After the Fact | Crisis and Change: Conversations With Leaders — Climate Solutions

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TRANSCRIPT

Eric Nee, host, Stanford Social Innovation Review: Welcome back to our series: "Crisis and Change: Conversations With Leaders." I'm Eric Nee from *Stanford Social Innovation Review.*

Dan LeDuc, host, The Pew Charitable Trusts: And I'm Dan LeDuc from The Pew Charitable Trusts.

Eric Nee: What topic are we diving into today, Dan?

Dan LeDuc: In this episode, our guests discuss a growing threat that affects us all—a changing climate. I spoke with Tonya Allen, president of the McKnight Foundation, and John Palfrey, president of the John D. and Catherine T. MacArthur Foundation. These institutions based in the Midwest are setting an example for how the social sector can answer the national, and global, call to develop inclusive climate solutions.

Eric Nee: And it's more important now than ever before. A recent Washington Post analysis found that 40% of Americans live in a county that was "struck by climate-related extreme weather" last year.

Dan LeDuc: Right, and according to a Pew Research Center survey, 60% of U.S. adults say that they are concerned that global climate change will harm them personally.

Eric Nee: You know, I want to preview something Tonya Allen said in your conversation that I think sets the tone for this episode.

Tonya Allen, president, McKnight Foundation: More people acknowledge what's happening in our world than ever before. In the U.S., some people call it climate change, some people call it extreme weather. I don't really care what we call it as long as we act together.

Dan LeDuc: One way countries came together to take action was last year's 26th United Nations Climate Change Conference, or COP26 in Glasgow, Scotland. That's where we begin the conversation.

Dan LeDuc: Last fall, Glasgow. The United Nations brought its conference together to talk about how we take specific action. I wanted you to talk about some of the highlights that you both saw from that conference, and especially through the prism of the social sector, what the social sector can be doing here. Tonya, why don't you start us off?

Tonya Allen: We all hoped at COP26 that we would have our world leaders, our policy leaders, to really set a time-bound plan that would get us to reduce emissions and to push us toward a more climate-centric economy and actions. And many people have not felt like we accomplished enough at that summit. And what I would say, one of our partners, Ashley Fairbanks, said, “We have to make sure we don't slip into this doomerism kind of philosophy.” It's so important for us to remember that we've never been at a place in our country or in our world where more people are aware of the climate crisis and they're conscientious about it.

So, I think of the COP26 summit as a moment where we got to reorient ourselves to be focused and to remember that this is a time-sensitive issue that we all must act on. I'm feeling very excited about what we can do together. That was one mark in our journey, but it's not the end-all. The only way we're going to have impact is not because our world leaders say we're going to have impact, it's because every person on this planet decides that we're going to contribute in a meaningful way, and to use whatever assets or resources that are within our capacity. John, you were there, so you may want to talk more about your experience.

John Palfrey, president, John D. and Catherine T. MacArthur Foundation: Thanks, Tonya. And thank you, Dan, for this invitation to be here. It's a treat to be with you both and certainly with Tonya, who is someone I much admire and a great partner to us personally, as well as institutionally. I imagine on some issues it's hard to tell McKnight and MacArthur apart, two big Midwestern-based philanthropies fighting for climate justice among other things. So, it's great to be here to have this conversation.

I would underscore what you said about young people. You rarely lose a generational war. And I do think that young people are fed up, and young people have had it with climate inaction and are going to hold us accountable, those of us who are older and who have done too little. And I think that was on display in Glasgow.

I traveled there as part of the global methane pledge, which was spearheaded by the United States and the European Union, which came together to create an effort to reduce methane emissions by half in 2050. And along with other funders, we've committed $10 million to a fund that started out with $200 million. It's now over $300 million.

And we have years of experience thanks to the work of grantees like Environmental Defense Fund, Clean Air Task Force, Earthworks, others who have been working on this methane reduction issue.

We know how to do it. And we know it is part and parcel of environmental justice. One million Black people live within a half-mile radius of oil and methane gas wells and processing transmission storage facilities. And 6.7 million Black people in the United States live in counties with refineries. These are disproportionate effects that we know are affecting communities that are already marginalized in many ways. And I think it's one of those examples where at the COP26, people came together to say enough is enough. And methane is one of those places.

Dan LeDuc: All of us have had to evolve in this sort of work, right? Because two decades ago, we didn't know what we know now. How did MacArthur and McKnight evolve to where we are today? And where are your priorities, and what are you doing differently now to address climate change?

Tonya Allen: McKnight's mission is to advance a more just, creative, and abundant future where people and planet thrive. We've had a longstanding climate program. And in 2019, we decided that we could not continue on the path that we were on and expect that we're going to actually solve the climate crisis or improve the climate crisis.

And, so, we actually made a commitment to double down on the climate, actually increase our grant making to $32 million annually, which actually makes us the largest funder in the Midwest that's focused solely on the Midwest and the climate challenges that we have here.

We're the largest carbon emitter in the country. The Midwest is. If you actually pulled up all of the states that consist of the Midwest, sat them in the middle of an ocean and created a country, we would be the fifth-largest emitter in the world. We're between Japan and Russia. We believe all roads lead through the Midwest. So, we have to make a difference here.

I'm sure at some point we could talk about this, but John, and McKnight and MacArthur were all involved in an important legislative action that is groundbreaking, not just for the Midwest but for the whole country. This is the reason why we believe we need to double down on this, because we don't have a choice. We have to do it as our contribution as global citizens.

John Palfrey: I am delighted that the Climate and Equitable Jobs Act passed in Illinois. Among other things, it means that the seventh-most greenhouse gas-emitting coal plant in America has a close date. And I think it will really make a big difference in terms of the energy future really of Illinois and the region.

And I think the Illinois statute is one that is a replicable story. If a state like Illinois can do it with equity built in as well as a clean energy future, I think, it can be done anywhere. We are not lobbyists. We are not lobbying. As philanthropies, we are making choices. We're discerning between ways to spend the money, but ultimately, we're investing in people. Those people, in turn, accomplish amazing things.

We had a longstanding program in conservation and have been in environmental protection in various ways over many decades, predating my time as president. Our climate approach is 5 or 6 years old. And I think partly we learned from the good things that happened out of the conservation programs and sustainable development. And we're also pivoting from it. And by that, I mean, we know in the United States that the conservation movement—my great-great-granddad was Theodore Roosevelt, and he was a big part of that getting going—it was a very white-led, it was a very elite-led kind of a movement.

It has not been an inclusive movement, and that's true of MacArthur's funding. And, otherwise, I think we, along with others, have been making very important strides both to aim for the change that needs to happen in the world on climate and to do so in a way that brings citizens and communities to the table, and looks at the disproportionate effects of climate.

Dan LeDuc: Another issue, though, that is related to climate change is that it's become this sort of very partisan problem. And just having to recognize that political reality means finding solutions can be more difficult. Does the social sector play maybe a special role in trying to help bridge that divide, or could it?

Tonya Allen: I think it's so tempting during these times to really dig our heels in to take a side and make it be political, but, in actuality, in the face of this entrenchment, it's really important for us as leaders, particularly in the social sector, to build bridges. Some people call it climate change, some people call it extreme weather. I don't really care what we call it as long as we act together.

We've got to make sure that we're really using bridging language, focusing on listening, focusing on hearing people's concerns and creating opportunities for people to address the things that they feel like they're going to lose as we begin to focus on electrifying buildings and vehicles and transforming the energy system and figuring out how we improve the working lands.

All of those things are really about their daily lives, and what people are worried about is that fear. I often, whenever I'm thinking about bridging, I always try to use this frame of 70-20-10. And to me, that has nothing to do with politics. That if you care about an issue, in most cases, 60%, 70% of the issue you agree on. Our challenge is that when we go through a political lens, we start with 10%. And that's the 10% we never agree on.

And so, what I would say is how do we pull people together to begin talking about that 60% to 70%? And then let's figure out if we can negotiate another 20% so that we can get to 90, or up to 90. And let's avoid that 10% as best as we can if it's going to distract us or prevent us from being able to work together collaboratively. So, I think it's really about language, intentionality, and really designing collaboration that allows us, people to have their views, but to honor the facts.

Dan LeDuc: So how do you get to that 20%, John?

John Palfrey: Tonya. I love the 70-20-10. It's really good. I haven't heard it before. I will be thinking about it long after this podcast.

We are not partisan organizations. MacArthur Foundation is very focused on helping to bring about a more just, verdant, and peaceful world, and we are devoted to that regardless of who is working on it. We are just looking for the best solutions.

And I believe strongly that a big part of the solution will come from a bridging strategy that we have focused at various points on the center right, if you will, and maybe the businesses that are inclined from that center-right perspective to be a part of the solution to be sustainable. The other thing, though, that I think we have to note is there are those who have been on what we think of maybe as the traditional political left who have not been major climate contributors, and one is labor unions. In the history of environmental protection and certainly climate, many labor unions have argued that workers in some of these unions will be left behind through some of these solutions. We need to change that. It is about finding that full coalition that's going to get this done in an urgent way.

Tonya Allen: I think John's point is right. I think we have an opportunity to create so many champions for the climate movement, and they seem unlikely to us today. So, in Minnesota, there's a community called Becker. In Becker there was an energy plant that was closed down, which had the largest number of jobs in that community. That community was not very happy with the climate movement.

However, we were able to support them along with the Initiative Foundation here in Minnesota. And what we found was that this community rallied together, looked across the country, developed a plan, retooled their economy. And so now they have more jobs and better jobs than they had before the energy plant closed. So, now that they've gone through this transition, they are at our state capital advocating that we create a climate economy transition commission because they know that communities will need this. It is really important for us to help find the people who are willing to change, give them the tools. And that's what's going to get us over the hump.

Dan LeDuc: That seems like an example of a place where the social sector has played a real role as a catalyst. Do you see other opportunities?

Tonya Allen: Yeah, I definitely do. In that community, it was very much driven by local nonprofits and philanthropies that were working with government to figure out a new economic development strategy. There are lots of places like that all across the country. We can figure out where they are. We don't have to wait for a plant to close before we can actually go to them.

And we should go there with respect, not with narratives about how bad these places are because they've made a living off of the energy sources that we have condoned for generations.

My grandfather was a coal miner. And I often say, you can't tell me my grandfather, when he climbed into those mines, wasn't a hero for this country. We need to honor what was and create opportunities for a new. And we can do that respectfully.

Dan LeDuc: Both of your institutions have made strong public commitments to meet global and national climate goals. Can you take us through your different approaches?

John Palfrey: I think that the way to be a change maker is to look at all the assets that you have and what you can bring to bear, and for MacArthur that means certainly our grants. It is our largest area of grant-making. We have an impact investment allocation of $500 million of which climate is a part. That is a hugely important part of what we do.

But I think your question drives ultimately at our approach with our endowment itself. And for MacArthur that's over $8 billion, and we can make a difference there both by generating great returns, by investing in sustainable kinds of investments as well as by divesting, in my view, from the fossil fuel industries. And I take Tonya's point that there are heroes who have worked in this industry and others and have heated our homes and driven our businesses and help grow our country. This is not about a blame game, but it is about, I think, changing the investments that we're making today and the way that we allocate our capital to create a more just and equitable, inclusive future.

And so, MacArthur pledged to move on a path to being fossil fuel free from our portfolio, we are aggressively divesting from fossil fuels, and that's happening over time. I really admire the approach that Tonya has taken. She'll tell you about that in a minute.

For the moment, what we are doing is a divest/invest strategy. The divest is divesting from fossil fuels, the invest is investing in more sustainable investments. And we do that through our endowment and also through our impact investment portfolio.

Tonya Allen: When John and his team made the announcement, I'll just tell you we were cheering in Minneapolis. What was really nice was right after that, and when we made our announcement, the Ford Foundation made a similar announcement.

And John knows this, I love this quote that I keep pulling from Darren Walker. Darren said, "What's the value in perpetuity if you do not have a planet?" And I think that is such a good framing thought and remark and particularly for social sector leaders and all leaders. How are we making our money go to work? As you know, foundations give away 5% of our assets in grants. We invest the other 95%.

And here's the thing, is that if we don't thoughtfully invest that 95%, we get beat before we even make it to the office to make a grant because our dollars are undermining us every day. And, so, what we did in October, we made an announcement that we would achieve net zero greenhouse gas emissions across our $3 billion endowment by 2050 at the latest. And net zero is really a comprehensive approach. It is about both scouring every corner of our endowment for emissions and we are focused on influencing others who are investing to divest.

We, like MacArthur, we have about $500 million committed to public and private impact investments that provide ideas, technology, software, and services. And if we all do our part, I think we can make it through and create the kind of economy and world that we all desire and deserve.

Dan LeDuc: You're both relatively new in your current roles. Tonya, you're coming up on the one-year mark. John, coming up on the two-year mark. And, so, you're viewing the climate change issue in a new way. Do you think the newness to your roles helps you have that perspective? Has the national conversation about race and diversity over the last year or two played a role in all of that?

Tonya Allen: Well, I definitely think the newness to the role, for me, what that has meant is I'm learning and understanding the urgency, Dan, I feel like, what are we waiting on? We have to move. But I don't carry, I think, some of that—a lot of the ideological baggage, because I'm trying to think through, what does it practically mean?

This is one of the reasons I was actually attracted here, is because they chose in 2019 to lift up the climate crisis and racial equity as two of society's most urgent challenges. And they saw that both of these issues were deeply intertwined.

And, so, for me, these are two twin imperatives. As you can imagine, what we're seeing in our society is deep structural changes that we must address if we're going to decarbonize the Midwest and create a more just future. We all know that the same communities that are left vulnerable to environmental injustice or extreme weather or subjected to police violence are often the same communities that are targeted by voter suppression, and we can name it—and so many other issues.

We're really trying to focus on how do we make climate solutions take in account equity? I think there are a lot of people who believe, let's get climate solved and then we'll think about equity later. And that just doesn't work. You have to bake it into the work that you're doing. And particularly we have this once-in-a-generation opportunity with federal spending and our efforts to decarbonize the sector. And, so, we want to kind of lean into that as well and make sure that all of these voices are at the table.

John Palfrey: I think we haven't talked deeply about the Indigenous communities, but I think there's just deep wisdom, involvement, political power, all sorts of things in Indigenous communities that have been protecting the Earth in ways that I think other communities have not. And, so, we could go on and on about both of the rightness of an equity approach here, but also the effectiveness, I think, of an equity approach, which is that time is short here. We've got to have solutions that are effective. This is not about the politics or the optics. This is about getting it right and setting our economy and setting our world on the right path. And I think Tonya is absolutely right about the once-in-a-generation quality. And we've got a chance here.

Dan LeDuc: We have all of these crosscurrents at work, and it feels like one of the most turbulent times in my lifetime. I'm curious, not just as in your sector roles here, but just as smart people watching the world. Doesn't this feel like a special time in history?

Tonya Allen: I definitely think so, Dan. And a good friend of mine told me recently. He said, "We're history-makers." And when he said that it was such a frame shift for me. He wasn't talking about the two of us. He's talking about all of us. And we can either be fighting, harming each other, making our work even more disparate, or we can pull ourselves together to be more unified. I believe in America, but this is also global. I believe that we can all pull together enough to be able to shift and change history.

John Palfrey: I agree totally. And I think within the MacArthur staff–this is a very hard-working group of 200 people. I think what brings us to work and makes people work even harder and devote ourselves is that I think there is an opportunity now that's unusual. And I will say the reason that I feel almost frantic in my efforts to get stuff done right now is I don't want to look back and say we didn't do everything we could.

Dan, I think the young people are going to remember Jan. 6 maybe in the same way that people will remember George Floyd's murder, maybe in the same way as 9/11, maybe the same way as when Dr. Martin Luther King was killed, or Jack Kennedy was killed. I think these are historic, huge moments. And if we look back and say we lived at that time, people like Tonya and me, we had enormous power, we had enormous influence, and we didn't wield it to make a real course correction, which is needed, I think that would be very sad.

Tonya Allen: This is a time that requires all of us to break the conventional rules, and particularly in the social sector. I think we just have to shake it up. We have to rewrite the rules, rewrite the rules in our institution, rewrite the rules in our society.

We got to build power, we got to share power, we got to wield it, and we definitely got to deploy it. And I think if we do that in this moment, then, yes, I think we become the history-makers that the generations that come after us deserve.

Dan LeDuc: What you've both been describing in terms of making sure people know their vote counts and civic participation and all the rest sort of tees up my final question, which is, how does this changing climate affect the strength of American democracy?

John Palfrey: Well, Dan, I think they are absolutely intertwined. I think that the question of voting rights, I think the question of racial and ethnic justice, gender justice, other themes, environment, climate change, and I think lots of questions of power are all connected.

And I think it matters for climate. I think it matters for everything that we're doing. And, obviously, we work in a nonpartisan way, but we do believe in participation. We do believe in a strong democracy and a resilient democracy and one that can resolve a crisis like the climate crisis in a way that's equitable and inclusive for all people.

Tonya Allen: Yeah, and I would agree with that, John. And I would also just say that we see, based on the U.S. Census, that our country and our demographics are shifting. And, so, I think a strong multiracial democracy with broad participation is essential for our country, period.

And it's also essential for these climate solutions. I believe that they're intertwined. I don't think we can separate them. Building the muscles we will need to solve this tough challenge is the same kind of muscle that we will need to solve every challenge that's going to face us, because this won't be our last.

So, if we can build this muscle, we can build engagement, build appreciation, build bridges across different kinds of groups to understand that there's a collective ambition, that will also have a collective benefit. I think it will be all the good for our country.

Music transition

Dan LeDuc: To learn more about our "Crisis and Change: Conversations With Leaders" series, visit pewtrusts.org/afterthefact or ssir.org. You can find this series on your preferred streaming platforms under the "After the Fact" podcast or the "Inside Social Innovation" podcast by Stanford Social Innovation Review. And while you're there, subscribe. For The Pew Charitable Trusts, I'm Dan LeDuc.