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[US Public Pension Funds Caught In the Crossfire of the War On “Woke” Investing.](#)

Data reveals that Republican state pension funds are more likely to be influenced by rhetoric in support of anti-ESG laws, despite historically showing relatively strong support for climate policies.

In the US, whether or not financial institutions should be able to invest in line with environmental or social factors has become a key issue for Republican politicians. Typically, Republican anti-ESG [environmental, social and governance] laws have been directed at state agencies, either banning them from doing business with financial institutions blacklisted for “boycotting” certain investments like fossil fuels or firearms, or prohibiting state or pension funds from making ESG investments.

By January 2023, almost 50% of US states either have some type of anti-ESG law in place or have placed blacklisting ESG action high on their legislative agendas.

These laws directly affect public pension funds, in terms of how they invest and how they vote on shareholder resolutions. By early 2023, legislators in more than 20 states had introduced bills amending the fiduciary duty laws covering investing and proxy voting for state retirement systems, prohibiting pension plans from taking non-financial considerations into account when voting at shareholder meetings.

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Energy Monitor

by Polly Bindman

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