Resolved: The University of Denver Should Divest From the Top 200 Fossil Fuel Companies
A Debate Presented by the DU Debate Team to the DU Faculty Senate
April 22, 2016

On Friday April 22, 2016 the University of Denver Debate Team held a debate on the topic of fossil-fuel divestment for the University of Denver Faculty Senate. The debate featured seven speeches addressing three broad issues currently animating the divestment controversy. The first two speeches addressed the efficacy of divestment as a response to climate change (Mohler and Ober). The next two speeches addressed the ethical implications of divestment (Sunshine and Tolleson). The following two speeches addressed the financial implications of divestment in regards to the university's endowment (Pauls and Hickert). The final speech summarized the debate and presented several questions for consideration as the deliberations over divestment continues across campus (Towles).

Jordan Mohler--Pro Divestment I

Today I am going to talk about the responsibility DU has as an ethical actor, providing three areas in which fossil fuel companies have proven to be morally bankrupt. Exploring first, their egregious contribution to climate change, second, their use of violence to ensure profits, and third, their production of fraudulent science.

To begin, DU ought prioritize its role as an ethical actor. Universities are trusted to be the arbiters of truth and knowledge. This institution has been trusted with the responsibility of helping students become productive members of society and more importantly, educating young minds. As an institution boasting outstanding grants for scientific research and a dedication to the education of future leaders, it has become the expectation and the goal of the University of Denver to always stand in favor of sound ethical research. DU in particular is known for our strong Business Ethics program, professors on the forefront of Human Rights research and policy development, and researchers including some of the world's most influential scientific minds.

DU should divest not only because the science supports it, but also because fossil fuel companies for decades have committed acts of violence and fraud that oppose the ethical and educational principles of the university.

First, DU should divest from fossil fuel companies because of their substantial contributions to climate change. While each of us may recognize the danger that climate change presents to our future, many overlook the very real damage it is causing right now.

Today, climate change is a greater threat to many nations than terrorism. In Pakistan, some regions suffer from massive droughts and subsequent food and water shortages. In Bangladesh, rising sea levels have made land "unproductive, unfit for human habitat, harsh, deserted and disaster prone". "Scientists have identified 414 towns and cities in the United States that are guaranteed to eventually be underwater, regardless of how much humans decrease their carbon emissions;" as a community we cannot afford to let a 415th community join that list.

While we have each contributed to climate change the tactics being used by these companies and their refusal to improve their practices, means they ought be held uniquely responsible by institutions such as ours. We believe that a stance by DU to refuse to invest in these companies holds them accountable and demonstrates that other people, communities, and institutions should as well. Even if you believe that the practices of these companies won't change right away, it is still the duty of DU to stand against climate change.

Second, we also believe that regardless of their contribution to climate change, DU should still refuse to invest in companies that consistently prioritize business over human life, and view violence as a suitable mechanism for ensuring profits.

Human rights watch has documented some of the most egregious acts committed by fossil fuel companies to protect their profits. For example, soldiers using a Chevron-marked helicopter opened fire on villages in Nigeria before burning them to the ground. What could these villages have done? They threatened the profits of these companies by protesting oil extraction in the Niger Delta. These explicit acts of violence are common, but they are not the only clear sign that companies value profits over life. Unnecessary risks to avoid costly preventative measures should be seen as criminal negligence. In Ecuador, Texaco, now Chevron made the decision to not cap 1000 pits of toxic waste, leading to river contamination. In the United States, shortcuts to save money led to the BP oil spill in the gulf coast that released 5 million barrels of oil, destroying wildlife, beaches, and lead to the death of 11 crew members.

Third, the university should divest from fossil fuels companies because these companies are the foremost creators of fraudulent science. Documents recently brought to light by the Center for International Environmental Law share a startling truth- Oil companies not only knew about the effect of climate change more than half a century ago, but also actively worked to publish faulty science to combat their findings. Endeavors by companies such as the American Oil Foundation, Gulf Oil Corporation, Humble Oil, and American Petroleum Institute include: actively searching for other potential carbon emitters to blame, claiming that the ocean would absorb emissions even though research showed otherwise, and contracting scientists that had confirmed climate change to rescind their research.

This folder contains multiple studies, which are but a few of dozens of cases dating back to 1946 in which fossil fuel companies actively prevented and denied sound science. Furthermore, over the course of 27 years, ExxonMobil spent more than 30 million dollars on think tanks to deny the effects of climate change and politicians to prevent the United States from signing greenhouse gas treaties like the Kyoto Protocol. Today, in the United States alone, four state Attorney Generals have launched investigations into the fraudulent activity of large oil companies.

When these companies use profit to justify violence, environmental degradation, and fraud. How can we remain an ethical actor when we too use profit as a justification for not divesting?

Madeline Ober—Con Divestment I

The Zero Waste Program at DU works with the athletic department, facilities, and vendors at select hockey, gymnastics and lacrosse games, to divert waste that is produced *away* from landfills. The program is still young, and we already have almost 80% diversion rates. This initiative is just one way that DU can contribute to the *real* fight against climate change without affecting the financial benefits that come from our endowment.

Today I will argue first that divestment has no discernable impact on climate change; second, that there are important alternatives for DU to continue and to prioritize; and third, that divestment is a purely symbolic action.

First, divestment will have no effect on the bottom lines of companies, which is the reason anyone would choose to divest. As the New York Times reported, even if all universities divested tomorrow, the market would recover so quickly that the decision making calculus of companies would not change.

Divestment won't affect the majority of companies. 6 of the top 10, and 14 of the top 20 oil companies are state owned or the government owns the controlling share, which means they are not publicly owned or capable of being invested in.

For the remaining companies, demand drives production, not the other way around. All these firms continue to produce oil because people *will* buy it meaning that the only way for divestment to be effective is for it to change demand.

Even if divestment is capable of changing demand in the US, developing economies are increasing their consumption. As oil becomes cheaper, it will remain the go to energy source for the developing world. Divesting here doesn't make any significant change, and this is antithetical to the movement itself.

Second, the University should prioritize and continue to pursue alternatives. Things like product boycotts would be more effective to reduce profits, consumption, and places the right to choose in the hands of each individual student. Boycotts decrease demand for harmful fossil fuels and focus on purchasing power as a means of persuading companies to change. That focus sends a more salient message than investments to the individual at DU. Students can buy into boycotts, but cannot see the immediate relief of divesting. This buy in is critical because we need to create an ethos of shared sacrifice, which is the most important thing to get the students interested.

Divestment has been taking up the time of the administration and distracting them from making decisions and policies that will be much more efficacious. Frank Laird argues that divestment takes precious attention and brainpower from the environmental movement and real change. Real alternatives like boycotting energy providers, creating an energy Sabbath, and drafting and enforcing strict purchasing policies are controlled by the administration and are not given the time of day when the divestment movement is demanding more and more of their time.

Third divestment's focus on creating a hard moral line on this issue is a refusal to engage in the conversation of what it means to move toward a more sustainable future. Divestment is too easy an answer. By drawing this line, they have alienated anyone who is not on their side and made compromise impossible. With this sort of harsh rhetoric, university administrations and companies will just pull out of the conversation completely rather than facilitating productive dialogue and compromises.

I understand where they are coming from and I share their attitudes about stopping the use of fossil fuels, but the way they go about it is counterproductive. Many companies, like Exxon Mobile, already concede and understand their impact on the environment. Without affecting the decision making calculus and bottom line of companies, you don't do anything but allow the morally righteous to wash the blood off their hands, claim purity, and gain nothing but self satisfaction.

This refusal to engage not only means that we don't get solutions, but it also means that the self-satisfied no longer feel the need to fight for ground-level changes because they put the onus on companies and administrations rather than individuals. It's easy to argue from that standpoint, but we would take the harder yet more reasonable choice, which is to collaborate.

We could engage in this conversation rather than deter people away from it. Divestment is looking for change to come from university administration and companies, but that is not where change comes from. We cannot rely on fickle markets or the university administration to solve this problem; we must do this together.

Jacob Sunshine—Pro Divest II

Good afternoon. I'm incredibly proud to represent the millennial generation of students, a generation who demands more from their university; a generation who will choose a college based not just on what that college does, but on how that college does it; a generation to whom integrity matters.

The only difference between integrity and hypocrisy is whether we remain consistent with our ethical and moral principles when nobody can see what we're doing, as is the case with our endowment.

Today I will argue that investment in fossil fuels directly contradicts DU's stated values, and that the optics of this hypocrisy could cause irreparable damage to the University's image as an ethically responsible institution.

We should start by revisiting The University of Denver's values, which can be found on the Chancellor's page of DU's website. Quote: "In all that we do, we strive for excellence, innovation, engagement, integrity and inclusiveness."

DU's mission statement adds that "our active partnerships with local and global communities contribute to a sustainable common good."

DU also claims to be a leader in ethical business. On the Daniels College of Business website, it is advertised that, 'Daniels is internationally recognized for integrating social, environmental and ethical issues into our innovative curricula.'

So, is an investment in fossil fuels consistent with DU's values? To answer this, we have to understand what our investments actually mean. For our investments to be useful to us, the companies in which we invest have to make a profit and corporate profits increase either when demand goes up or when production costs go down.

So what exactly does it look like when DU ties its success to the supply and demand of fossil fuels? To put it simply, for every coal fired power plant that closes down and every hummer that goes unsold, DU's slice of the pie gets a little bit smaller.

On the other hand, for every piece of fraudulent science that prevents new environmental protection legislation, DU's slice of the pie gets a little bigger.

Since publicly traded companies have a fiduciary responsibility to make a profit for their shareholders, even if it means committing deeply unethical acts, investors who knowingly benefit from those unethical acts are complicit.

Clearly, DU's endowment strategy directly contradicts its stated values of integrity and a commitment to a sustainable common good. No matter how much the administration tries to justify investing in fossil fuels, they will still appear hypocritical, which leads me to my second argument, that even the appearance of hypocrisy damages the image of the university.

If the divestment movement is rejected, do not think for even a moment that they'll give up. They will continue their advocacy and their protests, and the spotlight will continue to shine on DU's endowment. As the effects of climate change grow more visible, so too will the divestment movement.

The appearance of impropriety is highly damaging to any institution, but especially one that explicitly positions itself as a leader in ethical business. A study published by The Wall Street Journal found that people will pay a small premium for ethical products, but will buy unethical products only at highly discounted rates. This effect is even stronger for people who already have high expectations for ethical business practices.

For The University of Denver, this becomes an extremely important part of the equation. DU is trying to appeal to a generation of students who grew up with more access to information than ever before. The proliferation of information on the internet has created the most politically active generation ever. Nearly every study on the consumer habits of the millennial generation shows that things such as sustainability and social responsibility matter now more than ever. Price and quality simply aren't enough anymore.

Imagine an undecided prospective student touring DU for the first time. She's told about DU's world-class arboretum, she walks past the sustainability center, and she hears the pitch about ethical business. But she's also following campus politics on social media. She followed the Black Lives Matter protests at Mizzou; she's following debates about things like Greek life and sexual assault; and she's following the divestment movement.

This is exactly the type of student we want at DU – well read, ethical passionate. This is who we risk alienating by not divesting.

Even if prospective students decide they're willing to be complicit in DU's hypocrisy, even if they accept that their scholarships may be funded in part by human suffering and environmental degradation, their relationship with DU will change. Students will no longer see DU as a moral community, instead understanding that the relationship is nothing more than an instrumental one.

Students will not be proud to have graduated from a school that they perceive to be unethical. And alumni will not donate to a school they're not proud of. There's a reason DU's administration spends so much time and money branding the school as sustainable and socially responsible. It's the same reason the dining halls have compostable plates, instead of cheaper plastic ones. It's the same reason that drove the administration to eliminate Boone, the controversial mascot that many people saw as representative of the slaughter of thousands of Native Americans. And it's the same reason DU must now divest.

Meredith Tolleson—Con Divest II

In March of 2015, Liberty University in Lynchburg Virginia, took the ultimate dive into the political pool, by allowing Senator Ted Cruz to announce that he would be running for President, from a stage at their university. Now, I am not saying or even implying that if we divest, DU will begin this dogmatic approach to engaging with its student body. However, I do believe it illustrates why Universities ought remove themselves from the political realm entirely. Today I will argue that DU should not join this group of politically motivated universities in even the smallest way.

I am going to do two things; first I will argue that we ought see divestment as the political action it is, and second I will address how this political action will become precedent for future student demands.

First, we must understand divestment as a political action.

It is the role of the University to be an educator, not a political actor. Universities, especially schools like DU, are meant to provide education to all those who attend regardless of background or political viewpoint. Part of our education as undergraduates is not just being exposed to new ideas but being exposed to ideas we may not agree with.

Drew Faust, President of Harvard argued that if Universities insert themselves "into the political process or are used as a lever to exert economic pressure for social purposes" there will be “serious risks to the academic enterprise” continuing that a university “is an academic institution, which exists to serve an academic mission”

Imagine that DU decided to support a presidential candidate, let’s say Hillary Clinton. Let’s pretend DU decided that they had a moral reason to support a candidate that opposed Donald Trump, who they believe is deeply unethical and violates the values of the university. The intentions are well meaning, and maybe even justified, but the consequences are critical for us to consider. Would students who align with a conservative ideology feel capable of discussing their ideas within an institution that has taken an explicit stand against them? In the case of Divestment, students who disagree with the action would be effectively alienated, and feel barred from conversation. We may not agree with Trump, and it may even be “the right thing to do” in many of your eyes, but it does make the school a voice in the political realm.

Divest is political because it is not concerned with science, but with solution. To argue that climate change is not real, is at this point, probably silly. HOWEVER, to argue about how we ought engage in fighting climate change IS political. When multiple solutions arise and we must choose, it becomes political. When Obama talks at the Paris Climate Convention, the debate is not about if we do something, but about how. He is responsible for persuading people of the best solution. That is political.

Second, this political action will become precedent for future student demands. When the University makes a political decision, it fundamentally changes their decision making calculus. Currently, the university is responsible for fostering discussions, such as this one, amongst the democratic bodies that lie within it. However, when the university is expected to take a position on all of these discussions, it does one of two things. One, it creates an incentive for the university to deny the ability to discuss things it doesn’t want to take a stance on, effectively silencing its students. OR two, the university must acquiesce to the demands of its students to avoid controversy. Let’s look at two examples to illustrate these choices.

First, Imagine if anti-abortion groups on campus demand that DU divest from any pharmaceutical companies that produce the Plan B pill. DU would have the incentive to ignore the student voice, as abortion is a hot political topic. By doing so, the University demonstrates that it values the liberal voice of Divest DU over that of conservative anti-abortion groups. The administration effectively silences the student voices they don’t want to hear.

Now, pretend that the DU Vegetarian Society comes forward and demands that the University boycott all meat products. The meat industry, like fossil fuel companies, is a major contributor to global warming, and now DU a political and moral advocate against climate change holds a similar obligation to that student group as they do to Divest DU. By not engaging in the demands of the Vegetarian Society DU creates a controversy around how far they are willing to go to support climate change. There is no reasonable way to draw a bright line as to when the University should listen and act on student demand.

If DU is to acquiesce to the demands of the Divestment campaign, it enables a small group of voices to control the endowment and use it as a political football. In order for DU to take the action to divest, the Divest Movement must prove to the administration and faculty that they meet the line for when the University MUST, without a doubt take a political action, regardless of the consequences of alienating students and limiting critical thought and discourse on campus. As Harvard President Drew Faust said, “the endowment is a resource, not an instrument to impel social or political change,” I ask that we keep DU’s endowment that way.

Lauren Pauls—Pro Divest III

Universities makes political choices all the time. A decade ago, the University of Denver chose to divest all holdings from companies affiliated with the Sudanese government after it committed deplorable acts against its population amidst a civil war. Divesting from Sudan did not mean choosing sides. It meant DU was not complicit, financially or otherwise, in the human rights abuses that occurred. It meant DU committed to the public good.

When our values are political, we make political choices about how to allocate finite resources. A dollar that spent in the name of public good is necessarily one that is NOT spent promoting inclusive excellence. But that doesn't mean we shouldn't try to support both—it's not all-or-nothing. Both the fanatical ethicist who says that we must always make the altruistic choice and the unrepentant libertarian who says we must always make the self-serving one, are wrong. The answer lies in the middle. Our job is to find the point on that scale between the altruistic and the selfish that minimizes harm to the university and the world. When fossil fuel investments harm our university's global mission—like our investments in Sudan did a decade ago—and we CAN divest and make money, the Opposition's tradeoff between increasing diversity and shedding our links to immoral industries is a false one.

So, "can we divest and make money?" Spoiler alert: yes. Fossil fuel investments themselves are posing a threat to the endowment. Dr. Joshua Humphreys, a member of investment advisory boards at both Harvard and Yale, tells us that fossil fuel extraction is becoming so expensive and environmentally damaging that it is not financially sustainable, let alone environmentally stable. This puts our assets at risk. Standard and Poor's is hinting at credit downgrades for the oil sector beginning as early as 2017, and as fossil fuels become harder to extract, returns on our investments decline.

Unfortunately, this risk is not enough to incentivize our fund managers to divest without explicit action. Since many fossil fuel assets are tied up in commingled holdings, the risk presented by fossil fuels must be insurmountably high for an investor to consciously remove a diversifying section of a stable holding when the rest of that holding is performing well. But, major meta-studies by Deutsche Bank and Mercer suggest that diversification into fossil fuels isn't necessary for financial stability.

In fact, Corporate Knights examined the stock holdings of 14 funds, worth a combined $1tn, and calculated how they would have performed if they had dumped shares in Fossil Fuels three years ago. Overall, the funds would have been $23bn better off with divestment.

And the company Portfolio 21, for example, runs a fund designed for endowments that exclude companies directly engaged in fossil fuel exploration and production, weapons manufacturing, and egregious labor practices. As of March 31, 2016, the fund showed an annual return of 5.25% on average over 5 years. Considering that endowment spending is capped at 4.5% per year, Portfolio 21's fund is outperforming the needs of the university without fossil fuels. It is clear that an ethical investment strategy provides opportunities for growth.

We understand that the board of trustees is in the process of overhauling the investment committee. This period of transition is the perfect time to seriously consider the many firms that reflect our values and our investment strategies. We also understand that some of these firms might have more of a premium on asset management—Portfolio 21's Gross Expense Ratio is 1.08%, for instance—but it is egregious to view any increase in management expenses as a material loss to the endowment. We don't apply that principle in our daily lives. We shouldn't apply it here. It's an expense, like any other, to further the mission of the university.

Think of it this way. Your morning coffee didn't necessarily contribute to global suffering just because you spent that $3 at Kaladi's instead of donating it to charity. We can all agree that it would be silly to say that it did. It's equally silly to say that any dollar the university spends on promoting a sustainable public good threatens inclusive excellence. That said, why choose a $3 Kaladi's coffee over a $2 McDonalds coffee if both will wake you up? A higher-quality product, better treatment of workers, and ethically-sourced ingredients. In investing, like in coffee, sometimes we pay a little bit more to uphold our values. It's why DU was one of the first institutions to divest from Sudan a decade ago. It's why you drink fair trade instead of Folger's. When DU divested from Sudan, we didn't sacrifice our scholarships. And when you grab Kaladi's instead of McDonalds, you aren't taking food off your child's plate. We accept these costs because they are worth it, and we find ways to compensate for our losses. If there is a cost to divestment, we can reduce it by becoming more sustainable, upholding all our values at the expense of none.

Cameron Hickert Con Divest III

While I do love Kaladi's Venetian Cream, the key difference that separates divestment from caffeinated beverages is that buying fair-trade versus Folgers does not affect the money we have to fund scholarships. My contention today is that divestment sacrifices crucial ethical obligations and practical outcomes in achieving greater diversity and inclusive excellence on campus. It does so in 3 different ways, regarding optics, duty, and endowment growth.

First, the optics matter. 50.3% of DU's endowment returns go to "Scholarships and Fellowships". At Colorado College, this number is 37%; for Duke, 21%; for George Washington University, 12%. Any hit to DU's endowment hurts students depending on financial aid far more than at other universities. It appears we are aiming for what Duke did in the 1980's – transforming a $400 million endowment into $3 billion by 2000. The current Chair of the Board of Trustees is also on Duke's board, which further suggests this. If donors see the endowment is simply a political football tossed amongst student groups, rather than a serious effort to maximize the return on their charity, they are less likely to donate. Furthermore, administration is incentivized to set achievable goals. In the hyper-competitive financial environment of higher education today, any administrators who do not reach financial benchmarks they set are nominating themselves for early departure from the university. Feeling the constraints of divestment, we are likely to set less ambitious fundraising goals, and therefore we strive for less. Both cases occur – and this is key – whether or not divestment actually materially impacts the endowment on its own. Here, the optics matter.

Second, divestment undermines our fiduciary duty to students. Recognize DU is both a tuition-dependent and need-aware institution. Tuition funds 70% of annual operations, and we consider a student's ability to pay when deciding whether or not to accept them. When we do not fare well financially, we are pushed to admit students with a greater Expected Family Contribution over those less capable of affording higher education. Today we are talking about impacting real people's lives, specifically the lives of those who already find themselves facing the bleak margins of society. Anything less than the utmost care in tending to our financial assets – any risk that we may slash their access to DU – would be irresponsible to them, and thus to our ethical commitment to the public good.

As a nerdy physics major, I'm inclined to do the math behind the numbers Lauren gave us – she believes a 5.25% return is fine, because it is above the 4.5% cap of endowment spending. This misses the point – our endowment is only 50% of the median endowment of our competitor institutions, so we need to boost our endowment far beyond our spending every year. Otherwise, DU will never grow the endowment itself, and continue to lag behind. Furthermore, DU's endowment has been averaging investment returns greater than 6% on 5-year average gains. The difference even between just 6% and 5.25% over 10 years is over $30 million dollars lost. Seemingly small numbers actually make an immense difference.

Even our financial aid system is vulnerable. The first line on the financial aid website is that 84% of our students receive some form of aid. In order to continue attracting more applicants, the institution's incentive is to keep this number high. Thus, facing a tough choice between the two, DU is incentivized to distribute its financial aid widely rather than deeply. This, again, means those most in need of financial aid are hurt the most whenever DU is unable to provide robust funding.

Seeing as sections of the endowment are earmarked for certain ends, it is impossible to limit any financial harm to the 49.7% of the endowment that does NOT fund scholarships. But even if we could, it would not be good. Given that DU operates on a very tight administrative string for a university its size, programs may get cut, likely in the humanities, such as the new Race, Inequality, and Social Change Pilot Program (called RISC); and class sizes would increase, threatening our low student-to-faculty ratio. The choice divestment forces is a simple and terrible one: do we degrade our students' college access or their college education?

Third, divestment is a handcuff. DU cannot simply keep pace – it must play catch-up. If DU and Duke both double their endowments over the next 10 years, Duke makes several billion and DU makes half a billion. 'Keeping pace' means DU falls behind.

Divestment limits DU's ability to choose from the full range of investment managers. EVEN IF today we believe fossil fuels are not the best endowment choice, constraining our options in the perpetually uncertain investing world will inevitably have effects in the long term. Indeed, if it didn't – that is, if we never invested in fossil fuels simply because they were poor options – explicit divestment would not be necessary. It would be achieved automatically. Divestment actually only holds teth exactly at the point where the University actively opts-out of the best options financially, which is precisely the point we have failed future students from underprivileged backgrounds.

Divestment is a statement to low-income students and applicants. To those who already lack the privilege of a clear voice on campus and in our society, we say, "We don't hear you at all." This is particularly ethically fraught for an institution with such a history as ours, already blind to the suffering of the marginalized exemplified in our connection to the Sand Creek massacre. It closes our institution to the class-consciousness necessary for growth and robust education from which we all benefit.

Let Stanford, Swarthmore and other multi-billion dollar institutions carry the banner of divestment. Many schools other than DU can, and do, bring the movement popularity. But only DU is able to improve its accessibility to low-income students. This access – in light of the growing importance of higher education, DU's dark history, and rising college costs – is DU's primary ethical obligation, and one with truly urgent, direct, and real-world impacts for those fighting to make it to college.

Megan Towles—Summary

Today, I've been asked to give a Whip speech. In our format of British Parliamentary debate which takes its inspiration from the British house of commons, uses this speech as summation speech meant to help sort through the arguments presented today in a way that will help you make the important decision placed before you.

In order to accomplish this, I will be providing some context for this debate, and reviewing the two main areas of analysis: The ethical and financial implications of divestment.

First, today's debate was born out of a discussion that started long ago between a growing divestment movement on campus and our administration.

As you have heard many of our speaker's mention, today is in part about deciding who we want to be as a university. Who do we want to be at the University of Denver. The seriousness with which this issue has been met, indicates just how much we ought carefully consider the decision placed before us. We must also remember there is not an immediate right or wrong answer, but rather today may be about prioritizing different values or goals for the university. With that in mind, we should carefully consider the two broad areas that were most potent in today's debate.

The ethical nature of this decision was one of the first issues brought before you by both sides in today's debate. Broadly, ethics was discussed in two main areas:

A. The ethical nature of fossil fuel companies
B. The ethical responsibility of the university of Denver in response to these companies as an educational institution and as investors with financial responsibilities.

The ethical nature of these companies is unlikely to be disputed by either side. The divest side has made it fairly clear that these companies will do anything to make a profit, explicitly lie, dangerously cheat safety standards and just outright murder. However, the side against divest poses the question – are they much different than other companies? How can we isolate this one group, when foxxconn and other corporate abuses slide under our radar?

Divest further argues that we have an ethical obligation to stop supporting companies that uniquely damage our planet and contribute to global warming.

As a result, we must look at our responsibility to these companies as both a university, and as potential investors.

As a university, side divest argues that we ought not support a group of companies that have explicitly bent or lied about science in the name of profit. That our ethical obligation as an educational institution may lie primarily with the truth. Further, with a new wave of millennial student's who have heightened ethical expectations, the financial investment into organizations responsible for human rights abuses may have a practical impact on our university if students choose to avoid schools that are not ethical actors.

This is combated by those against divest who would argue that divestment would do nothing to tangibly help our planet. They argue that there are alternatives that we can focus on that may actually be helpful to our planet, such as zero waste programs at sporting events. They further argue that our primary ethical responsibility is to our students and those attending the university on need based scholarships, which they posit will be the first to go. This argument is predicated on the idea that we will lose money in divestment.

Thus we must consider the second major area of clash – the financial impact of divestment.

Both sides can agree that the endowment is important for the school's ability to be an effective leader. This makes the financial implications of this decision quite important.

Those against divestment argued that we cannot risk any decrease in our endowment, as the recent DU impact report stated that our focus must become growing the endowment. They argue that we are currently gaining a 6% return on our endowment where spending is capped at 4.5%. Those in favor of divest promoted alternative investments like Portfolio 21, which has a 5.25% return rate, but with a possibly higher cost for those managing the portfolio.

In other words, divesting can be a financially responsible decision, but it can also be a risk. This risk is based on real information, but is not a set risk. Both sides have room to be the wrong decision. This becomes especially true when team divest argues that portfolios without fossil fuels have actually out performed portfolios that remain invested in fossil fuels.

Wherever you land after today's debate, the most important thing we can do as a university is act with purpose, transparency, and integrity. Whatever we do, we must do it with intent and a commitment to continued discussions such as this one. It is with this focus on continued discussion that we would like to invite this body to continue the debate right now. We invite you each to add your perspective to this discussion and give divestment from fossil fuels the careful ethical and financial consideration it deserves.