

## A Proposal for Consideration by the AAUP

### DIVEST PENSION FUNDS FROM FOSSIL FUELS AND REINVEST IN RENEWABLE ENERGY

March 12, 2024 (Revised June 3, 2024)

WHEREAS, climate change constitutes an urgent and accelerating crisis, as extreme weather, wildfires, disease outbreaks, rising sea levels, ocean acidification, and pollution wreak havoc on ecosystems and societies across the globe; and

WHEREAS, college and university faculty have as their core responsibility educating students to flourish for the future, a future that is fundamentally endangered by climate change driven by burning fossil fuels; and

WHEREAS, engagement—consultation by retirement fund manager with coal, oil, or gas companies; shareholder resolutions; director votes at fossil fuel companies, and the like—as an alternative to divestment has yielded no change at these companies or led to a reduction in greenhouse gas emissions from their products; and

WHEREAS, fossil fuel assets are in a long-term decline in value or at high risk of being stranded, obliging fiduciaries to divest them beforehand; and

WHEREAS, a 2023 [study](#) from the University of Waterloo showed, by examining representative public pension funds, that they would have seen a 13% increase returns if they had divested from fossil fuels a decade ago; and an earlier 2021 report from Institute for Energy Economics and Financial Analysis (IEFA) reached similar conclusions; and

WHEREAS, [more than 1,600 institutions](#) with assets over \$40 trillion have committed to some form of fossil fuel divestment, including:

- The endowments of Harvard, Yale, Princeton, the University of California, Oxford, Cambridge, among more than 250 educational institutions;
- The Maine Public Employees' Retirement System;
- The Teachers' Retirement System and Board of Education Retirement System of the City of New York;
- The Chicago Teachers Pension Fund; and

WHEREAS, AAUP members participate in public retirement plans of which [the top 14 have some \\$65 billion](#) invested in fossil fuel corporations, or in private plans managed by [Vanguard](#), [Fidelity](#), and [TIAA](#), which collectively hold more than \$740 billion in such investments; and

WHEREAS, in 2022 AAUP's affiliated organization, the American Federation of Teachers, passed an equivalent [resolution](#) for divestment from fossil fuels;

**BE IT RESOLVED, that the Association, in consultation with AAUP chapters, will urge state pension boards, college and university committees and administrators managing the retirement funds of its members, and the boards of Vanguard, Fidelity, and TIAA, and the AAUP Foundation to:**

- **enact an immediate moratorium on all new direct investments in fossil fuels, including extraction and processing, pipelines, and power plants;**
- **develop and execute a prudent plan to divest fully and without delay from all current coal, oil, and gas investments for corporations or other entities that extract, transport, trade or otherwise contribute to the production of coal, oil and gas;**
- **reinvest funds in renewable energy projects, especially those that benefit displaced workers and frontline communities; and**

**BE IT RESOLVED, that the Association will divest all fossil fuel investments in AAUP 501(c)(6) accounts.**

[Signatories in separate file]

For further information on divestment, please see "Your Pension, Your Future, and Your Students' Future," in [Academe Blog](#).