Yale Endowment Justice Coalition, Fossil Fuel Divestment Facts and Main Arguments

Yale's Fossil Fuel Investments totaling $452 million (that we know of, data from June 2018):

- **$352 million managed by JVL advisors**, an oil and gas investments manager
- **$69 million managed by ARC Financial Corporation**, a private equity firm focusing on oil and gas companies in canada
- **$31 million managed by Merit Energy Company**, a private equity firm focusing on acquiring oil and gas reserves in the United States
- **In fall of 2015, Yale directly invested $190 million in Antero resources**, a fracking company. Yale invested further for a total of $230 million by june 2016. Yale then sold this stock over time, with no stake remaining by march 2019.

The fossil fuel industry is uniquely responsible for unsustainable emissions:

1. **Fossil Fuel Reserves:** In order to limit warming to livable levels, 82 percent of known coal reserves, 49 percent of known gas reserves, and 33 percent of known oil reserves must be left underground. Rather than keeping these resources underground, the fossil fuel industry has a business incentive to extract and sell these reserves.
2. **Dependence:** The fossil fuel industry promotes fossil fuel dependence through market and political manipulation and by establishing doubt on climate change.

Why divestment is preferable to shareholder engagement:

- The social injuries associated with climate change and extraction are inherent to the business model of the fossil fuel industry; for this reason, shareholder engagement has limited potential to effect sufficient and lasting change. Indeed, shareholder resolutions have proven ineffective in changing fossil fuel company behavior.
- Yale's prior success stories of direct engagement have been flawed. In 2016, David Swensen cited as an example of productive engagement a whitepaper written by ARC Financial Corp. This whitepaper aimed to provide a framework for assessing the lifecycle emissions of crude oil. Their report failed to account for emissions caused by methane leaks due to fracking, which contribute enormously to the lifecycle emissions of fracked oil. This failure left major Canadian fracking companies—including Painted Pony, STEP, and Seven Generations—free from the white paper's scrutiny of methane emissions.
- As of March 7, 2017, after Swensen's letter to fund managers ARC Energy Fund 5 maintained a 4% stake in Seven Generations Energy, a player in the Alberta oil sands production cycle

The efficaciousness of divestment lies in mechanisms not accounted for in The Ethical Investor:

1. **Movement Building**: To date, 1,200 institutions around the world have divested $12 trillion from fossil fuel companies. Yale's divestment would occur in the context of this campaign, and would simultaneously amplify and be amplified by the global movement.
2. **Political Action**: Social movements influence democratic governments. An Oxford University report found that "in almost every divestment campaign … reviewed … divestment campaigns were successful in lobbying for restrictive legislation." The report argued that divestment campaigns stigmatize targeted industries, resulting in shifts in public opinion that lead to corrective policies.
3. **Consciousness Shift**: The global divestment movement raises awareness of environmental and climate justice issues. By divesting, Yale would contribute to a consciousness shift within its community and beyond. This change could have long-term demand-side effects on the fossil fuel industry.

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Timeline of our movement

Fall 2012	Fossil Free Yale is founded
January 2013	Fossil Free Yale presents first report on divestment to ACIR. Simultaneously, ACIR chair Jonathan Macey is an alternate candidate for the board of directors of the Hess corporation, a large oil and gas company
November 2013	Yale College Council holds referendum showing 83% of students support divestment
October 2014	CCIR writes report rejecting proposal for divestment, and David Swensen writes letter to managers asking them to consider climate impacts when making investments
April 2015	49 students sit in and 19 arrested at Woodbridge Hall requesting that Yale reopen the conversation on divestment
December 2015	$190 million directly in Antero resources, a fracking company
January 2016	Fossil Free Yale presents a new proposal to the ACIR, specifying divestment from all companies whose business model depends on the extraction, transportation, and processing of fossil fuels
April 2016	Fossil Free Yale leads rallies at keynote address by Ban Ki-Moon. At the same time, David Swensen writes a letter discussing the positive impacts of the 2014 letter. This discusses a $10 million partial divestment, and efforts of ARC Financial to better research impacts on climate change in the course of their business
June 2016	Yale purchases more stock in Antero
Spring 2018	Fossil Free Yale, Despierta Boricua, Yale Prison Divest, ANAAY, and other groups run a joint teach-in on various endowment related issues. The Yale Endowment Justice coalition is formed, and states two demands simultaneously: Yale must divest from fossil fuels, and cancel all holdings in Puerto Rican debt.
December 2018	50 students sit-in and are arrested at the Yale Investments Office. They demand that Yale divest from fossil fuels and cancel holdings in Puerto Rican Debt
Spring 2019	Two more sit-ins take place in the investments office
September 2019	Over 1000 students walk out of class and rally to demand that Yale divest and cancel the debt.
December 2019	Over 500 students disrupt the Harvard-Yale game in order to demand that Yale divest and cancel the debt.
February 2020	Yale College Council votes unanimously to join the Endowment Justice Coalition
February 2020	Yale Faculty Senate meets to discuss divestment for the first time