



# Hamilton

March 11, 2014

Dear Hamilton Faculty and Students,

The trustees and officers of Hamilton College appreciate the concerns of the College's students, staff and faculty regarding climate change. We too are deeply troubled about one of the biggest challenges of our day, and we are glad that the matter is receiving attention on our campus.

Over a period of months, members of the Administration and Board and, in particular, members of the Investment Committee, have engaged with Hamilton students in various ways – in person, by email and by telephone – about their proposal to divest the College's endowment from companies engaged in fossil fuel production. The instructional value of these conversations has been mutual. Trustees have also had occasion to discuss these issues informally with members of the Hamilton faculty, especially during the weekend of March 6-8, 2014, when trustees were on College Hill for our quarterly meeting.

We appreciate the thoughtfulness of the resolutions passed by students and faculty and appreciate as well the arguments for divestment, but we are disinclined to take that course. The reasons are numerous. We believe, first of all, that divestment would likely entail a financial risk to the endowment, both short- and long-term. There are also other concerns, from questions about the real value of such an act to the belief that it is likely better to have a voice in corporate conversations about responsible behavior than to withdraw from them. We are sensitive, too, to the widely noted difficulty of reconciling an institutional boycott of a segment of an industry with the continued use by individuals and communities of the products and services offered by that segment.

But the fundamental question has to do with our responsibility to steward funds entrusted to us in support of the College's mission, which is education. In other words, we are committed to maximizing investment returns in order to ensure our continuing ability to provide the best possible education to the students we enroll at Hamilton. We believe it would be a violation of trust to shape our investment strategies to achieve ends other than academic. We also think it would be an unwise course on which to embark. As Harvard President Drew Faust argued in a letter to the Harvard community, "[c]onceiving of the endowment ... as a tool to inject the university into the political process or as a lever to exert economic pressure for social purposes, can entail serious risks to the independence of the academic enterprise" (October 3, 2013).

As Hamilton's president has argued in recent addresses and in an October 2012 letter to parents and alumni of the College, Hamilton regards higher education – specifically, the education delivered on College Hill and in other College venues – as a public good in itself. That education is our contribution to society and our endowment enables us to carry out that work: it provides financial aid for students; pedagogical and research resources for teachers; facilities that support the educational enterprise; and programs that encourage student learning, growth and preparedness to lead useful and fulfilling lives. In uncertain economic times, when families are financially challenged and government support of higher education continues to decline, we are more concerned than ever about maximizing returns on investments in order to ensure that we can continue fulfilling our educational mission effectively.

As one of the early signatories to the American College and University Presidents' Climate Commitment (2007) and as the location of the first historical structure in New York to secure LEED certification for a renovation (Skenendoa, 2006), Hamilton has demonstrated a robust commitment to protecting our environment and to raising awareness about environmental challenges. That commitment has continued with our renovations of Kirner-Johnson and the Sadove Student Center at Emerson Hall, among other buildings. The College also supports a community farm and the "buy local" initiative of our food service provider, Bon Appétit, and maintains an energy dashboard, a vigorous recycling program and other programs and initiatives that demonstrate our commitment to sustainability.

The Investment Committee will continue exercising care in the oversight of our endowment, considering ESG (environmental, social and governance) principles of responsible investment, encouraging its investment managers to do the same, and supporting the College's ongoing efforts to steward our environment thoughtfully and responsibly.

Sincerely,  
Henry Bedford  
Chair, Trustee Investment Committee