

September 28, 2023

The Honorable Jerome Powell
Chair
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, D.C. 20551

Dear Chair Powell,

We, the undersigned, represent teachers from across the United States and are writing to you to urge the Federal Reserve to take quick and decisive action to reign in U.S. banks' continued financing of fossil fuel expansion before another economic crisis unfolds.

As educators, we are extremely concerned that the Federal Reserve is ignoring climate risks and withholding immediate action to rein in U.S. banks—the largest funders of fossil fuels globally, accounting for 28% (\$187.2B) of global fossil fuel financing in 2022 alone¹—leaving us and our students vulnerable to another financial crisis.

Financial instability threatens steady funding streams for public institutions. Boom-bust cycles in the financial system hurt students and cause instability in school operations, which is of particular concern right now as the nation faces a severe shortage in teachers.² In 2008, Wall Street banks' excessive risk taking with the subprime mortgages led to a financial crisis that depleted our pensions, and resulted in sharp declines in state and local tax revenues that support public schools, leaving teachers with fewer resources in the classroom. To date, schools have yet to recoup their financial losses from the last recession.³ And now, we are at risk of repeating the same cycle, except this time the risks stem from climate-driven disasters and banks' excessive financing of fossil fuels — the number one driver of climate change.

Climate-driven disasters are already disrupting our lives and those of our students and their families and guardians. This summer marked some of the hottest days ever recorded forcing schools in several states to cancel classes or send students home.⁴ Schools in California with little green space, for example, are seeing their asphalt playgrounds heat to dangerous levels, leaving students at risk from thermal burns, and posing a major safety and health concern.⁵ A study has shown that students in schools in areas with high temperatures without air conditioning have worse learning outcomes based on results for tests such as PSAT.⁶ What's more, not only does extreme heat have financial, safety, and health implications for schools

¹ <https://www.bankingonclimatechaos.org/>

² <https://www.axios.com/2023/08/19/teacher-shortage-schools-education-salaries-training>

³ <https://www.ppic.org/publication/funding-california-schools-when-budgets-fall-short/>

⁴ <https://www.nytimes.com/2023/08/25/us/heat-wave-school-year.html>

⁵ <https://www.latimes.com/california/story/2022-09-01/school-playgrounds-sizzle-in-california-extreme-heatwaves>

⁶ <https://www.nber.org/digest/aug18/hotter-school-days-less-learning-unless-theres-ac>

and teachers, extreme heat can reduce labor productivity broadly, which could cost the U.S. economy \$500 billion by 2050.⁷

The economic ramifications of climate-driven extreme weather and their acute physical risks are growing, and exacting a huge toll on our economy.⁸ This is a major concern for our financial stability and has wide implications for our schools, ranging from negative impacts on student learning, students and teachers' ability to safely commute to and from schools, to damaging school facilities, disrupting district budgets, threatening our ability to save for retirement, and more.⁹ These disasters are also destroying our homes, increasing the cost of insurance, — causing many insurance companies to fail, pull back on coverage or flee in many parts of the country¹⁰— battering and forcing closures of school buildings, and at times leading to the loss of human life, all of which negatively impacts students' and educators' overall mental health and well-being.^{11,12}

Banks and non-banks like asset managers, private equity firms and insurance companies that are financing the fossil fuel industry—the sector most responsible for fuelling climate risks—are threatening the stability of our financial system and our entire economy. Despite these known risks, at the 2023 Jackson Hole Economic Symposium—where the topic was "Structural Shifts in the Global Economy"—the Federal Reserve did not even mention climate-related financial risks. European Central Bank President, Christine Lagarde, was the *only* speaker to mention the risks of climate change.¹³ The Federal Reserve is falling behind its global counterparts, leaving the U.S. financial system, the global economy, and, thus, teacher and public pensions at severe risk.

Furthermore, it appears that neither financial institutions nor the Federal Reserve are taking the risks of fossil fuels and climate change seriously even as it increasingly drives inflationary pressure and disrupts economic supply chains.^{14,15} Under its mandate and within its authorities, the Federal Reserve can and must do more to protect the stability of our financial system, to protect both educators and students.

We urge the Federal Reserve to address climate financial risks at the Town Hall with Educators on September 28, 2023 by addressing the following questions:

⁷ <https://www.atlanticcouncil.org/wp-content/uploads/2021/08/Extreme-Heat-Report-2021.pdf>

⁸ <https://www.ncei.noaa.gov/access/billions/summary-stats#temporal-comparison-stats>

⁹ <https://lao.ca.gov/Publications/Report/4586#>

¹⁰ https://bettermarkets.org/wp-content/uploads/2023/08/BetterMarkets_Report_Unseen_Banking_Crisis_Behind_Climate_Crisis_08-23-2023.pdf

¹¹ <https://www.nature.com/articles/s44220-023-00059-3>

¹² <https://www.nber.org/digest/aug18/hotter-school-days-less-learning-unless-theres-ac>

¹³ <https://www.ecb.europa.eu/press/key/date/2023/html/ecb.sp230825~77711105fe.en.html>

¹⁴ <https://www.scientificamerican.com/article/climate-change-is-exacerbating-inflation-worldwide/>

¹⁵ <https://www.ajot.com/insights/full/ai-panama-canals-low-water-delays-could-last-10-months-impacting-u-s-gulf-east-coast-ports>

- *Why aren't you protecting us and our economy by taking proactive action to rein in banks' fossil fuel expansion financing?*
- *Why aren't you taking action to address the risks small to mid-sized banks are facing from climate change and the financing of fossil fuels?*
- *Why aren't you taking steps to protect our students' economic futures by reining in fossil fuel expansion financing which contributes to climate change and financial instability?*
- *Are you taking any steps to understand how more frequent and severe climate-related disasters and chronic weather patterns are now and will in the future impact the price of everyday goods and drive inflation?*

The Federal Reserve must act to mitigate climate financial risks to protect our students and their education and futures, to protect teachers and their path to retirement, and to protect the overall safety and soundness of the U.S. financial system.

We look forward to your response.

Sincerely,

Aaron Morales-Diaz
Q167

Adam King
MELS UFT

Adam Koranyi
CUNY Lehman College and CUNY Graduate Center
PSC

Ahsanul Mojumder
Metropolitan Expeditionary Learning School
UFT

Alexis Mayne Belmont Elementary School
NEA

Allison Maxfield
MELS

Amy Eskew
Tsula Adohi Nature School

Ann Fleck-Henderson
Simmons College School of Social Work (now Simmons University)

Anthony Gronowicz
Borough of Manhattan Community College
AFT

April Thanhauser
Essential Early Education (retired)
Orange East Supervisory Union

Arthur Gary
Metropolitan Expeditionary Learning School (MELS)
UFT

Ashley Dawson
City University of New York
AFT

Barry J. Lyons
Wayne State University
AFT

Beth Cleary
Macalester College

bibi calderaro
John Jay College of Criminal Justice
PSC

Bobbi Roseman Siegelbaum
retired Health/Sex Educator
AFT

Bram Moreinis
Westfield High School
NEA

Brenda Hardt(retired)
TEA

Bruce Dorries
Mary Baldwin University

Carol Foresta
Principal Emeritus Bread & Roses Integrated Arts High School

CSA Council of Supervisors & Administrators

Chris Stidley, Professor Emeritus
University of New Mexico School of Medicine

Christina Williams
Mayfair High School
Bellflower Teachers Association

Christopher GoGwilt
Fordham University

Collin McCann
New Foundations Charter School
AFT 6056

Cynthia Jatul
Roosevelt High School, Seattle (retired)
Seattle Public Schools substitute (current)
SEA

David A. Temple
Shore Country Day School

Debra Rowe
University of Vermont and Oakland Community College (retired)
NEA

Deirdre Snyder
Oakland Technical High School
Oakland Education Association/ California Teachers Association

Donell Kerns, PhD
University of Wisconsin

Dr. Donald M.
Nonini University of North Carolina, Chapel Hill (retired)
AAUP-AFT

Dr. Jeanne Koopman
Boston University African Studies Center

Dr. Judith Clark
University Massachusetts Boston (retired)

MTA

Edmund Trangen
Roosevelt High School
Seattle Education Association

Eileen Kelly
School Year Abroad

Eileen Moran
PSC-CUNY

Elizabeth Cusack (retired)
NEA

Emily J. Koester
Collaborative for Educational Services

Erica Crazy Hawk
Anoka-Hennepin ISD11/Indian Education Program Liaison and Parent Committee

Erika Giesen
Rogue Community College
RCCEA

Ferd Wulkan
UMass Amherst (retired)
Massachusetts Teachers Association

Fernanda Lugo
Canutillo High School

Harry R. Moody
Fielding Graduate University

Heather Miller Traverse
Bay Area Intermediate School District
MEA

Jacob Engels
Scarlett Middle School, Ann Arbor, MI
NEA

Jacqueline Goodman

State University of New York
UUP /AFT

James Cole
University of Connecticut
AAUP

James L. Elder
Campaign for Environmental Literacy

Jason Mgebhoff
McKnight Middle School

Jason Rodney
Anishinabe Academy Elementary
AFT & NEA

Jenna-Lyn Zaino
MELS UFT

Jennie C Stephens
Northeastern University

Jeremy Kagan
University of Southern California

Jessica Garraway
Northeast Middle School
MFT

Jessica Sharoff
Metropolitan Expeditionary Learning School
UFT

Jill Strauss
CUNY PSC

Jim Brown
Rutgers University - Camden Rutgers
AAUP-AFT

Jim Nourse
retired teacher/principal

Joanna Peltason
Coolidge High School, District of Columbia Public Schools
WTU

Joe Spurgeon
Rogue Community College

John A Chronowski
Grand Rapids Community College

John L. Hammond
City University of New York (retired)
Professional Staff Congress/AFT

Jonathan Rosado
Metropolitan Expeditionary Learning School

Joshua Maines
Oregon Middle School, Medford N.Y.
AFT, NYSUT, Patchogue-Medford Congress of Teachers

Julia Harrison
The Winsor School (former institution)

Julie Erickson
Greenfield Middle School
MTA

Julie Starrett
Covina Valley Unified (retired)

Karen Weber
Aspen Community School

Katherine Thomas
Pinal Alliance
CTA, NEA

Kathleen Flannelly
Metropolitan Expeditionary Learning School

Keith Danner
University of California, Irvine
UC AFT 1474

Kesa Summers
Eastern Middle School, Montgomery County Public Schools
MCEA

Kimron C. Thomas
Metropolitan Expeditionary Learning School
United Federation of Teachers / AFT Local 2

Kori Goldberg
NYC Department of Education
UFT

Laura Simon (retired)
NEA

Laura Turchi
Arizona State University

Laurie
Bodega Bay School (retired)

Leslie Blatteau
New Haven Public Schools
New Haven Federation of Teachers, Local 933, AFT

Lucy
MELS UFT

Marcia Annenberg
Teachers College, Columbia University
UFT

Margaret du Bray
University of Northern Colorado

Margaret Maurukas
Prospect Hill Academy Charter School

Margaret S Sherraden
University of Missouri - St. Louis

Marianne Perhach
Fremont Unified School District

Maria van Bakelen
Atelier d'Activités Artistiques FABRE VIEUX in Per, Dep. LOT, France

Marilyn Oyler
DOD Frankfurt American High School (retired)

Maritza
The Renaissance International School

Mark Goldberg
Hunter College - CUNY
PSC-CUNY

Mark Warmbrand
Leica Biosystems

Mary Jane Else
Chicopee High School
MTA

Maureen L Greenbaum
Union County College

Melanie Zahn Seattle
Academy of Arts and Sciences

Melissa Bright
MELS

Melissa Lotti-Chu
Metropolitan Expeditionary Learning School
UFT

Michaela Petseron
Lincoln High School, Seattle
Seattle Education Association

Milreyly Cas
Metropolitan Expeditionary Learning School
UFT

Nancy Romer
City University of New York

PSC-CUNY, AFT 2334

Nelly Tournaki
City University of New York
PSC-CUNY

Nicholas Limbeck
Chicago Public Schools
Chicago Teachers Union AFT Local 1

Nina Lazar
Teaneck Public Schools, Teaneck, NJ-retired
NJEA

Noé Dinnerstein
John Jay College of Criminal Justice, CUNY
PSC-CUNY

Patricia M. Arnold
University of Texas - Austin (retired)

Paula Press
PS 14Q (retired)
UFT

Phil Jutras
Framingham State U. emeritus
NEA

Rachel Demalderis
Metropolitan Expeditionary Learning School

Rebecca Shirley
San Mateo Union High School District (retired)

Rebecca Vander Sys
TCAPS

Refat Doza
Metropolitan Expeditionary Learning School
UFT

Richard Levine
NYC schools (retired)

UFT

Robert F. Volp
Murray State University

Robert Watson
UCLA

Robin Baumgarten
Metropolitan Expeditionary Learning School
UFT/AFT

Ross Pinkerton
Hunter College High School
PSC-CUNY, AFT

Rulisa Galloway-Perry
John Jay College of Criminal Justice
CUNY AFT Local#2334

Sandy Henneberger (retired)

Sia Stewart
Kingston (MA) Public Library (retired)
Massachusetts Library Association

Sonya Baehr
Poly Prep Country Day School, Brooklyn, New York

Stephanie Federico
Coyote Ridge Elementary
NEA (DTEA)

Steve Siegelbaum (retired)
CSA

Toby Lynn Pitluck (retired)
PFT

Todd Vachon
Rutgers University
AFT Local 6323

Tom Angotti, Ph.D.

New School University
UAW