

Racine Educators United Motion:

Unanimously approved on March 14, 2022 by the REU Representative Assembly, which represents all elementary, middle and high schools in Racine

### **Motion on SWIB Divestment from Fossil Fuels**

Whereas:

The State of Wisconsin Investment Board (SWIB), created in 1951, is responsible for managing the assets of the Wisconsin Retirement System (WRS), the State Investment Fund (SIF), and other state trust funds. As of December 31, 2021, SWIB managed more than \$165.6 billion in assets.

The SWIB manages assets that include numerous investments in fossil fuel companies.

The science is clear that climate change is the single biggest health threat facing humanity, is largely driven by carbon dioxide emissions, and its effects will increasingly depend on the extent to which action is taken now to reduce emissions and avoid surpassing dangerous temperature thresholds.

As the effects of climate change become more apparent and more governments adopt policies to limit carbon pollution, the carbon resources that fossil fuel companies currently count as assets will shift to liabilities. Studies by analysts, such as the London School of Economics, HSBC, and Impact Asset Management, demonstrate that fossil fuel companies may be overvalued by as much as 40 to 60 percent. This overvaluation is referred to as the "carbon bubble. When it bursts it could cause similar financial turmoil to previous overvaluations (for example 2007 "housing bubble").

The SWIB must exercise its fiduciary responsibility to protect educators' and other public employees' retirement money. This responsibility includes the elimination of risky investments.

Therefore:

The REU supports efforts that result in the State of Wisconsin Investment Board divesting from fossil fuel companies.

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Information Sources: <https://www.swib.state.wi.us/>

[https://www.swib.state.wi.us/\\_files/ugd/69fc6d\\_7edd9e54e06640de994f309460f75e1e.pdf](https://www.swib.state.wi.us/_files/ugd/69fc6d_7edd9e54e06640de994f309460f75e1e.pdf)

<https://www.who.int/news-room/fact-sheets/detail/climate-change-and-health>

<https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/>

<https://www.greenamerica.org/fight-dirty-energy-grow-clean-energy/divest-reinvest/steps-divest-reinvest>