

Students At Top Universities Demand Divestment

How did students attempt this month to persuade their institutions to divest? How is it different than previous actions? By [Carolyn Fortuna](#) Published 2/21/2022

They've held rallies and protests. They've implored their institutions on social media to relinquish their lucrative fossil fuel holdings. They've held press conferences, staged walk-outs, and accused administrators of complicity with Big Oil. They have held signs, distributed petitions, and interrupted college football games. But now students at major universities around the US have decided to take a different approach to demand divestment from their universities — and it just might work.

Efforts to demand divestment from fossil fuels have arisen in higher education for more than a decade now. The international fossil fuel divestment movement has been historically grounded in an argument that colleges and universities have a moral obligation to assume a standard of appropriate behavior — and that means to withdraw investments from fossil fuel assets and reinvest them into climate-friendly solutions. This “social license to operate” norm has fundamentally questioned the legitimacy of the fossil fuel industry because of its major impact on climate change.

Until recently, the student efforts to demand divestment have only been partially successful. Endowments, portfolios, and pension funds worth just shy of \$40 trillion have been committed to full or partial abstinence from coal, gas, and oil stocks. Those amounts sound good, but they're not enough, according to many students and others.

What's different with this divestment effort? Students at the 5 top US universities filed legal complaints accusing their institutions of breaking the law with their fossil fuel industry investments. They accused their institutions of violating the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which is law in every state except Pennsylvania, the District of Columbia, and the US Virgin Islands.

How did the institutions break the law, according to the complaint?

The complaints argue that, in addition to flouting the UPMIFA's requirement that nonprofits such as the targeted universities invest with consideration for their “charitable purposes,” the schools have also violated their duty of care by investing in “financially risky fossil fuel stocks, which have underperformed for years and are currently at risk of a general collapse in value.”

What's the result of fossil fuel investment, according to the

students? Institutions that invest in fossil fuel companies cause damage to the environment and health. The complaints filed point to environmental disasters that are directly attributable to the climate crisis, such as flooding and wildfires.

Moreover, the complaints argue that, because investments in coal, oil, and gas have an uncertain future, they are not financially responsible, as required by the law.

These are known as “stranded assets.”

What's the goal of this approach to demand divestment? The students hope the coordinated action will not only pressure their own schools into divesting but potentially set a new legal precedent for all institutional investors.

What are some examples of the behaviors that the students are challenging? In their complaints, the students highlight the ways in which the destruction caused by fossil fuels conflicts with their schools' charitable purpose or educational goals. For example, the Yale complaint alleges that fossil fuel investments run contrary to the school's mission of “improving the world today and for future generations through outstanding research and scholarship, education, preservation, and practice.”

Where did they file complaints? Students at the Massachusetts Institute of Technology (MIT), Princeton, Stanford, Vanderbilt, and Yale filed complaints with the attorneys general of their states—Massachusetts, New Jersey, California, Tennessee, and Connecticut.

How much money is at stake? The 5 schools' endowments collectively represent over \$155 billion in assets under management.

Why do colleges and universities invest in fossil fuels, anyway? Many university leaders have long resisted calls to divest, pointing to the imperative to invest their endowments wisely and reminding students of the long-established strength of the fossil fuel industry. They also argue that the funds should not be used as political instruments.

Do any higher education administrators and power brokers have a stake in fossil fuel investment? In some cases, the complaints point to potential conflicts of interest among university leaders.

What organization helped the students to take action? The Climate Defense Project (CDP) offered guidance and mentoring to the student activists. The CDP provides trainings to empower individuals and communities to take action on climate change, support individuals in climate-related legal actions throughout the trial process, and ensure that activists have the best and most up-to-date evidence on their side.

Did the students have any institutional support? You bet. The students were supported by alumni, campus groups, climate scientists, community members, elected officials, environmental organizations, and professors.

Do these filings have a precedent? Yes. The new filings follow a framework previously used by divestment campaigns at Boston College, Cornell, Harvard, Johns Hopkins, Marquette, and the University of New Mexico.

What groups outside of higher education have already divested from fossil fuels? Enormous pension funds serving New York City and their state employees announced in 2021 that they would sell stocks. The Maine Legislature ordered the state's retirement fund to divest, as did Quebec's big pension fund. Entire religious groups — the Episcopalians, the Unitarian Universalists, the US Lutherans — have joined in the call. The Pope has become an outspoken proponent of divestment, and many high-profile Catholic institutions have agreed to divest. Mayors of big cities have pledged their support, including Los Angeles, New York, Berlin, and London. The entire country of Ireland has said it will divest its public funds.

How do the students feel as they demand divestment? Several students said it's hard to watch the deliberation and caution of university leaders in the face of the urgency of the climate crisis for their generation. For Miriam Wallstrom, a senior from New Mexico who's an organizer with Fossil Free Stanford, her freshman year began with classes canceled because of smoke from wildfires, a symbol to her of the urgency of combating climate change. But despite petitions and student referendums calling on the university to divest over the years, "there's a lot of frustrations and disappointment and the feeling that we are not being heard," she said. "This is an institution that we all love, and we feel that the board is failing to act in a way that is upholding those values that we believe in."

Sources for this article include Common Dreams, Grist, The Washington Post, and The Guardian.