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The Politics of ESG Investing.

Leaders in conservative states are hesitant to adopt ESG-related principles. Are their positions purely political or substantive as well?

Florida Gov. Ron DeSantis made headlines when he banned the state's pension system in August 2022 from making investment decisions based on environmental, social, and corporate governance guidelines or any other guidelines outside of pure financial performance.

This is one of several recent examples of Republican officials in red states making such decisions when it comes to using ESG or other social responsibility factors in policymaking or administrative decisions.

Around the same time DeSantis announced his decision, Texas banned 10 banks and 348 investment funds from doing business with the state for allegedly boycotting fossil-fuel based energy companies. And before that, Utah threatened to sue S&P over its use of ESG as part of its creditworthiness rating criteria for the state.

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Route Fifty

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