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Dayton Divests

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The University of Dayton, a Catholic, Marianist university, announced today it will begin divesting coal and fossil fuels from its \$670 million investment pool. It is believed to be the first Catholic university in the nation to take this step.

The board of trustees unanimously approved the new investment policy, which reflects the University's commitment to environmental sustainability, human rights and its religious mission.

"This action, which is a significant step in a long-term process, is consistent with Catholic social teachings, our Marianist values, and comprehensive campuswide sustainability initiatives and commitments under the American College and University Presidents' Climate Commitment," University of Dayton President Daniel J. Curran said. "We cannot ignore the negative consequences of climate change, which disproportionately impact the world's most vulnerable people. Our Marianist values of leadership and service to humanity call upon us to act on these principles and serve as a catalyst for civil discussion and positive change that benefits our planet."

The University's divestment is planned to occur in phases. The University will initially eliminate fossil fuel holdings from its domestic equity accounts. The University then will develop plans to eliminate fossil fuel from international holdings, invest in green and sustainable technologies or holdings, and restrict future investments in private equity or hedge funds whose investments support fossil fuel or significant carbon-producing holdings.

Michael Galligan-Stierle, president of the Association of Catholic Colleges and Universities, affirmed the University's commitment to being a responsible steward of the earth's natural resources.

"We applaud the University of Dayton for taking this step as perhaps the first U.S. Catholic university to divest from fossil fuels. This is a complex issue, but Catholic higher education was founded to examine culture and find ways to advance the common good. Here is one way to lead as a good steward of God's creation," he said.

The Rev. Martin Solma, S.M., provincial for the Marianist Province of the U.S. and a member of the board's investment committee, believes the trustees can be both environmentally and financially conscious.

"We believe it is possible and necessary to be both responsible stewards of our planet and fiduciaries," Solma said. "The tremendous moral imperative to act in accordance with our mission far outweighed any other considerations for divestment."

Thomas Van Dyck, a senior vice president and financial adviser for the RBC SRI Wealth Management Group with whom the University consulted, agrees. He said, "The trustees of the University of Dayton are acting as true leaders both from their faith and their financial responsibility in guiding the University. Fossil fuel companies have a valuation that assumes every single drop of oil, everything they have in the ground, will be taken out. More and more people are understanding the financial risk underlying fossil fuels in the stock market and taking the appropriate action. It's not only values, but valuation risk associated with owning fossil fuel companies."

Trustees and consultants working with the University are confident this investment strategy will not have a significant negative financial impact on the University.

"We take our role as fiduciaries for the University very seriously," said Steven Cobb, chair of the University of Dayton's board of trustees. "This decision was made following careful research and in consultation with our investment advisers."

The firm of DiMeo Schneider & Associates LLC guided the University of Dayton board of trustees investment committee through the investment risks associated with divesting the University's long-term investment pool from fossil fuel-based stocks.

After its review, Matt Porter, director of research analytics with DiMeo Schneider & Associates, said, "We considered many factors, and our unbiased review concluded we could structure a prudent U.S. equity portfolio divested from Carbon Tracker 200 stocks. We believe the restructured portfolio meets the University's objectives and is consistent with its long-term risk and return mandates."

Founded in 1850 by the Society of Mary and now the largest private university in Ohio, the University of Dayton has taken a comprehensive approach to environmental sustainability and human rights scholarship and action. Through academics, research, service, community responsibility, leadership programs, and responsible campus and facilities operations, the University's commitment to both sustainability and human rights touches the campus, the Dayton region and the world.

"Faculty in the renewable and clean energy program and in departments across the University have long supported actions that strengthen the University's commitment to sustainability," said Kelly Kissock, chair of the renewable and clean energy master's program and chair of the mechanical and aerospace engineering department. "We support this investment strategy with a global view on protecting the environment."

Chris Wagner, president of the University of Dayton Sustainability Club, added: "I'm very glad to see the University is taking serious action on sustainability. The sustainability movement is growing on campus. I expect a positive response to this."

A member of the American College and University Presidents' Climate Commitment, committing the University to being carbon neutral by 2050, the University of Dayton is listed in The Princeton Review's Guide to 322 Green Colleges. The University also has earned a STARS silver rating in the Association for the Advancement of Sustainability in Higher Education Sustainability Tracking, Assessment & Rating System for its sustainability achievements.

With a strong commitment to interdisciplinary education, the University of Dayton has been a leader in developing academic programs in sustainability and clean energy. In 2010, the University unveiled a minor in sustainability, energy and environment (SEE). In 2008, the University of Dayton created the state's first master's program in clean and renewable energy.

The University of Dayton is a pioneer in human rights education, starting the country's first undergraduate human rights program in 1998 and offering one of the nation's first bachelor's degrees in human rights studies in 2008. It has committed to establishing a human rights center. Last year, the University hosted current and former representatives from the United Nations, Amnesty International USA, Human Rights Watch, WITNESS and World Peace Foundation, among others, for a conference that took a critical look at the future of human rights.

As a top-tier national research university, the University of Dayton performs millions of dollars of research in alternative fuels at its von Ohain Fuels and Combustion Center — an Ohio Center of Excellence that performs research in such areas as fuels, combustion and emissions for aerospace propulsion. The von Ohain center holds a six-year, \$49.5 million grant with the U.S. Air Force to help develop clean alternative fuels from various feed stocks such as coal, biomass and algae; enhance engine fuel efficiency; reduce combustion-generated emissions; and investigate the environmental impact of fossil fuels use. University researchers also developed an outdoor algae production system capable of capturing carbon emissions and producing oil for alternative fuels through a five-year, \$3.4 million award from the Air Force.

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