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More than 20,000 Individual and 401(k) Investors Call for Fossil Free Retirement Options

APRIL 18, 2016 -- This tax day, millions of Americans will gain a little tax benefit and a measure of peace of mind by making an extra contribution to their retirement plan. But many Americans are increasingly worried about the financial risk of owning fossil fuel companies in their 401(k) plans. Over 20,000 people recently signed an [online petition](#) calling on American firms to offer fossil free 401(k) options.

A growing coalition of progressive leaders – led by Divest Invest Individual, Environmental Action, Fossil Free Funds, and HIP (Human Impact + Profit) Investor, with support from Green America, Roots Action, and The Other 98% – warns investors that 401(k) plans which rely on fossil fuel investments threaten the future of our planet and could jeopardize the long-term returns that retirees expect. American workers have more than \$4.4 trillion invested in 401(k)s and similar retirement plans.

“Coal, oil, and gas are increasingly risky investments, particularly for people on fixed incomes,” said Vanessa Green, Director of [Divest Invest Individual](#), a campaign engaging accredited and retail investors in fossil fuel divestment and sustainable reinvestment. “The demand for lower risk fossil free options is there,” Green continued. “In just three weeks, tens of thousands of employees in big corporations, small businesses, educational and other institutions responded to the call for those options from employers.”

But the largest 401(k) plans offer few to no options for employees desiring a socially responsible portfolio free of oil, gas and coal producers. An analysis by [Fossil Free Funds](#), an online tool that measures the climate risk of mutual funds, found only one option in the 100 largest public company 401(k)s that is both a socially responsible investment and free of the top 200 coal and oil/gas reserve holders.

As Peabody Coal files for bankruptcy and ExxonMobil spends more on its [dividends](#) than its current cash flow, the financial risks associated with fossil fuel investments increases. “If your 401(k) portfolio invests

in fossil fuel producers, then your retirement nest egg could suffer higher risk and potentially lower returns,” says R. Paul Herman, CEO of [HIP \(Human Impact + Profit\) Investor](#), which rates 15,000 stocks, bonds and mutual funds, and advises investors and 401(k)s on how to realize higher impact portfolios. “401(k) fiduciaries need to focus on the forward-looking risks of the funds their firm is offering, and seek to add funds with cleaner energy solutions for the 21st century.”

For smaller, high-growth firms, like [stok](#), a consulting firm that focuses on strategy, performance, and sustainability in the built environment, employees and owners are already benefiting from fossil free and socially responsible mutual fund choices that align with their corporate mission. “Investing in fossil free portfolios is putting my money where my mouth is,” said Kristen Magnuson, a stok employee. “It represents my optimism about our ability to achieve a clean energy future.”

Gundersen Health System, which operates a large network of hospitals and medical clinics across 19 counties in Wisconsin, Iowa, and Minnesota and [sets the industry’s green standard](#), recognizes a responsibility for community health inside and outside their walls. “We have frozen all our investments in organizations that produce fossil fuels and offer our employees a retirement option with companies with socially responsible characteristics,” said Mark Platt, Senior Vice President of Business Services. “We’ve made a commitment to renewable sources of energy that are both sustainable and lower the level of harmful emissions.”

U.S. Secretary of Labor Thomas E. Perez recently [issued new guidelines](#) in October 2015 for economically-targeted investments (ETIs), which include considering environmental risks and opportunities, in retirement plans, and said, “Investing in the best interests of a retirement plan and in the growth of a community can go hand in hand.”

A number of high-profile institutions and individuals have committed to divest from fossil fuels, including Rockefeller Brothers Fund, actor Leonardo DiCaprio, CalPERS and CalSTRS, Norway’s KLP pension fund, and [others managing a combined \\$3.4 trillion in assets](#).

“Coal companies are going bankrupt and coal CEOs are going to jail. Oil prices have flatlined, and Exxon is under investigation,” said Drew Hudson, Director of Environmental Action. “You don’t have to be a Rockefeller to see the writing on the wall—fossil fuels are over and American retirees shouldn’t be left holding the bag.”

“A growing number of **Americans want to be part of climate solutions** and want to shift their support away from the fossil fuel industry. Employers can do their part by offering their employees the option of investing in socially responsible mutual funds that screen out fossil fuels and support a sustainable economy,” said Fran Teplitz, Executive Co-Director for Business, Investing & Policy with Green America.

“Climate risk in our pensions and **retirement plans can’t be ignored as we justly transition to a climate-safe economy**,” said Joe Uehlein, Executive Director of the Labor Network for Sustainability, a group

engaging unions and others from the labor movement in climate issues and educating the environmental movement about jobs issues.

“Climate change caused primarily by use of fossil fuels will **impact my children and my grandchildren and generations beyond them**,” said petition signer R. Warren Langley, who is also a former president of the Pacific Stock Exchange. “We must empower people today to take any action they can to change what past generations have ignored. Being able to ‘vote’ with your investment choices is the best way to let us all make a difference.”

“Many investors are only now becoming aware that they can match their investments with their desire to protect the environment,” said petition signer Kelly Guncheon, an investment adviser in Minnesota serving clients seeking to go fossil-free. “**Often the 401(k) plan is your only portfolio.** Engaging environmentally aware employees with an option to invest their 401(k) money in fossil-free portfolios is enormously satisfying.”

“A fossil-free financial portfolio is important to me for value and values. It protects the value of my investments by reducing risk in a carbon-constrained world and it aligns my investments with my values **by not supporting companies moving the world toward climate catastrophe**,” said petition signer Ron Roman, a professor at San Jose State University.

“Fossil fuels are overvalued when you look at the big picture. **As prudent fiduciaries, we invest in long-term solutions** because we aim to be part of the solution, not part of the problem,” said petition signer Ben Bingham, author of *Making Money Matter*, and an investment adviser.

The [petition](#) was supported by all coalition partners during the final weeks of tax season, from March 28 through April 11. It has gathered over 20,700 signatures which will be delivered to the companies offering the 100 largest retirement plans in the U.S. Organizers intend to follow up with petition signers interested in garnering support for fossil free and sustainable retirement options at their places of work.

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Fossil Free Funds - Fossil fuel investments carry real financial risks. With [Fossil Free Funds](#), you can look up mutual funds and see their exposure to various fossil fuel companies. Brought to you by As You Sow, with financial data provided by Morningstar. For more information, visit www.fossilfreefunds.org.

Divest Invest Individual - A dynamic movement of individual investors who are personally divesting from fossil fuels and leveraging their financial assets to build the new infrastructure, products, and services we need for a sustainable, equitable, clean energy economy. We join and support the growing movement among universities, municipalities, pension funds and religious denominations who recognize that this is an unprecedented opportunity to invest for both financial performance and public good. For more information, visit <http://divestinvest.org/individual/>.

HIP Investor - Founded in 2006, [HIP \(Human Impact + Profit\)](http://www.HIPinvestor.com) Inc. rates more than 18,000 investments (nearly 5,000 companies, 12,000 muni bond issuers, 1000s of mutual funds) on their future risk, return potential and net benefit to society. HIP also advises investors, wealth managers, fund managers and 401(k) retirement plans on how portfolios can pursue "doing good" and "doing well" at the same time. HIP-weighted portfolios can frequently lead to stronger, more resilient, higher-impact portfolios. Find out how your 401(k) can become more sustainable and fossil-free at www.HIPinvestor.com.