Divestment – Risky Investments

**2022:** [**https://www.divestoregon.org/**](https://www.divestoregon.org/) is a statewide grassroots coalition of individuals and organizations representing unions with PERS members, racial and climate justice groups, youth leaders, and faith communities with the goal of calling the Oregon State Treasury to account for its funding of climate devastation rather than prudent investing in a sustainable future. They are part of a national movement; a member of the Climate Safe Pensions Network and the Stop the Money Pipeline coalition. 350PDX was the founding member of Divest Oregon in mid-2021 and the campaign formally launched in September 2021. They produced a report explaining that fossil fuel investments are risky: [**https://www.divestoregon.org/report**](https://www.divestoregon.org/report) They also produced a report alerting the Oregon State Treasury to the risks: [**https://www.divestoregon.org/climaterisk**](https://www.divestoregon.org/climaterisk)

**2021 March: This fascinating, informative article reports important updates on Exxon’s confrontation with reality and its long deception about its assets:** [**https://www.nationofchange.org/2021/03/03/analysis-how-exxon-is-being-forced-to-accept-the-reality-of-bad-fossil-fuel-investments/**](https://www.nationofchange.org/2021/03/03/analysis-how-exxon-is-being-forced-to-accept-the-reality-of-bad-fossil-fuel-investments/)

**2021 March: We have been urging the WA State Investment Board to divest from Exxon, etc., but they refuse.** Below I’m summarizing two recent articles and sent them to some people who care about the climate and have been working for divestment:

**Article #1. ExxonMobil admitted its assets are less than it had previously claimed.** A few weeks ago ExxonMobil announced a $19.3 billion write-down, which reduces the value of assets ExxonMobil claims to have.  A whistleblower from the company – and a team of advisors – said the company had been overvaluing its assets for years.  The whistleblower, Franklin Bennett, described ExxonMobil’s previous inaccurate behavior as “fraudulent and defiant behavior” in a whistleblower complaint he filed with the U.S. Securities and Exchange Commission (SEC). The article I’m linking below says, “Bennett and his team said the company has been overvaluing its U.S. oil and gas assets by as much as $56 billion, as of year-end 2019.”  The world energy market is changing rapidly.  “Big Oil” companies are negligently trapped in old thinking and “sunk costs.” **Read the article at this link:** [**https://www.desmogblog.com/2021/02/02/whistleblower-sec-complaint-alleges-exxon-fraud-overvalue-fracking-assets?utm\_source=DeSmog%20Weekly%20Newsletter**](https://www.desmogblog.com/2021/02/02/whistleblower-sec-complaint-alleges-exxon-fraud-overvalue-fracking-assets?utm_source=DeSmog%20Weekly%20Newsletter)

**Article #2. Transitioning away from fossil fuel has endangered $1 TRILLION in pipeline investments.** This report says more than 131,000 miles of pipelines (oil pipelines like the Dakota Access pipeline and — to an even higher degree — new natural gas pipelines) are being rendered obsolete. This is another compelling reason to DIVEST from fossil fuels. **Read about it here:** [**https://www.desmogblog.com/2021/02/04/trillion-oil-gas-pipelines-dakota-access-stranded-assets?utm\_source=DeSmog%20Weekly%20Newsletter**](https://www.desmogblog.com/2021/02/04/trillion-oil-gas-pipelines-dakota-access-stranded-assets?utm_source=DeSmog%20Weekly%20Newsletter)

**2021 March: Information about oil companies’ losses:** [**https://theenergymix.com/2021/03/01/five-colossal-fossils-lose-76-billion-in-2020-as-energy-transition-speeds-up/**](https://theenergymix.com/2021/03/01/five-colossal-fossils-lose-76-billion-in-2020-as-energy-transition-speeds-up/)This article says:

The companies’ combined output fell by 900,000 barrels of oil per day, or about 5%, Saudi Gazette reports. But out of the total loss, $69 billion “can be attributed to asset impairments and write-offs as the supermajors re-evaluated their strategy to focus on energy transition and become less dependent on petroleum.”

ExxonMobil posted the biggest loss, at $22.4 billion, while Shell and BP dropped more than $20 billon each, the news story states. Total and Chevron had a great year by comparison, losing just $5 to $6 billion each.

“Last year has certainly tested oil and gas majors like never before. Some recovery can be expected in the near future as demand rebounds and oil prices cross the $60 mark,” said Rystad upstream analyst Rahul Choudhary. “However, the key to success for the five majors over the next decade will be to strengthen their business in more resilient regions, restructure and resize to match the market needs, and pay back their high debt levels.”

By the end of the year, the five companies had cut spending by $26 billion, or 32%, and their new investments fell $30 billion, or 90%, Rystad found. Exxon and Chevron took on new debt totalling $19 and $18 billion, respectively, prompting the Standard & Poors rating agency to downgrade its assessment of their creditworthiness.

**2021 February: Exxon dumps tar sands holdings:** [**https://theenergymix.com/2021/02/26/exxon-dumps-tar-sands-oil-sands-holdings-slashes-estimate-of-recoverable-reserves/**](https://theenergymix.com/2021/02/26/exxon-dumps-tar-sands-oil-sands-holdings-slashes-estimate-of-recoverable-reserves/)

**2021 February: Transitioning away from fossil fuel has endangered $1 TRILLION in pipeline investments:** The report I linked here says more than 131,000 miles of pipelines (oil pipelines like the Dakota Access pipeline and — to an even higher degree — new natural gas pipelines) are being rendered obsolete. This is yet one additional compelling reason to DIVEST from fossil fuels. Read about it here: [**https://www.desmogblog.com/2021/02/04/trillion-oil-gas-pipelines-dakota-access-stranded-assets?utm\_source=DeSmog%20Weekly%20Newsletter**](https://www.desmogblog.com/2021/02/04/trillion-oil-gas-pipelines-dakota-access-stranded-assets?utm_source=DeSmog%20Weekly%20Newsletter)

**2021 January: The fossil fuel divestment movement achieved another big win, adding to its long list of successes of 2020:**  Trump’s attempted Arctic oil sale was both a “bust” and a “joke.” This article lists a number of our victories in 2020, including more evidence that fossil fuel investments are risky: [**https://heated.world/p/a-climate-win-amid-the-chaos**](https://heated.world/p/a-climate-win-amid-the-chaos)

**2020: Fossil fuel stocks are no longer secure investments.** In 2020, the Dow Jones Industrial Average removed ExxonMobil from its blue-chip stock index after more than 90 years on the listing. Managers for some of New York State’s public pension funds – some of the biggest in the world – are divesting from fossil fuels for financial reasons!

**2020 June: Much money is at risk in fossil fuel investments:** Carbon Tracker put out a fully quantified assessment of the money at risk as the industries using coal, oil and gas start contracting. Analyst Kingsmill Bond and his colleagues estimate that “a quarter of the global equity market and half of the global corporate bond markets are in sectors linked to the fossil fuel system.” The authors focus on the industries whose health is tied to the continued growth of the fossil industries. This means sectors such as offshore oil exploration or gas turbines, amounting to around $6 trillion in current value. The number can be compared to the net profits of fossil fuel use passing through financial markets of just $1-2 trillion a year. This is really path-breaking work, full of vital numbers for the stocks and flows in the world fossil fuel system. The report is at [**https://carbontracker.org/reports/decline-and-fall/**](https://carbontracker.org/reports/decline-and-fall/)

**2020 February: Financial firms risk 1 trillion in losses from climate change:** [**https://www.reuters.com/article/us-finance-industry-climate-change-idUSKBN20F2FH?fbclid=IwAR2s7MBI8dQfgNfGG7CxNr3L2lB20esmvD8AOpRXvuzIRRCNzAY-NUyjTX0**](https://www.reuters.com/article/us-finance-industry-climate-change-idUSKBN20F2FH?fbclid=IwAR2s7MBI8dQfgNfGG7CxNr3L2lB20esmvD8AOpRXvuzIRRCNzAY-NUyjTX0)

**2019 November: California and Colorado pension funds LOST $19 BILLION by investing in fossil fuel companies:** [**https://www.desmogblog.com/2019/11/05/fossil-fuel-investments-cost-california-and-colorado-pension-funds-over-19-billion-report-finds?utm\_source=desmog%20weekly%20newsletter**](https://www.desmogblog.com/2019/11/05/fossil-fuel-investments-cost-california-and-colorado-pension-funds-over-19-billion-report-finds?utm_source=desmog%20weekly%20newsletter)

**2019 October: New York state pension lost 22 million by not divesting 10 years ago:** [**http://www.altenergystocks.com/archives/2019/10/new-york-state-pension-22-billion-poorer-by-not-divesting-10-years-ago/**](http://www.altenergystocks.com/archives/2019/10/new-york-state-pension-22-billion-poorer-by-not-divesting-10-years-ago/)

**2018 December: Now 1,000 institutions with nearly $8 TRILLION in assets are divesting from fossil fuels:** World leaders at COP 24 climate conference in Poland have failed to act responsibly to protect the climate. But fortunately, 1,000 public and private institutions all around the world are now committed to divesting from fossil fuels. Their assets total nearly $8 TRILLION. This short article (with a video shorter than 2 minutes) provides info: [**https://www.ecowatch.com/fossil-fuel-divestment-institutions-2623328911.html?utm\_source=EcoWatch+List&utm\_campaign=8359602284-EMAIL\_CAMPAIGN\_COPY\_01&utm\_medium=email&utm\_term=0\_49c7d43dc9-8359602284-85369701**](https://www.ecowatch.com/fossil-fuel-divestment-institutions-2623328911.html?utm_source=EcoWatch+List&utm_campaign=8359602284-EMAIL_CAMPAIGN_COPY_01&utm_medium=email&utm_term=0_49c7d43dc9-8359602284-85369701) The world’s climate – OUR climate – is suffering from fossil fuels. People of the world DEMAND a rapid transition away from coal, oil, and natural gas. Already, conservation and solar and wind are more efficient and cheaper than coal or oil. SMART PEOPLE ARE SELLING OFF THEIR INVESTMENTS BEFORE THESE BIG COMPANIES CRASH. Investors (individuals and large public and private entities, such as pension funds, insurance companies, endowment funds, etc.) are selling off their investments. The stupid and/or negligent ones (such as Washington State Investment Board) will be left holding the bag. If you are a current or retired public employee in Washington State, you need to know that they are grossly mis-managing your pension. For several years people in Olympia have been providing much information – including in-person testimony – urging the WSIB to divest from fossil fuels, but they keep refusing to heed our urgent advice.

**2018 December: 1,000 commitments to divest:** [**https://gofossilfree.org/major-milestone-1000-divestment-commitments/?fbclid=IwAR3J72WMN-Sl\_UeMzl7PG0TdV\_Q9RjBY95jAgftO7ptkdQDjc\_OsnaDTZsI**](https://gofossilfree.org/major-milestone-1000-divestment-commitments/?fbclid=IwAR3J72WMN-Sl_UeMzl7PG0TdV_Q9RjBY95jAgftO7ptkdQDjc_OsnaDTZsI)

**2018 July: Sell oil investments now! Electric vehicle sales increase. Oil demand will decline.** In the classic economic concept of “supply and demand,” the demand for oil will decline, while oil supply is increasing. Therefore, starting in less than a decade, oil prices should decline. Oil companies will hurt. Oil companies are still underestimating the coming increase in electric vehicles, so they are continuing to waste billions of dollars building excess capacity, pipelines, etc. Sell oil company investments now. [**https://www.ecowatch.com/electric-vehicle-sales-promise-shock-for-big-oil-2584019017.html?utm\_source=EcoWatch+List&utm\_campaign=a82fcde8b7-EMAIL\_CAMPAIGN\_COPY\_01&utm\_medium=email&utm\_term=0\_49c7d43dc9-a82fcde8b7-85369701**](https://www.ecowatch.com/electric-vehicle-sales-promise-shock-for-big-oil-2584019017.html?utm_source=EcoWatch+List&utm_campaign=a82fcde8b7-EMAIL_CAMPAIGN_COPY_01&utm_medium=email&utm_term=0_49c7d43dc9-a82fcde8b7-85369701)

**2017 September: Urge WSIB to divest. This article explains how Big Oil will die.** It is an outstanding explanation of how technological disruption will result in electric vehicles (EVs) quickly replacing petroleum vehicles. Over time, the combined capital and operating costs of autonomous EVs will drop below the variable operating costs of petrol vehicles. Change will come quickly when that happens. It's about a 5-minute read. [**https://perspicacity.xyz/2017/05/24/this-is-how-big-oil-will-die/**](https://perspicacity.xyz/2017/05/24/this-is-how-big-oil-will-die/)

**2015: This 2015 article notes oil companies' declining prospects. Divest now!** Divestment would be a good response to this article about oil companies' declining prospects. [**http://www.motherjones.com/environment/2015/09/shell-arctic-oil-chevron-exxon-bp**](http://www.motherjones.com/environment/2015/09/shell-arctic-oil-chevron-exxon-bp)