

# Yale Endowment Justice Coalition, Puerto Rican Debt Fact Sheet

## Yale is heavily invested in Puerto Rican debt

- Yale invests \$794 million with Baupost group, which in turn holds over \$1 billion of PR debt
- At least five Yale-invested hedge funds hold or held PR debt
- David Swensen has said the board of trustees could vote to cancel Yale's holdings in PR debt

## American policy caused the debt crisis in Puerto Rico

- For decades the US imposed tax breaks in PR. When the US phased out these tax breaks in 1996, many companies suddenly left, causing a recession.
- PR was forced to sell debt to Wall Street at high interest rates to pay for basic operations
- In 2015, PR declared their debt unpayable at \$72 billion; nearly half the debt is interest
- PR is not allowed to declare bankruptcy due to its status as an unincorporated territory
- In 2016, the PROMESA Act gave unelected US officials control over fiscal policy in PR
- The US extracts wealth from PR through colonial laws. The Jones Act of 1920 costs PR nearly \$600 million each year and increases the already unaffordable cost of living in PR.

## The debt crisis in Puerto Rico is inextricably linked to the climate crisis

- Hurricanes Irma & Maria hit PR in 2017; they were fueled by climate change
- The hurricanes caused immense damage, and PR still has not rebuilt. Over a million people went without power for almost a year.
- The debt crisis has been used to enforce harsh austerity measures. Half the public schools on the island remain closed, health care is severely underfunded, and PR is not allowed to build the solar power they need.

## Cancellation of Puerto Rican debt is central to our work as a coalition

- The Endowment Justice Coalition formed in spring 2018 after hurricanes Irma & Maria
- The two demands, that Yale divest and cancel the debt, both predate EJC. EJC brought those demands together with the understanding that we cannot combat climate change without fighting for the frontline communities that will face the effects first
- EJC organized Yale's campus by linking the two demands and creating a strong coalition
- We would not be at this stage in our movement without linking the two demands. Weakening one of those demands would be a betrayal of the organizing work we have done so far, and would cripple our ability to organize the campus going forward

## Why cancel Yale's holdings of PR debt? Is that the same as giving aid?

- Yale must cancel its holdings in PR debt for the sake of justice. By holding PR debt Yale perpetuates the ongoing disaster there, and forgiving their portion of the debt would make life easier for the people Yale currently exploits through endowment holdings.
- Forgiving PR debt is not equivalent to giving aid, because buying the debt in the first place was unjust. Yale hedge funds bought the debt after PR declared it unpayable, knowing the US government would help them get repayment.

## Could Yale cancelling Puerto Rican debt hurt PR by making it harder for them to borrow?

- PR has a debt crisis first because the US created a recession, forced PR to take payday loans, did not allow PR to declare bankruptcy, and refused to audit the debt. It is on the US to forgive PR debt, and not punish them for it by hiking interest rates.

## Yale Endowment Justice Coalition Timeline

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
June 2015	Puerto Rico declares \$73 billion debt unpayable
December 2015	Yale invests \$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
September 2017	Hurricanes Irma & Maria, fueled by climate change, devastate Puerto Rico
October 2017	The Intercept reveals that Baupost group is one of the largest holders of PR debt
December 2017	A coalition of activists, including Despierta Boricua, start a campaign demanding Yale cancel holdings in PR debt. This is part of a larger campaign across the US.
Spring 2018	Fossil Free Yale, Despierta Boricua, Yale Prison Divest, ANAAY, and other groups run a teach-in on various endowment related issues. The Yale Endowment Justice Coalition is formed, and states two demands simultaneously: Yale must cancel all holdings in Puerto Rican debt and divest from fossil fuels.
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 for EJC demands
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