



Financing a Fossil Fuel-Free Future

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Fires, floods, droughts, storms, all fueled by a warming climate, are devastating communities around the globe. How can we get the corporate world to face up to this emergency and adopt climate-friendly strategies? How can we get business to finally leave fossil fuels behind and redirect its immense financial might toward solving the climate crisis?

The fossil fuel industry and its financiers

By one estimate, close to four trillion dollars has been poured into fossil fuels since the 2015 Paris Climate Summit, most of it coming from only thirty-five private sector banks. The articles below explore the role of financial institutions and policies in promoting our current fossil fuel-based economy:

[US fossil-fuel companies took billions in tax breaks – and then laid off thousands \(*The Guardian*\)](#)

[The producer benefits of implicit fossil fuel subsidies in the US \(*National Academy of Sciences*\)](#)

[Oil and gas jobs are disappearing—with or without renewables \(*The New Republic*\)](#)

[Report: Banking on Climate Chaos \(*Rainforest Action Network*\)](#)

[Banks pledge to fight climate crisis – but their boards have deep links with fossil fuels \(*The Guardian*\)](#)

Stopping the money pipeline

The [Stop the Money Pipeline \(STMP\) campaign](#) is a national campaign to get the financial industry—banks, insurance companies, assets managers, institutional investors—to stop funding the fossil fuel industry and move into renewables. A major target is Chase Bank, which has poured \$200 billion into fossil fuels since 2016. If you'd like to get involved, join the [STMP Workgroup](#) at 350Brooklyn.

The role of government

We no longer have a White House that actively promotes climate denial, and the President is talking up the need to invest in the climate transition. But what actions should the U.S. government take at this urgent moment that will really make a difference? And what can state governments do? These are live questions under debate, and too big to answer here, but here are some major categories of government action:

--Stop using public money to subsidize the fossil fuel industry.

--Require businesses to factor the reality of climate risk into their accounting practices and to fully disclose these risks. "U.S. financial regulators must recognize that climate change poses serious emerging risks to the U.S. financial system, and they should move urgently and decisively to measure, understand, and address these risks," warns the U.S. Commodity Futures Trading Commission. New York is a leading example of a state demanding that insurers and banks recognize climate reality when they do the books.

--Boost investment in clean energy, R&D and climate-friendly projects and technologies, both through direct public investment and the mobilization of private sector funding.

--Make clear to money managers that they aren't upholding "fiduciary duty" when they make climate-wrecking investments in doomed industries, and modernize financial regulation in a way that drives green investments.

To catch up on some of the current proposals and debates about government action:

[Nearly 450 organizations call on Biden administration to end public finance for fossil fuels \(Oil Change International\)](#)

[Secretary of the Treasury Janet L. Yellen's Remarks to the Institute of International Finance](#)

[Green Investing Is "Definitely Not" Going to Save Our Butts \(Mother Jones\)](#)

[WHITE HOUSE: Executive Order on Tackling the Climate Crisis at Home and Abroad](#)

[EXECUTIVE SUMMARY: US International Climate Finance Plan](#)

[NGFS \(Network for the Greening of the Financial System\)](#)

[New York regulator offers incentives for climate-friendly loans](#)

Report on [Managing Climate Risk in the U.S Financial System](#) (U.S. Commodity Futures Trading Commission)

Do we need a new way of investing to fund a livable world?

Cornell law professor and financial regulation expert Saule Omarova has called for the creation of a National Investment Authority that would channel public and private money to fund the transition to a green economy. "Democratizing the financial system, Omarova and others believe, is a crucial step toward enabling both the government and ordinary people to invest in a climate-friendly future."

[A Novel Way to Fund a Green Economy](#) by Kate Aronoff in *The New Republic*

[What If 401\(k\)s Could Fund the Green New Deal Instead of Wall Street?](#) by Alexis Goldstein in *Truthout*

Recommended books

[All We Can Save: Truth, Courage and Solutions for the Climate Crisis](#), ed. Ayana Elizabeth Johnson & Katharine K. Wilkinson

[The Future We Choose: Surviving the Climate Crisis](#), Christiana Figueres

[Overheated: How Capitalism Broke the Planet—And How We Fight Back](#), Kate Aronoff

[Reimagining Capitalism in a World On Fire](#), Rebecca Henderson

[Financing the Green New Deal: A Plan of Action and Renewal](#), Robert C. Hockett

[Climate Shock: The Economic Consequences of a Hotter Planet](#) Gernot Wagner and Martin Weitzman

[Energy: A Human History](#), Richard Rhodes

[Grand Transitions: How the Modern World Was Made](#), Vaclav Smil

[Fossil Capital: The Rise of Steam Power and the Roots of Global Warming](#), Andreas Malm