



Big Banks, Big Money, & Global Warming

Global warming and fossil fuels.

Global warming and climate change are ways to talk about the global trend toward higher average temperatures and related changes in our environment. Global warming is connected to the burning of fossil fuels, and banks where many of us deposit our hard-earned dollars are in the business of financing the fossil fuel industries. In the United States, the burning of fossil fuels for electricity is the largest source of heat-trapping pollution. Coal-burning power plants are the biggest polluters. The transportation sector is the second largest source. Based on scientific evidence and theory, scientists recognize global warming as the result of carbon emissions from extraction, distribution, and burning of coal, oil, and natural gas.

Global warming is happening now. We are seeing more intense droughts, such as the record drought in Cape Town, South Africa, and more frequent extreme rainfall such as with hurricanes Harvey and Florence. Scientists warn of melting glaciers, dramatic water shortages, and an increasing risk of wildfires in the American west. On the eastern U.S. seaboard, rising sea levels are forecast to increase coastal flooding.

We can expect more extreme weather as we reach what climate scientists call the “warming threshold.” In the 2018 report by the UN Intergovernmental Panel on Climate Change (IPCC), scientists warn that we have a dozen years for global warming to be kept to a maximum increase of 1.5°C, beyond which even half a degree will significantly worsen the consequences. For example, at 1.5°C the proportion of the world population exposed to water stress could be 50% lower than at 2°C. Insects, which are vital for pollination of crops, and plants, are almost twice as likely to lose half their habitat at 2°C compared with 1.5°C. The consensus view is that global warming is the result of carbon emissions from extraction, distribution, and burning of coal, oil, and natural gas.

Fossil fuels threaten our climate, and fossil fuel industries harm the health of communities on the frontlines of extraction and the fence lines of power plants and industrial facilities.

Despite opposition, many big banks continue to fund companies building problematic projects.

Banking on Climate Change.

Since the Paris Agreement was adopted in 2015, 33 of the world's largest banks have pumped \$1.9 trillion into fossil fuel industries, of which \$600 billion went to 100 top companies aggressively expanding fossil fuels; funding has increased over each of the last 3 years.

JPMorgan Chase, Wells Fargo, Citi, and Bank of America are the top four financiers of fossil fuel industries. Goldman Sachs and Morgan Stanley are in the top “dirty dozen.” These US banks account for 37% of global banks’ fossil fuel financing since the Paris Agreement was adopted.

Check the 2019 [Banking on Climate Change](#) report to learn more. The report totals lending and underwriting from global banks to 1,800 companies across the fossil fuel industry, and grades their restriction policies on financing for fossil fuel expansion, and their commitments to phase-out of fossil fuel financing. (Some of the analyzed banks are moving away from fossil fuel financing: 21 of the 33 have restricted some coal financing; 10 banks (all in Europe) are restricting tar sands financing; and 9 banks have restricted some Arctic oil and gas financing.) [Download the report](#), explore the data, and read case studies.

Climate change also affects the U.S. economy. The 2018 [National Climate Assessment](#), produced by 13 federal agencies, summarized this impact: “Without substantial and sustained global mitigation and regional adaptation efforts, climate change is expected to cause growing losses to American infrastructure and property and impede the rate of economic growth over this century.”

The Bottom Line

It is unacceptable that some US banks — including JPMorgan Chase, Citi, Wells Fargo, and Bank of America — fund dirty fossil fuel projects and companies. If you have ties to a “dirty dozen” bank, move your money to a credit union or to a bank that is not in the business of financing fossil fuel industries. **Individual consumer choices are important: here we bank can make a difference.**

The [Hillsborough Clean Investment Coalition](#) suggests you explore switching to local institutions.

Sign the [Sierra Club action alert](#) and tell the CEOs of 6 US banks to stop financing fossil fuels.