



Divestment: From Countries to Universities, How UNM Can Do the Same

Science Behind the Climate Crisis

In 2018, the International Panel on Climate Change announced that we have **12 years** to transition to a renewable energy economy to limit the potentially devastating impacts of climate change. The 2019 UN Emissions Gap Report details how global greenhouse gas emissions continue to grow despite widespread scientific consensus on the scale of the threat climate change poses to humanity, and the urgency with which we need to transition away from fossil fuels.

Ongoing climate change impacts in New Mexico include an average temperature increase of 2.7°F in the past 45 years, increased drought that stresses both wildlife and farming, and a forest fire season that has expanded by 2 months. A host of projected conditions will continue to worsen due to increasing temperatures, posing existential threats to our communities.¹

Divestment at UNM: Past, Present, Future

In 2015, a previous campaign advocating for the University of New Mexico to divest from fossil fuels yielded nearly 4000 signatures in support of divestment from the students, faculty, and staff of UNM. This petition surpassed any other university in terms of numbers, making it the most signed petition in support of divestment for a single institution. No motions to divest occurred at this time.

As of today, there are currently almost **5000 signatures** in support of divestment at the University of New Mexico. The campaign in support of divestment at UNM, led by UNM LEAF, calls for **total divestment from fossil fuels within 5 years**, revisiting sustainability and energy policy to reflect the current climate crisis, and investment in regenerative industries and the future of its students.

Upholding the Ethics of UNM

In keeping with UNM's mission to "provide services that enhance New Mexicans' quality of life and promote economic development," and to provide "services directly to the City and State" this institution has an ethical responsibility to protect the health and well-being of all New Mexico residents who will be negatively impacted by climate change. As an integral part of our

¹ <https://www.ucsusa.org/sites/default/files/attach/2016/04/Climate-Change-New-Mexico-fact-sheet.pdf>

local community, and as an institution invested with resources to improve the lives of all New Mexicans, UNM should not only join the international divestment movement but become a leader in guiding the transition towards a sustainable future in a just and equitable way.

The core values of the endowment, namely integrity, collaboration, stewardship and accountability, dictate that the University commit to invest in ways that safeguard both the **financial security** of future students, and the **future wellbeing of New Mexicans** and their livelihoods. **Divesting from fossil fuels is essential to meeting both of these goals.**

Divestment Benefits

Of the University of New Mexico's \$452million endowment, we predict that roughly 5-10% is invested in the fossil fuel industry, an industry that is becoming an increasingly precarious investment:

- **Fossil fuel investments have underperformed.** In the past 10 years the S&P 500 energy sector rose just 2%, while the broader index almost tripled.²
- As the risks of climate change to infrastructure and services become more apparent, fossil fuel projects become harder to insure,³ environmental policies gain traction and clean energy becomes increasingly more cost competitive,⁴ the fossil fuel market will likely continue to underperform.
- The sentiment in **financial markets has turned toward sustainability.** Larry Fink, the CEO of Blackrock, the world's largest asset manager with \$7 trillion under management, recently made environmental sustainability his firm's core *investment* goal in response to his clients' overwhelming fiscal concerns.⁵ He projects a sustained focus as the next generation takes the helm in finance and government.
- **More than a thousand other institutions across the world have divested more than \$13 trillion from fossil fuels.**⁶ This includes the University of California, which is pulling investments in "old" energy sources from its \$13.4 Billion endowment because they are a *financial* risk.⁷
- Since UNM receives a significant part of its annual budget from state money derived from the fossil fuel industry, additional investments in fossil fuels through the endowment represents a potentially dangerous overweighting in this sector.

² <https://www.nytimes.com/2020/01/14/business/dealbook/larry-fink-blackrock-climate-change.html>

³ <https://ieefa.org/insurance-becoming-increasingly-hard-to-get-for-global-coal-industry/>

⁴ <https://www.lazard.com/media/450784/lazards-levelized-cost-of-energy-version-120-vfinal.pdf>

⁵ <https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>

⁶ <https://gofossilfree.org/major-milestone-1000-divestment-commitments/>; includes University of Massachusetts, Syracuse University, Columbia University, Stanford University, Georgetown University, The City of New York, The Country of Ireland and the Norwegian Sovereign Wealth fund.

⁷ <https://www.sfchronicle.com/bayarea/article/University-of-California-divests-from-fossil-14450987.php>