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TIAA FACULTY RESOLUTION TOOLKIT

A Toolkit for Academic Faculty to Take Action on the Climate Crisis and demand TIAA Invest Responsibly

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TIAA: Divest from Climate Destruction now!

TIAA, a Fortune 500 company, manages almost \$1 trillion in assets for both public and private institutions including universities, museums, and hospitals. The firm promotes itself as a leader in responsible investing. However, years of research and engagement with the company show that it continues to invest in key industries driving the climate crisis, while failing to engage with these industries towards necessary change.

- TIAA is investing \$11 billion of the retirement money of university professors, teachers, non-profit workers, and other public service employees in fossil fuels and agribusiness, the two greatest contributors to the climate crisis.¹ Specifically, TIAA has \$10 billion² invested in fossil fuel companies and hundreds of millions invested in agribusiness companies responsible for displacing local communities, disregarding community rights, and driving widespread deforestation through the conversion of rainforest and savannah lands to industrial monoculture plantations for palm oil, paper/pulp, rubber, timber, beef and soy.³
- Through its investments, TIAA directly funded 35% of the construction costs of the new Cricket Valley Energy Center (CVE), a 1,100-megawatt fracked gas power plant in Dover, NY.
- Even in its social choice funds, TIAA has \$452 million invested in fossil fuels and agribusiness.

Background on TIAA's investments in fossil fuels and deforestation

TIAA's direct investment in CVE takes them out of the category of distant, hands-off fossil-fuel fund managers and turns them into a major fossil-fuel utility owner. The Cricket Valley fracked gas power plant, built by TIAA as its largest single owner, sits about one mile from a middle school and a high school, and 4.5 miles from an elementary school. The emissions from the plant, including volatile organic chemicals and PM 2.5 particulates, will injure the health of these children as well as everyone in the plant vicinity.⁴ Too small to be stopped by air filters, these tiny PM 2.5 particles

¹ <https://deforestationfreefunds.org/families?q=TIAA%20Investments%2FNuveen>

² As You Sow and Friends of the Earth US. "Deforestation Free Funds."
<https://fossilfreefunds.org/funds?pg=5&q=tiaa&srt=ussif>.

³ Friends of the Earth US, Action Aid, Inclusive Development International, Rede Social de Justicia e Direitos Humanos. "Invested in Exploitation? TIAA's Links to Land Grabbing and Deforestation."
<https://foe.org/resources/invested-exploitation-tiaas-ties-land-grabbing-deforestation/>

⁴ <https://news.littlesis.org/2018/08/09/five-things-organizers-should-know-about-the-cricket-valley-fracked-gas-plant/>

lodge permanently in lung tissue, damaging lungs and making local communities susceptible to respiratory disease. Cricket Valley is one of the largest methane-fired electric power plants in the Northeast US. It will directly emit an estimated 6 million tons of greenhouse gases each year. In addition, as a major user of methane, it's responsible for methane emissions from leaks throughout the extraction (fracking) and delivery process via a lengthy pipeline. Methane is 86 times more potent as a greenhouse gas than carbon dioxide.

Through various farmland investment funds, TIAA owns huge tracts of farmland in the United States, Australia, South America, and Eastern Europe. This farmland, worth over \$1 billion, is employed in the most destructive forms of agriculture: the raising of vast monocultures—genetically engineered crops dependent on thousands of tons of chemical fertilizers, weed killers, and insecticides. TIAA also has ties to “land-grabbing” practices which displace local communities, and to deforestation, through its holding of hundreds of millions of dollars of shares in forest-destroying companies in the palm oil, soy, cattle, timber, rubber and pulp and paper sectors in countries across the global south from Indonesia to Brazil.⁵

TIAA's \$10 billion investment in fossil fuel corporations makes them one of the world's largest institutional investors in climate disruption. TIAA's ties to companies whose business model involves extracting, burning or refining oil, gas and coal include some of the world's largest contributors to the climate crisis: Chevron, ConocoPhillips, Kinder Morgan Inc, Valero Energy Corp, Schlumberger Ltd, Southern Co, American Electric Power Co Inc, Consolidated Edison, Marathon Oil Corp, and Hess Corp. It's not acceptable that TIAA is spending the hard-earned retirement money of teachers, faculty and other workers to prop up the fossil fuel economy. That's why we're calling on them to divest from Cricket Valley and from all fossil fuel investments.

As other large financial actors take unprecedented steps to shift capital away from climate-destroying industries and to align their portfolios with the targets of the Paris climate agreement and the UN Sustainable Development Goals, it is incumbent upon TIAA to follow suit. Like all investors at this historic juncture, TIAA has a choice: invest in polluting, planet-killing fossil-fuel companies, or in clean, renewable energy companies; invest in clearcutting forests, land grabbing, and human-rights violations, or in sustainable, community-led development. To do both is not a viable option.

TIAA has built a reputation as a “leader” in socially responsible investing. Due to its stature, influencing TIAA's investment model can have an outsized impact in shifting the financial industry. Given TIAA's role as fund manager for most academic institutions and university faculty across the U.S., faculty members have a unique opportunity to use

⁵As You Sow and Friends of the Earth US. “Deforestation Free Funds.”
<https://deforestationfreefunds.org/funds?q=TIAA>.

their leverage to drive change. Faculty can use their faculty senates or unions to call on their college and university administrators to leverage their power and influence to ensure that TIAA cleans up its destructive investments.

Why faculty resolutions?

Faculty resolutions can be an effective tactic to put institutional pressure on TIAA to act. TIAA is a large bureaucracy, and is resistant to change. Appeals from individual members and non-clients will not cause them to change course. TIAA has shown over the years that it does not respond positively to pressure from non-clients. But pressure from clients is a different matter altogether. TIAA values the business of its university clients. If enough universities engage with TIAA to help shape its practices, the company will be forced to respond. Other campaigns targeting TIAA have shown faculty resolutions to be one of the most effective tactics for influencing TIAA.

Faculty resolutions show TIAA how their clients perceive the company and what's expected of them as responsible investors. By formalizing a faculty resolution, approved by a majority of educators at your institution, you will be delivering a message to TIAA which they cannot ignore. Your resolution will be even stronger if it calls for your institution to cut ties with TIAA and switch to a clean retirement investment company.

What is the goal?

While most educational divestment campaigns to date have focused on how the institutions invest their endowments, we consider the impact of faculties' retirement investments to be equally important.

The overall objective of this effort is to pressure TIAA to take the necessary action to divest from companies contributing to and profiting from the climate crisis. Each faculty senate and each university may want to customize asks, as long as they are aligned with this fundamental goal. From experience promoting this effort at a few pilot institutions, we believe these resolutions must demand a university or university system to publicly call on TIAA to take specific steps to divest from fossil fuels, and to make a broad and tangible shift in its approach to investments in land and agribusiness, and define meaningful consequences if they don't.

- 1: Start reading up on climate-harming investments in fossil fuels, palm oil or other deforestation-driving sectors, using FossilFreeFunds.org and DeforestationFreeFunds.org and reading up on the issues outlined in this toolkit (sources including reports and papers are listed in footnotes).
- 2: Speak to your colleagues to see how they are investing for their retirement; identify co-workers with a shared interest in aligning their retirement investments with their values.
- 3: Delegate a point person or form a working group within your department to move this exploratory process forward. Consider holding a forum on the issues.
- 4: Engage internally with your Human Resources department, Investment Committee, or your campus TIAA office to ask if they are sympathetic to supporting TIAA divesting from fossil fuel companies and deforestation-driving companies.
- 5: Get to know your faculty senate representatives and begin a discussion.
- 6: Draft a resolution using the version in this document, and work with your faculty senate to shape it into a winning proposal.
- 7: Advance the resolution to the faculty senate and help move it to a vote.
- 8: After the winning vote, follow up with the faculty senate to ensure your educational institution takes the requested action!
- 9: Celebrate! Then report back to this campaign; publicize it in the press (we'll help!), and urge your colleagues at other universities to join the effort!

Sample resolutions:

What follows is a sample resolution loosely based on resolutions adopted by several colleges and universities (for example see [University of Wisconsin resolution](#) and [City University of New York resolution](#)). Feel free to use this as a template which you can customize.

[INSERT SCHOOL] Faculty Senate Resolution Calling on TIAA to divest from fossil fuels and deforestation

WHEREAS, scientists agree that the burning of fossil fuels has raised air and ocean temperatures which, if left unchecked, would flood coastal areas, displacing and destroying lives all across the globe;

WHEREAS, the latest UN Intergovernmental Panel on Climate Change reports that the earth has only 11 years to quickly shift from a fossil fuel-based energy economy if it is to avoid disastrous tipping points;

WHEREAS, at the UN Summit on climate change in December 2015 nations recognized their common moral obligation and agreed to reduce using fossil fuels in order to limit further temperature increases to 1.5-2 C degrees;

WHEREAS, hundreds of universities across the country are signatories to the American College and University Presidents' Climate Commitment;

WHEREAS, University of [INSERT SCHOOL] Faculty Senate passed a resolution in [INSERT YEAR] to encourage the Administration to fund, create, and implement a campus-wide climate action plan with specific and measurable targets;

WHEREAS, many of the faculty members of the University of [INSERT SCHOOL] have investments in TIAA and recognize the responsibility that comes with such financial involvement;

WHEREAS, the Organization of Economic Cooperation and Development (OECD), the United Nations Environment Program, and the United Nations Guiding Principles on Business and Human Rights all call upon the financial sector to do its part in reducing climate emissions and respecting human rights;

WHEREAS, TIAA represents itself as a leader in responsible investing and the inclusion of Environmental and Social Governance (ESG) in its investment decisions;

WHEREAS, the UN-endorsed **Principles for Responsible Investing** commit TIAA to incorporate Environmental, Social and Governance (ESG) risks into investment decision-making; seek disclosure of ESG issues; promote implementation of the principles within the investment industry; enhance its effectiveness in implementing the principles; and report on its activities and progress towards implementing the principles;

WHEREAS, The Institute for Energy Economics reported that fossil fuel stocks have underperformed over the last five years as compared to the General Stock Index and that, as the economy shifts toward renewable energy, the fossil fuel industry is likely to be holding billions in "stranded assets" with stock prices likely to plummet quickly;

WHEREAS, 1,000 institutions, including 100 colleges and universities, have already removed over \$8 trillion dollars from fossil fuel industries across the globe;

WHEREAS, TIAA has directly financed the construction of a fracked-gas powered electric generating station known as Cricket Valley Energy in Dover New York, in an economically disadvantaged community, adjacent to one of the largest freshwater wetlands in the Northeastern United States;

WHEREAS, TIAA has 10 billion dollars invested in industries promoting fossil fuel production, distribution and consumption;

WHEREAS, TIAA has \$641 million invested in palm oil and other agribusiness companies associated with deforestation, land grabbing, labor abuses, human rights violations, and severe climate impacts, and several billion dollars in consumer-facing companies in the value chains of these companies;

WHEREAS, TIAA has billions of dollars invested in farmland in Brazil and has expanded agriculture in the threatened ecosystem of the Cerrado, contributing to deforestation, water contamination, and human rights violations against local communities;

WHEREAS, TIAA has put its clients' funds at risk by acquiring land from sellers that a Brazilian court has found to have illegally grabbed land;

WHEREAS, TIAA is also buying farmland in the United States, leading a trend of corporate and institutional land accumulation that threatens the future of family farming;

WHEREAS, these investments may expose TIAA and its beneficiaries—including faculty members with retirement investments--to a host of material financial risks including operational risk, market risk, regulatory risk, policy risk and reputational risk, as well as physical risks related to the unsustainable exploitation of ecosystems;

WHEREAS, investments in TIAA that contribute to deforestation and rural land grabs represent a contradiction between the university's stated mission and its faculty's history of leadership in conservation;

Therefore, be it RESOLVED by the University of [INSERT SCHOOL] Faculty Senate that the faculty urges the University of [INSERT SCHOOL] administration to demand that TIAA take the following actions in a transparent, time-bound manner, and, should TIAA not comply, the faculty further asks that the University of [INSERT SCHOOL] administration replace TIAA with another investment institution that practices only responsible investment:

Immediately divest from any interest in the Cricket Valley Energy Center and any other power plants or other facilities which extract, process,, transport or utilize fossil fuels.

Develop and apply guidelines for transparent, time-bound divestment from portfolio companies in sectors associated with fossil fuel extraction, production and transport, as well as from energy companies which continue to construct and operate fossil fuel powered electric infrastructure;

Develop and apply guidelines for transparent, time-bound engagement with portfolio companies in sectors exposed to deforestation risk in order to reduce and eventually eliminate deforestation and to uphold the human rights of affected small-holders and Indigenous peoples, and to provide consumers with relevant information regarding the exposure of their investments with regard to causing deforestation and to acquiring land previously farmed by small-holders;

Publicly disclose the full information about TIAA's farmland holdings in the U.S. and abroad, including the exact locations and boundaries and the dates the lands were acquired, to better inform TIAA clients about these investments and the potential risks involved.