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Legislation Text

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CITY OF CHICAGO

ALDERMAN RODERICK T. SAWYER CHAIRMAN
COMMITTEE ON HEALTH AND HUMAN RELATIONS CITY COUNCIL CITY HALL - ROOM 300 121 NORTH LASALLE STREET CHICAGO, ILLINOIS
60602

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January 20, 2022

City Council Meeting
January 26, 2022

To President and Members of the City Council:

Your Committee on Health and Human Relations to which was referred a communication on calling for assessment of city holdings, sale of existing investments in weapons manufacturers, and adoption of socially responsible investment policy prohibiting future investments in weapons producing companies (Alderman Ramirez-Rosa)

Re-referral to the Committee on Finance

R2021-1305

begs leave to report and recommend that your Honorable Body, Approve the proposed communication transmitted here with.

This recommendation was concurred in by a viva voce vote of the Committee on Health and Human Relations.

Respectfully submitted,

*Roderick T. Sawyer, Chairman Committee on
Health and Human Relations*

Committee on Health and Human Relations
City Council November 17, 2021

RESOLUTION

WHEREAS, Chicago is currently investing taxpayer dollars in the War Machine through its pension funds, which are invested in weapons manufacturers and war profiteers. The Chicago Teachers Pension Fund (CTPF) owns \$138,236,150 worth of shares in Lockheed Martin, \$281,320,958 in Raytheon, and \$1,840,000,000 in Boeing. Similarly, the Municipal Employees' Annuity & Benefit Fund (MEABF) is managed by groups that hold direct investments in weapons manufacturers, including but not limited to Segall Bryant & Hamill, Parametric, Neuberger Berman, JPMorgan, and Acadian. These investments prop up violence and militarism both at home and abroad, a direct contradiction to what should be the City's primary role of protecting the health and well-being of its residents; and

WHEREAS, the War Machine is the massive, global U.S.-based military apparatus that prioritizes corporate interests over human rights, military spending over diplomacy and aid, preparing for combat over preventing wars, and profit over human life and the health of the planet; and

WHEREAS, in 2018, the U.S. spent \$777 billion+ on foreign and domestic militarism, which is 55% of the federal discretionary budget. Over \$300 billion of those dollars went directly into the pockets of private military contractors who literally make a killing on killing. American taxpayers have spent so much subsidizing private military contractors, the Pentagon has sent over \$5 billion worth of "surplus" military-grade weaponry to local police forces around the country since the 1990s. The militarization of police perpetuates violence on our streets and results in the disproportionate targeting of communities of color; and

WHEREAS, U.S. private military contractors supply deadly weapons to numerous brutal dictatorships and conflicts around the world, including supplying weapons to Saudi Arabia's horrific war on the people of Yemen; and

WHEREAS, federal and citywide investments in the War Machine are startling considering over 43 million people in the U.S. and over 495,000 people in the city of Chicago live in poverty or qualify as low-income, whose needs could and should be met by the money spent on building weapons of war. Our communities are deprived of adequate funding for life-affirming sectors while billions of tax dollars are funneled directly to weapons companies each year; and

WHEREAS, U.S. militarism contributes significantly to climate change. The U.S. military is the single largest producer of greenhouse gasses in the world, creating an estimated fifty-nine million metric tons of greenhouse gas emissions

annually. The City of Chicago has articulated a commitment to "aggressive action on climate" in the 2018 Chicago Climate Charter, and will be vulnerable to the increased heat waves, floods, and blizzards brought on by climate change; and

WHEREAS, studies have shown that investments in healthcare, education and clean energy create more jobs by orders of magnitude than military sector spending. Additionally, 2020 was a record year for ESG (environmental, social, and governance) investing with sustainable funds seeing record inflows and high

performance. ESG funds outperformed traditional equity funds in 2020, and experts expect continued growth; and

WHEREAS, divestment is not only financially sound but is feasible; Burlington, VT; Pittsburgh, PA; Charlottesville, VA; Berkeley, CA; and San Luis Obispo, CA are just a handful of cities that have recently passed resolutions to divest their municipalities from weapons manufacturers and war; and

NOW, THEREFORE, BE IT RESOLVED, that the City of Chicago assess its holdings, sell existing investments in all weapons manufacturers listed on this linked database, and adopt a Socially Responsible Investment Policy prohibiting future investments in weapons producing companies within two years; and

BE IT FURTHER RESOLVED, that the City should apply this divestment strategy to all of the City's activities: commercial banking, investment banking and asset management. City funds come from the public, and should be held accountable to the desires of the City's residents. When reinvesting assets, the City should make deliberate choices about how money is invested, choices that represent values of sustainability, community empowerment, racial equity, action on climate, establishment of a renewable energy economy, and more; and

BE IT FURTHER RESOLVED, that this Resolution shall be binding City policy and shall be in full force and effect after adoption by the City Council.