INSIGHTS + NEWS

Political Climate Change – Public Finance and the Partisan War on ESG

Increasingly, investors are considering the impact of severe weather events, climate-related risks and socio-economic challenges, across the United States and around the world, as they make investment decisions. In response to this growing popularity, the financial markets have incorporated environmental, social and governance ("ESG") factors into certain investment vehicles, in order to align socially responsible business practices with positive financial returns. The municipal securities market has been at the forefront of this movement, with investors and rating analysists taking ESG factors into consideration in evaluating an issuer's or conduit borrower's overall financial condition, operations and future prospects.

On November 14, 2023, members of Bowditch's Public Finance team took a deep dive into this topic, discussing the evolution of ESG in public finance transactions, from its beginning as a fairly innocuous marketing tool to its present iteration as a political flashpoint in the partisan culture war on "wokeness" in the United States. Particularly, they reviewed the different state-by-state approaches to regulating the use of ESG factors by various municipal market participants. Additionally, recent developments in cybersecurity disclosure relative to ESG were discussed.

This webinar is designed for members of the public finance community who would like to explore the topic of ESG in greater detail, particularly with regard to the complications, roadblocks and opportunities presented by the ESG backlash at the state level.

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