

JEROME POWELL: MYTHS AND FACTS

THE CLIMATE CASE

MYTH: The Federal Reserve has no role to play in fighting climate change.

FACT: [The Fed wields some of the most powerful financial regulatory tools of any agency](#), so if it applied those tools toward fighting climate change-related financial risk, it would have a massive impact. The Fed alone can name certain assets too destabilizing for the biggest and most interconnected banks to be allowed to invest in them. Applying this to fossil fuels would be revolutionary to the carbon economy.

MYTH: Jerome Powell has been better than any previous Fed Chair on climate change — he got the United States to join the Global Network for Greening the Financial System.

FACT: He did so only once it was clear Joe Biden had won the presidential election. In other words, he waited until there was absolutely no chance that a Democrat was not going to be President in his reappointment year. Meanwhile, his influence [may have neutered the FSOC report](#) on climate-related financial risk into a document which doesn't even name fossil fuels as the cause of the climate crisis.

MYTH: Climate concerns are just a roundabout way of arguing that the Fed should raise rates.

FACT: Not even remotely. Easy access to capital is crucial for building green energy businesses, and full employment is a requirement for the green revolution to be good for workers. Again, the climate finance movement wants to implement new *regulations* to shift markets so investment in fossil fuels is treated like the risk it is. This is about changing the rules of how Wall Street works, not raising rates and disproportionately punishing workers.

MYTH: The proper place for climate change policies is at environmental agencies, like the EPA and Energy Department. Doing climate policy at the Fed isn't the proper procedure.

FACT: Climate change already affects every aspect of American life, from the economy to agriculture to housing to schools. President Biden ran on a "whole of government" response to the climate crisis. That includes the Fed. *Every* agency should be pursuing new actions and policies that curb emissions and protect the public from climate change's effects, and especially one as powerful as the Federal Reserve.