation of sustainability contributed to the divestment decision.

The New School's divestment constituted the crux of a "comprehensive climate action plan."⁶⁰² Prescott College, in a statement, called "global climate change from human-caused greenhouse gas emissions" a "tremendous risk source" for whose mitigation divestment was a "central strategy."⁶⁰³ University of Washington board chairman Bill Ayer noted that the university had agreed to previous divestments "only a few times"; that it agreed to divest coal companies "reflects the seriousness of the climate change problem."⁶⁰⁴ Mulkey, the president of Unity College, explained the need for divestment in a desperate way:

*We are running out of time. While our public policy makers equivocate and avoid the topic of climate change, the window of opportunity for salvaging a livable planet for our children and grandchildren is rapidly closing.*⁶⁰⁵

Ray Crossman, president of Adler University, struck a harmonizing chord of doom:

*Time is not on our side when it comes to climate change. We must change minds and practices. Each new institution that commits to divest helps builds momentum until we find the majority firmly on the right side of history.*⁶⁰⁶

"Sustainability," a term that often signifies concern for global warming but predates the theory, is also commonly invoked to justify divestment. Sustainability indicates a concern for social, ecological, and economic "balance" and redistribution along precise lines to keep all three operating in tandem in the future. Twenty colleges and universities mentioned concern for sustainability as part of the reason for divesting.

John Hennessy, president of Stanford University, alleged that Stanford was responsible "to promote sustainability for our planet," and divesting coal could help "to develop broadly viable sustainable energy solutions for the future."⁶⁰⁷ Brian Flewelling, president of the University of Maine, Presque Isle Foundation,

602 "The New School Unveils Comprehensive Climate Action Plan: University's Board Directs Divestiture from Fossil Fuels."

603 "Prescott College Commits to Fossil Fuel Divestment Resolution."

604 Balta, "UW Regents Vote to Divest From Coal Companies."

605 Mulkey, "An Open Letter to College and University Presidents About Divestment from Fossil Fuels."

606 "Adler University Divests from Fossil Fuels."

607 *Ibid.*

said divestment was important to “reaffirm our commitment to environmental sustainability.”⁶⁰⁸ At Sterling College, president Matthew Derr said divestment helped prove that “Sterling College is an institution that lives by its core values of environmental stewardship and sustainability.”⁶⁰⁹ Trustees of the Peralta Community College Foundation said the divestment “makes clear that Peralta’s environmental sustainability goals are critically important to the Peralta Community College District, the State of California and the nation.”⁶¹⁰

Finances

Despite the heavy emphasis that advocates of divestment have placed recently on divestment as a smart investment strategy, financial reasons did not top trustees’ lists of reasons to divest. Four colleges and universities expressed concern about the “carbon bubble” and thought divestment would protect against its bursting. The most popular financial reason for divesting was instead reputational: 10 colleges and universities (more than a third) postulated that the media attention and branding opportunities that divestment presented could identify them as a leader and possibly draw in new students, even new donations.

“We are charting new waters here,” boasted John Gumas, chair of the San Francisco State University Foundation.⁶¹¹ At the University of Maine, Presque Isle, Flewelling said, “We are very pleased to be leaders in this statewide movement.”⁶¹²

As more institutions divested, previously progressive institutions risked losing their cutting-edge appeal. An internal report at The New School brooded,

The New School cannot stall in its efforts to maintain an image as the most sustainable university in the United States, as there was a 400% increase in sustainability education programs from 2011 to 2012, making The New School’s existing sustainability programs less the exception and more the standard. The challenge to act soon on fossil fuel investments is particularly acute for The New School, which has long based its reputation, and its appeal to students in an increasingly competitive educational market, on its longstanding tradition of progressive thinking and practice. To fall short of expectations in this regard would be far more damaging to The New School than a similar lapse would be for our peer institutions,

608 “UMPI Foundation Board Completes Total Divestment From Fossil Fuels.”

609 “Sterling College Completes Fossil Fuel Divestment of Its Endowment Fund,” Sterling College, July 17, 2013. <http://www.sterlingcollege.edu/news-events/news-archive/sterling-college-completes-fossil-fuel-divestment-endowment-fund/>.

610 “Peralta Trustees Pass Resolution to Divest From Fossil Fuel Companies.”

611 “SF State Foundation Strengthens Its Commitment to the Environment.”

612 “UMPI Foundation Board Completes Total Divestment From Fossil Fuels.”

*while visible leadership on this issue will reinforce our current reputation as the leading progressive university in United States.*⁶¹³

Mulkey, president of Unity College, forecast an enrollment boost at Unity after its divestment: “We’re seeing an uptick in our inquiries from students. I think that will transform into an improvement in enrollment. That’s not why we did it, but it’s a fact.”⁶¹⁴

Only four colleges and universities cited the idea or the term “carbon bubble” in their decisions to divest. At The New School, the Advisory Committee on Investor Responsibility warned that fossil fuel investments “pose a serious risk to the fiduciary health of our endowment,” because of “the increasing likelihood of regulatory action” against these companies. It opined that fossil fuel companies’ reserves

*are in fact “stranded assets” that are actually liabilities once regulatory risk is considered. Therefore fossil fuel companies are, at present, severely mispricing their assets and misleading the investing public about their future prospects.*⁶¹⁵

But chief operating officer Tokumbo Shobowale, who supports divestment and was involved in the decision, said in an interview that the “carbon bubble” did not feature into the School’s decision: “General asset pricing theory is that the market is efficient and it’s pricing assets appropriately.”⁶¹⁶

The University of Maine noted that advocates had specifically appealed to trustees’ interests:

*Fossil fuel divestment’s strategy seeks to appeal to trustees’ fiduciary duty of care. It points out that, over time, it is likely that huge reserves of fossil fuel will be “stranded” and cost of recovery will exceed the market value of the fuel. Accordingly, divestiture is in the enlightened self-interest of the fiduciary.*⁶¹⁷

At Sterling College, Rian Fried, a trustee who had pushed for divestment, predicted that “With this action, not only will the social return of the portfolio increase, the safety of the long-term financial

613 “Climate Change and The New School: An Action Plan for Investor Sustainability: Fostering Equity and Opportunity Across Generations,” The New School, Advisory Committee on Investor Responsibility, December 31, 2013.

614 Bill McKibben, “The Case for Fossil-Fuel Divestment,” *Rolling Stone*, February 22, 2013. <http://www.rollingstone.com/politics/news/the-case-for-fossil-fuel-divestment-20130222#ixzz3gAycneq>.

615 “Climate Change and The New School: An Action Plan for Investor Sustainability.”

616 Tokumbo Shobowale, interview with Rachelle Peterson, July 22, 2015.

617 Minutes of the Investment Committee Meeting, University of Maine System, December 3, 2014. <http://www.maine.edu/wp-content/uploads/2013/06/Investment-Committee-Minutes-Dec-3-2014.pdf>.

returns will also be significantly enhanced by shielding the College from direct exposure to companies whose production levels are unsustainable.”⁶¹⁸

The University of Hawaii acknowledged the carbon bubble theory but did not comment whether this was a significant reason for the decision to divest:

*An argument can be made that fossil fuel companies are currently overvalued, because a portion of their value represents the value of underground reserves that have not yet been brought to the surface and sold. Various estimates are that between 60% and 80% of current reserves cannot be exploited (and converted to greenhouse gases) if the level of greenhouse gases in the atmosphere is to be contained to a level that does not produce massive disruptions that are projected to result from global warming.*⁶¹⁹

Strategy

One of the primary arguments for fossil fuel divestment is that divestment is an important strategy. Its symbolic weight, advocates say, can jumpstart a political movement and evade some of the roadblocks on which other environmental campaigns stumbled.

Eight colleges and universities have divested in part because of the “symbolic” value of divestment. They agreed that to be effective, divestment must be accompanied by other, stronger actions. Brevard College’s divestment resolution called divestment a “symbolic step to increase public awareness of climate change.”⁶²⁰ “We know at most levels it’s symbolic,” University of Dayton president Curran said. Nevertheless, “we felt we had to be on the right side of this.”⁶²¹ The University of Washington acknowledged that coal divestment was “largely symbolic” but helped the university keep “its commitment to a sustainable future.”⁶²²

Shobowale, the chief operating officer at The New School, said divestment, unaccompanied by other sustainability measures, would be a mere “token.” That is why The New School voted to divest on the condition that it accompany a slew of other measures, including a new climate change-focused

618 “Sterling College to Divest from Fossil Fuels,” *Burlington Free Press*.

619 “Final Report and Recommendation,” Task Group on Divestment and Sustainability, University of Hawaii, Board of Regents, March 23, 2015. http://www.hawaii.edu/offices/bor/finance/materials/201504011330/2_Report_by_Divestment_Task_Group_Regarding_Recommendations_on_Divesting_from_Fossil_Fuels_and_Board_Policies_Regarding_Sustainability.pdf.

620 “Brevard College Commits to Fossil Fuel Divestment.”

621 Brian Roewe, “University of Dayton Divests From Fossil Fuels,” *National Catholic Reporter*, June 24, 2014. <http://nconline.org/blogs/eco-catholic/university-dayton-divests-fossil-fuels>

622 Balta, “UW Regents Vote to Divest From Coal Companies.”

core curriculum meant to make every student a “climate citizen.”⁶²³ At the University of Maine, board chairman Karl Turner remarked that divestment “in and of itself” would not be an “effective strategy to solve complex global problems,” but it could be part of “several overlapping strategies” that could “eventually carry the day.”⁶²⁴

Six universities held that divestment could generate political momentum on other climate policies. The University of Dayton suggested its divestment could “serve as a catalyst for civil discussion and positive change that benefits our planet.”⁶²⁵ Adler University president Ray Crossman rejoiced that “Each new institution that commits to divest helps build momentum until we find the majority firmly on the right side of history.”⁶²⁶ Pitzer College trustee Donald Gould explained in the *Chronicle of Higher Education* that “Divestment changes the public discourse on our collective energy future; it’s aimed not at oil companies, but at those who must craft a public policy consistent with a habitable planet.”⁶²⁷

Three institutions specifically named alternative sources of energy as something that divestment could encourage. Syracuse University announced it would “seek additional investments” in companies developing solar energy and biofuels.⁶²⁸ The Peralta Community College District aimed in part at reducing its “dependence on non-renewable energy sources.”⁶²⁹ And the University of Hawaii, acknowledging that “the act of divestment would not directly result in the reduction of carbon emissions,” concluded that “the value of divestment is to galvanize the UH community to take action to invest in the production of alternative energy, to make energy-saving investments and to change institutional as well as individual behaviors.”⁶³⁰

Four thought divestment could teach students the importance of caring about global warming, and might set an example for their edification. David Joyce, president of Brevard College, noted that “Part of our mission is to teach students to connect knowledge to action,” and “the process and outcome of this issue demonstrates our commitment to encouraging personal growth and inspiring social action.”⁶³¹ Joyce

623 Tokumbo Shobowale, interview with Rachelle Peterson.

624 Danielle Walczak, “UMaine System Moves to Vote on Coal Divestment,” *The Maine Campus*, December 7, 2014. <http://mainecampus.com/2014/12/07/umaine-system-moves-to-vote-on-coal-divestment/>.

625 “Dayton Divests.”

626 Zoë Wong-Weissman, “Adler University Divests From Fossil Fuels,” 350.org, July 15, 2015. <http://gofossilfree.org/usa/adler-university-divests-from-fossil-fuels/>.

627 Donald P. Gould, “Why We Said Goodbye to Fossil-Fuel Investments,” *Chronicle of Higher Education*, July 28, 2014. <http://chronicle.com/article/Why-We-Said-Goodbye-to/147929>.

628 Kane, “University Formalizes Commitment to Prohibit Direct Investment in Coal, Fossil Fuels.”

629 “Peralta Trustees Pass Resolution to Divest From Fossil Fuel Companies.”

630 “Board of Regents Approves Fossil Fuel Divestment,” University of Hawaii News.

631 “Brevard College Commits to Fossil Fuel Divestment.”

elaborated in an interview that James Reynolds, the geology professor who led the divestment campaign at Brevard College, “sees his role is to help his students become passionate about the planet and environmental responsibility.” Professor Reynolds, by encouraging his students to work on divestment, “gave good coaching to our students,” though Joyce was quick to note the students would have learned valuable lessons even if the college hadn’t divested:

As president, no matter the outcome, I was proud of the way that the process worked, and that everyone saw it in the role of education. At the end of the day, the discussions are about what we are teaching, what we are learning, no matter how the process turned out.⁶³²

“Divestment,” noted Prescott College’s director of sustainability, is a way of “fulfilling our mission and changing history,” by “encouraging students to think critically and act ethically with sensitivity to both the human community and the biosphere.”⁶³³

Reasons Students Support Divestment

Official student proposals for fossil fuel divestment have listed a variety of reasons, often changing over time as the divestment campaign has cycled through the stages identified in chapter 2. But, apart from the formal reasons listed to appeal to trustees, what draws students to support fossil fuel divestment in the first place? There are as many reasons as there are student divestment campaigners, but a series of interviews with students and a look at pro-divestment blogs reveals the tenor of the youth divestment movement. Some of the reasons mirror trustees’—global warming, strategic activism, a push for alternative energy. We list here several of the more surprising reasons.

Community and emotional support

National networks of divestment organizers provide a sense of community and shared interest. Divestment activists find emotional support and a sense of purpose with their fellow divestment activists.

Students with Swarthmore Mountain Justice explained in interviews that SMJ offered a “home,” a “family,” a close sense of belonging that nothing else on campus could replicate. Each meeting began with a time of

Divestment activists find emotional support and a sense of purpose with their fellow divestment activists.

⁶³² David Joyce, interview with Rachelle Peterson.

⁶³³ “Prescott College Commits to Fossil Fuel Divestment Resolution.”

“healing” and support, with time set aside for members to share their stories of “oppression” and pain from the previous week, and to receive encouragement from their peers.

One Swarthmore alumna, Dinah DeWald, wrote in a blog post that SMJ introduced her to “a world of care, community, and passion that I had never known existed before joining this movement.” She stumbled into SMJ by accident—she happened to be in the café where some of the original organizers were meeting, and she had a crush on one of the guys there—but chose to stay because “from the beginning, I felt deeply respected, listened to, encouraged and supported to take on responsibility.”⁶³⁴ Where other clubs and careers demanded minute specializations, organizing for divestment meant committing to “to supporting ourselves and those around us to reach our full potential—as human beings and as a society.” SMJ offered not just friendship and community, but a real challenge and responsibility to do something important.

Miles Goodrich, a 2015 Bowdoin College graduate, concurred: “Dangling off oil rigs—sexy direct action—first attracted me to activism. But it is organizing, the building of resilient relationships and deliberate communities, that commits me to the movement for the long haul.”⁶³⁵

Jason Schwartz, a 2015 graduate of San Francisco State University, found in the divestment campaign an unconditional acceptance and companionship that helped him overcome a drug addiction. In a blog post for the Fossil Fuel Divestment Students Network, Schwartz shared that his parents’ divorce when he was six years old left him “abandoned,” “isolated,” and “alone, like I didn’t fit in anywhere.” In college he relied on drugs, and every Friday night he got “blackout drunk.” After he saw a presentation about fossil fuel divestment, he switched his major to Environmental Studies, joined the campaign, and began devoting 20 hours a week to promoting divestment. It brought him security and emotional stability:

*Organizing became a way for me to cut through the dark fog that had consumed me since I was a child. It was a way for me to fight back and say, No! This is not okay! This is not the world that I want to live in!*⁶³⁶

Michaela Steiner, a divestment organizer at Northern Arizona University, wrote about how working for divestment built up her self-esteem and helped her overcome an eating disorder. Bullied as a child,

634 Dinah DeWald, “Dinah Dewald, Swarthmore College '13,” Fossil Fuel Divestment Students Network, April 1, 2015. http://www.studentsdivest.org/dinah_dewald-swarthmore.

635 Miles Goodrich, “Miles Goodrich, Bowdoin College '15,” Fossil Fuel Divestment Students Network, April 1, 2015. http://www.studentsdivest.org/miles_goodrich_bowdoin_college_15.

636 Jason Schwartz, “Jason Schwartz, San Francisco State University '15,” Fossil Fuel Divestment Students Network, April 1, 2015. http://www.studentsdivest.org/jason_schwartz_san_francisco_state_university_15.

she “felt disposable” and “allowed other people to use and walk all over me.” Anorexia offered her a way to boost her willpower and sense of self-control, but she “was addicted to starvation and the cycle of anorexia.” Joining the fossil fuel divestment campaign taught her that addictions can kill planets and people, and that neither she nor the earth is disposable: “My organizing for the long haul is a crucial piece of my recovery process.”⁶³⁷

Fossil fuel divestment, for these campaigners, is not an abstract fight for the planet or for civic engagement. It is an expression of self-worth and community loyalty. That sense of belonging and personal connection makes the connection to divestment as, if not more so, emotional and personal than strategic.

Civics

A recurring argument for fossil fuel divestment is that the political system is broken, and it needs enlightened, responsible citizens to free it from the crushing influence of the fossil fuel industry. Many college students, disaffected with national politics and dissatisfied with the establishment “ruling class,” are drawn to fossil fuel divestment as a means of alternative civic exercise.

“Citizenship,” “global citizenship,” and “civics” are common terms in divestment rhetoric. The handbook of the fossil fuel divestment campaign at Swarthmore College is *Doing Democracy*, by Bill Moyer. This guide, based on the Saul Alinsky model of extra-governmental activism, advises evading normal channels of influence and setting up alternative power structures—such as in the takeover of the May 2013 board meeting at Swarthmore, where students said they were “flipping the power dynamics.”

One student, Jessica Grady-Benson, a leader in the Pitzer College divestment campaign and now full-time divestment activist, found in researching for her senior thesis on fossil fuel divestment that the prospect of civic engagement was the primary motivator for students to join the divestment campaign. “What motivates students to organise for divestment?” Grady-Benson asked in an article co-authored with her professor, Brinda Sarathy.

*Our primary research indicates that students are dedicated to mobilising for FFD (fossil fuel divestment) for several key reasons including their frustration with political gridlock on comprehensive climate policy in the USA; perceived need for urgent and systematic change; and seeing divestment campaigns as an opportunity for collective action and student empowerment.*⁶³⁸

637 Michaela Steiner, “Michaela Steiner, Northern Arizona University '16,” Fossil Fuel Divestment Students Network, April 1, 2015. http://www.studentsdivest.org/michaela_steiner_northern_arizona_university_16.

638 Jessica Grady-Benson and Brinda Sarathy, “Fossil Fuel Divestment in US Higher Education: Student-Led Organising for Climate Justice,” *Local Environment*, 2015.

Divestment, Grady-Benson argued, was an effective way to “politicise and radicalize” students, introducing them to a broader political movement and helping them find their political grounding. That, she said, was appealing to students.⁶³⁹

Some divestment campaigns have grown out of civic projects. At De Anza College, Nicky Gonzalez-Yuen, a professor of political science, encouraged his students to join the divestment campaign. Each student was required to complete several hours of “service learning,” or volunteering meant to improve society. Yuen suggested that joining the divestment campaign could be an excellent way to fulfill the requirement.

Divestment, Grady-Benson argued, was an effective way to “politicise and radicalize” students.

Cynthia Kaufman, director of the VIDA Institute for Community and Civic Engagement at De Anza College, advised the campaign and nominated the students involved for a National Democracy Award.⁶⁴⁰ Kaufman, too, required students to fulfill “service learning” hours; one of the requirements for the activities was that the service learning “must involve community organizing and not just service to a community.”⁶⁴¹

Professor Kaufman explained in an email that it was important that students learn to be activists: “One of the most important goals of education is preparing people to be citizens of the world and participants in democracy. Activism is a crucial tool for monitory democracy.” “Monitory democracy,” she explained, was a theory of government based on the work of John Keane in which one of the primary tasks of citizens is to “monitor” like a “guard dog” the accumulation of power because representative checks and balances become impotent: “As political structures become larger, direct and representative democracy needs to be supplemented with monitory democracy.”⁶⁴²

The idea of “monitory democracy,” if not the exact term, is a popular draw for students considering joining the divestment movement. Alex Lenferna, a graduate student in philosophy at the University of Washington, describes divestment’s appeal as “a burgeoning global climate justice movement that

639 *Ibid.*

640 “Students Win National Democracy Award,” De Anza College, 2014. <https://www.deanza.edu/news/2014democracyaward.html>.

641 “Community Partners for Service Learning,” VIDA, De Anza College. <http://www.deanza.edu/vida/students.html>

642 Cynthia Kaufman, email to Rachelle Peterson, July 1, 2015.

is ready to take on the fossil fuel industry and the corrupt and spineless politicians who represent them.”⁶⁴³ William Lawrence, one of the founders of Swarthmore Mountain Justice, said divestment attracts students who want to overturn a top-heavy, works-for-the-one-percent social system:

*We’re not going to wait on decision makers to do the right things. Social change happens when people get organized from the bottom and call for change to happen. It doesn’t happen because of the good conscience of the people in power, but people and their allies build power by coming together one at a time.*⁶⁴⁴

Even the students organizing for fossil fuel divestment realize their efforts have more to do with progressive politics than with climate change. Divestment is a proxy battle for partisan politics.

643 Alex Lenferna, “Why We Divest,” *Common Dreams*, May 22, 2015. <http://www.commondreams.org/views/2015/05/22/why-we-divest>.

644 William Lawrence, interview with Rachelle Peterson.