



# Importance of Investing in Renewable Energy Tops Divestment: Conference

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Institutions should consider adding renewable energy solutions as part of the overall discussions surrounding divestment and socially responsible investing, a recent panel of divestment experts said during a conference held at the **University of Dayton** this month.

The university recently held a divestment forum discussion, *Acting on Pope Francis' Call: Divestment and Investment in Care for Our Common Home*, which addressed the importance in bringing climate change issues to light, but found that the area to sustain and grow institutions' endowments may lie in renewable energy investments, Dayton University Interim Provost **Paul H. Benson** told NPNews after the event.

The conference attendees agreed that all institutions in the country need positive investments such as renewable and sustainable energy to promote new and emerging systems and technologies, especially when many institutions may not take a stance on divestment, according to Benson.

"There are various risks and uncertainties in the fossil fuel industry and very clearly the transition to a renewable energy economy is going to be something that has a positive outlook for institutions and individuals with their long-term investments," Benson said. "The transition to an oil based economy created wealth in the 20th century and we are beginning to see a global transition [to renewable energy] that will create valuable opportunities in the 21st century. As an area of investment, there is no question it is going to advance on a large scale."

While reinvesting funds into sustainable and renewable energy should be an area of importance for institutions, Benson also noted that the discussions surrounding divestment should not be pushed to the wayside. Divestment initiatives across the country are helping grow awareness on the subject, which Benson said is one of the single most pressing issues the world will face in this lifetime.

"Everyone has a different culture, different structures, decision making processes, leadership and operations," Benson said. "There needs to be a sensitivity to each institution's unique culture because there is no single recipe in studying [the effects of] climate change."

The conference discussions noted that while divestment initiatives are often driven by students, an institution's decision to divest or not is best suited to be made by a "diversity of voices" that include community members, academics and financial experts, according to Benson.

"A period of focused study by the institution is likely to lead them to make a better decision," Benson

said. "It is important to emphasize financial considerations and broader mission or values considerations because they are important factors in the discussion."

The institution, which became the first Catholic university to divest its \$694 million endowment of companies holding fossil fuels with the assistance of investment consultant **DiMeo Schneider & Associates**, found that a diversity of voices, including students, staff, faculty administration and board members, was essential in making the decision, Benson said.

To date, the university has completely divested its endowment of all its domestic equity investments in fossil fuels and is making progress in pulling out of mutual funds that hold exposure to the Carbon Underground 200, the top 100 public coal companies and the top 100 public oil and gas companies globally, Benson said. The university has not divested its fossil fuel exposure within its international equity holdings, but that is the next phase of the plan it has put in place, Benson said.

To track the effect divestment has had on the endowment, the university is analyzing how the divested portfolio has performed against how the non-divested portfolio would have performed, Benson said, noting that the divested portfolio has outperformed the non-divested portfolio over the past year and would have outperformed over the past five years.

"Climate change and its effect on people and the planet is an issue that is not going to go away," Benson said. "The urgency and importance of climate change will become more and more important each month and year in the future...smart institutions cannot shut their eyes to the climate changes that are occurring."

The conference was intended to convene a broad group of institutions, ranging from faith-based institutions to non-affiliated schools, to draw increased attention to divestment as world decision makers gather for the 2015 United Nations Climate Change Conference in Paris from Nov. 30 through Dec. 11, Benson said.

Outside of the institutions, conference attendees included DiMeo Schneider, investment consultant **RBC Wealth Management**, investment manager **Aperio Group** and philanthropic advisor **Arabella Advisors**.