Dear Philanthropic Community,

The escalating climate crisis will impact the programs of all philanthropic institutions, not just those focused on environment and health. While all of philanthropy must consider how climate change will affect our respective missions, we believe grant-making alone will be inadequate to meet the challenge. With this in mind, the undersigned foundations have come together in a new initiative to divest our assets from fossil fuels and to invest in climate solutions and the new energy economy. We invite you to join us.

Divest-Invest Philanthropy seeks to reinforce the growing divestment movement in colleges, cities, states, pension funds, and religious institutions. Drawing on a core innovation of anti-Apartheid activism, today’s movement argues that mission-based institutions whose goals and constituencies are threatened by the extraction and combustion of fossil fuels should not also seek to profit from them. It exposes the fossil fuel industry’s efforts to block progress to a clean, renewable energy future, and argues for new investments that will advance climate solutions rather than drive the crisis.

Philanthropy has an opportunity to put its full weight behind this new movement and lead in efforts to address climate change. In the broadest sense, this means using all our assets to advance our goals, values, and beliefs. At a minimum, it means ensuring our investments do not drive the problems we ask our grantees to solve. Investments cannot undercut the philanthropic mission—serving the public good. In the final analysis, this is our primary fiduciary obligation.

While moral accountability alone compels us to act, the financial case to divest and reinvest is no less compelling. There is growing recognition that if we hope to maintain a livable climate, the majority of fossil fuel reserves now on the world’s books will become stranded, unusable assets. The UN Intergovernmental Panel on Climate Change establishes the compelling science. Fossil-fuel stocks, whose valuations are linked to reserves, are thus vastly over-valued, with conservative estimates pointing to a multi-trillion dollar “Carbon Bubble” many times the recent $2 trillion housing bust. Failure to deflate this bubble in oil, gas, and coal investments now, risks profound economic consequences later. A growing body of financial analysis—from Price Waterhouse Cooper, Carbon Tracker, the London School of Economics, Lord Nicholas Stern, The Grantham Institute, HSBC, the Financial Times, and The Economist—has issued similar warnings.

Prudent investors seeking to avoid future losses will act now. Studies show negligible-to-no near-term risk in divesting from fossil fuels, coupled with a growing range of opportunities to build assets by investing in vehicles with low-carbon impacts. There is a wide range of profitable investment products available across all asset classes for renewables, clean tech, and energy efficiency. We have a unique opportunity to model how investments can be used to solve social problems, while delivering solid returns. Let’s demand the same clear vision for catalytic change from our investment professionals as we do from our grantees.

We come together as a group of foundations with assets totaling close to $2 billion USD. While we have diverse missions, we are united by a common recognition that we must put all our tools into service, without delay. Each of us is at different stages of meeting this commitment. Some are fully divested from fossil fuels, while others are targeting specific classes of investments along a trajectory toward complete divestment. Some are pioneers in impact investing, and others are just beginning.

Divest-Invest Philanthropy unites the power and credibility of the philanthropic community to respond to the global climate crisis and support innovative and sustainable energy alternatives. Our
The fiduciary duty compels us to take full account of the financial and social impacts of our investments. Business as usual is no longer an acceptable practice. For ethical and financial reasons, we therefore commit to divest from the major fossil fuel companies—retaining minor positions for shareholder advocacy—and to invest instead in climate solutions and a sustainable future economy.

We invite you to begin with the following steps:

1. **ASSESS**: Conduct an assessment of your exposure to climate change risk, defining the degree to which you are invested in fossil fuels versus climate solutions and investments that support your mission.

2. **CONSULT**: Launch a dialogue among Board and Staff on investment strategies that align investments with mission and support a sustainable and just economy.

3. **COMMIT**: Commit to a timetable and process, commensurate with the pace of climate change, for eliminating all fossil fuels from your investment portfolios while investing in a new, clean energy economy through renewables, clean tech and other innovations.

Together, we can form a community of practice, learning from each other’s efforts, sharing strategies, and scaling innovation. Most significantly, we are taking action on one of the most significant challenges humankind has ever faced. For Divest-Invest resources please visit divestinvest.org.

Please join with us.