

How Can Pension Funds and Large Investors Help Stop Gun Violence?



California State Treasurer John Chiang

THE PROBLEM

346

MASS SHOOTINGS
IN THE U.S. IN 2017

**Source: Gun Violence Archive*

124

MASS SHOOTINGS
IN 2018

*As of June 12, 2018 - *Source: Gun Violence Archive*



7/10 SHOOTINGS HAPPEN AT SCHOOLS & BUSINESSES

Some of the country's most high-profile mass shootings occurred at schools, including Parkland, Sandy Hook, and Columbine.

Source: FBI

In many of these mass shootings the weapon of choice is a military-style assault rifle, like an AR-15. California citizens and elected representatives have already banned the sale or possession of these unlawful firearms and deemed them a public health threat.

YET...

CalPERS is still putting taxpayer and member dollars into the mass proliferation of banned assault weapons.

Most Californians are unaware that their 401(k) funds may include stock in makers and sellers of banned firearms and ammunition.



Did you know? 35% of U.S. stock funds include investments in a maker or retailer of guns and ammunition*

**Source: Goodbye Gun Stocks/CBS News*

Investing in the gun industry is a losing proposition - both morally and financially.



Cut 25% of
manufacturing workforce
+
Sales Down by 32.6% YOY*

**As of March 1, 2018*



BANKRUPT



Sales Down 27%*
+
Profits cut in half

**Q4 2017 Sales*

THE SOLUTION

Treasurer John Chiang has called on the nation's largest institutional investors including BlackRock, Fidelity, Vanguard, Allstate, PIMCO, Bank of America, and CalPERS to use the power of their purse strings to engage wholesale and retail sellers of banned military-style assault weapons.

Senate Bill 459 (Portantino) would statutorily require CalPERS to adopt the following three-step engagement process for disposing of investments in unlawful firearms:

1. Engagement with wholesale and retail sellers of assault weapons banned in California to persuade them to end such sales.
2. If sales continue, or a company declines to engage, CalPERS will use its shareholder proxy powers to cast votes against retaining the company's entire board of directors.
3. And, should proxy voting prove unsuccessful in persuading the company to cease its sale of banned weapons, CalPERS will develop fiscally prudent options in accord with its fiduciary standards of care to divest from the weapons dealer.



The California State Teachers' Retirement System, CalSTRS, by an 11-0 vote, adopted a similar three-step process in May, 2018.

"We're taking steps to protect the CalSTRS portfolio, avoid reputational risk and increase the long-term value of the companies in which we invest, while also expressing sensitivity and empathy for the heinous gun-related tragedies that have impacted our country over the last several years."

HARRY KEILEY, CHAIR OF THE CALSTRS INVESTMENT COMMITTEE

"You make a difference. That people do look at CalSTRS as a leader and your actions will be replicated by other large institutions and collectively, not individually, but collectively you have enormous impact. And your leadership, your willingness to take a proactive stance, in my opinion, will give courage to many other people to follow in your footsteps."

ALLAN EMKIN, PENSION CONSULTING ALLIANCE

How Can I Get Involved?

Call, write letters, visit, and tweet Assembly Members. Find yours at <http://findyourrep.legislature.ca.gov/> and tell them to VOTE YES ON SB 459! This bill will not pass without your voice.

Please follow the Treasurer's Facebook page www.facebook.com/CaliforniaSTO/ and his Twitter page twitter.com/CalTreasurer for latest information related to this bill. If you would like to speak to someone in our office please call us at 916.653.2995.

Financial public pressure is already working. Major companies are severing their ties with the NRA and changing their gun policies.

Below are just some of the companies:

citigroup

DICK'S
SPORTING GOODS

ENTERPRISE HOLDINGS

Bank of America

L.L.Bean

Walmart

UNITED