

UMC fossil fuels divestment debate returns

by [Sam Hodges](#)

April 8, 2024



Judy Smith, Cynthia Taylor, and Sherie Koob of the UMC Baltimore-Washington Conference, show support for Fossil Free UMC, a grassroots caucus supporting divestment of fossil fuel company stocks owned by United Methodist institutions. (Photo by Mike Koob)

Should United Methodist institutions divest of fossil fuel company stocks as a matter of Christian principle? Or is the faithful path to remain engaged and lean on companies to do more about global warming?

The church's divestment vs. engagement debate is not new but will be revived at the general conference beginning April 23 in Charlotte, North Carolina.

Some delegates know where they stand, including Karen McElfish, a retired pediatrician from the Virginia Conference. She's strong for divestment.

"Our call as people of faith, I think, is to be stewards of God's beautiful creation. And to support financially the use of fossil fuels runs counter to that," McElfish said.

But Matt Miofsky, a Missouri Conference delegate, sides with [Wespath](#), the denomination's pension and benefits agency, in believing it's better to stay at the table and push fossil fuel companies toward positive change.

"I want our investments to align with our UMC values, including care for the environment," said Miofsky, a Wespath board member. "The question is how we best accomplish it. Wespath is a leader in sustainable investing and I support their strategy of engagement over divestment."

Wespath is a major player in church finance discussions. It's one of the world's largest faith-based pension agencies, serving more than 100,000 retired and active clergy and other church staff, and more than 150 United Methodist-related institutional investors. As of the end of 2023, Wespath managed about \$26 billion in assets.

Fossil fuel company stocks are a relatively small percentage of its portfolio, but that still has meant multimillion dollar holdings in companies such as Exxon, Chevron, and Occidental Petroleum.

At the 2016 general conference in Portland, Oregon, Wespath squared off against [Fossil Free UMC](#), a grassroots caucus.

The latter wanted to amend the section of the Book of Discipline, which deals with Sustainable and Socially Responsible Investments. The policy lists alcohol, tobacco, gambling, pornography, weapons production, and for-profit prisons as off-limits investments for United Methodist entities.

Fossil Free UMC advocated for adding fossil fuels to the list. Wespath opposed that.

For some who were there, the plenary debate about divestment was a rhetorical highlight of the 2016 general conference. The church's future briefly yielded to a discussion of the planet's future—and of Christian ethics.

[Ultimately, Wespath prevailed](#), with delegates rejecting divestment by a comfortable margin.

At the general conference in Charlotte—the first full-length lawmaking assembly for the denomination since 2016, due to COVID delays—delegates again will consider whether to add fossil fuels as an investment screen.

And Wespath and Fossil Free UMC are advocating the same basic positions they did eight years ago.

Wespath wants to retain flexibility in investment strategies as it seeks to get a good return for United Methodist partners. And it continues to insist engagement is the better way to influence oil and gas companies.

“If we’ve divested completely of the sector, our voice isn’t going to carry the same weight in any conversation about fossil fuels,” said Jake Barnett, Wespath’s managing director of sustainable investment strategies.

Fossil Free UMC maintains that owning stocks in companies that contribute extensively to global warming is inconsistent with the denomination’s creation care values.

And while Wespath cites progress through engagement— including helping persuade Occidental Petroleum to [announce a target to achieve net-zero emissions](#)—Fossil Free UMC believes engagement has been, on the whole, a failure.

“In the overall scheme of things, (the companies) are not turning away from fossil fuels and helping the transition,” said Sharon Delgado, a retired United Methodist elder and the convener of Fossil Free UMC. “They’re bad actors. They’re continuing to lobby against strong climate action.”

Delgado and others with her group also stress that Wespath is used to working with investment screens for alcohol, gambling, and other businesses whose products cause harm.

Why not fossil fuels?

Barnett, in answering, notes that fossil fuels still account for 80 percent of the United State’s energy economy and are vital to the manufacturing of, among other things, lifesaving medical products.

“There’s a practical way to live your life as a United Methodist without engaging with alcohol, without engaging with tobacco,” he said. “That’s not the case when it comes to fossil fuels. They are still too integral to the economy and to society.”

Though the Wespath and Fossil Free UMC positions on divestment legislation match those of eight years ago, the landscape has changed.

[Climate change is broadly seen as even more of a threat](#), with scientists pointing to effects such as increased drought and wildfires, more intense storms, and rising sea levels. The US National Oceanic and Atmospheric Administration [reported 2023 as having been the warmest year on record by far](#), and in the middle of the year's summer heat wave, UN Secretary-General António Guterres spoke out with force.

"The era of global boiling has arrived," he said. "The air is unbreathable. The heat is unbearable. And the level of fossil-fuel profits and climate inaction is unacceptable."

With rising temperatures, there has been increased support for divestment.

Since 2016, many more foundations, universities and religious groups have shed their fossil fuel stocks, including the [Methodist Church in Britain](#). The Global Divestment Commitments Database reports that more than \$40 trillion has been divested, with faith-based groups accounting for more than a third of that.

Wespath has stuck to the engagement philosophy, but with a strength-in-numbers approach, becoming a leader in [Climate Action 100+](#). That global network of more than 700 investors formed in 2017 to engage companies on cutting emissions and taking other steps to combat climate change.

Wespath also has invested heavily in what it calls "[low-carbon solutions](#)" and been a leader in a [United Methodist inter-agency effort](#) to achieve net-zero emissions by 2050 across ministries, facilities, operations and investments of the connection.

And though still opposing a broad approach to divestment, Wespath has created options for United Methodists wanting their investments to exclude fossil fuel companies. In recent days, Wespath [announced an expansion](#) of its Social Values Choice suite of funds, which exclude companies that "derive a significant revenue from involvement in the fossil fuels industry."

Julia Frisbie is executive director of Faith Foundation Northwest, which manages funds for United Methodist churches, camps, annual conferences and agencies in its Pacific Northwest region, and she appreciates the fossil-free option.

"Faith Foundation Northwest has used Wespath's fossil-free funds since 2017," she said. "Two of our three conferences divested first, along with a handful of churches, and that number grew slowly for several years."

Frisbie reports that last year saw a wave of the foundation's clients moving to fossil-free investing, and this year, 78 percent of the foundation's new assets have been invested that way.

"We know that good people disagree about this, so our foundation is committed to continuing to offer both fossil-free options and more diversified options," Frisbie said. "When someone comes to me and wants a fossil-free option, I'm really proud of the one we offer through Wespath, because it consistently outperforms its non-fossil-free counterpart."

The foundation has money of its own—a small portion of the \$90 million it manages—and [those too are being moved into fossil-free investment funds this month.](#)

With the general conference looming, both Wespath and Fossil Free UMC have been making their positions on divestment known to delegates.

For Fossil Free UMC, that has included a petition drive and a [webinar featuring Bill McKibben](#), the noted author and activist who also has taught Sunday school at a United Methodist church. A [website](#) elaborates Fossil Free UMC's arguments for divestment.

Wespath has met with nearly all US annual conference delegations, as well as some central conference groups. The agency recently hosted a [webinar](#) during which Barnett answered tough questions about divestment. The agency has a [webpage](#) sharing legislative priorities for the general conference.

For a few years after the 2016 general conference, Fossil Free UMC went dormant. But it has come back strong and plans to be active during this summer's US annual conferences, pushing delegates at that level to embrace divestment of fossil fuel company stocks.

"This movement is not going to stop," Delgado said. "Whether (divestment) passes at this general conference or not, the movement is growing. And it's only going to continue to grow." —United Methodist News Service