A lifetime of giving, continued. As reported, the sale of collections from the estate of David Rockefeller ’36, G ’37, LL.D. ’69, yielded additional gifts to Harvard, among other beneficiaries (Brevia, May-June 2019, page 30). The Harvard Crimson has now reported, and it has been confirmed, that the proceeds were $50 million or more.

Decanal news. Harvard Business School dean Nitin Nohria, scheduled to step down at the end of the academic year, will remain through 2020, easing search pressures during the coronavirus crisis; see harvardmag.com/nohria-stays-20. Jones professor of American studies Lizabeth Cohen, the Radcliffe Institute dean emerita, won the Bancroft Prize, the highest honor for American history, for her recent book Saving America’s Cities (reviewed in September-October 2019, page 64); it was her second Bancroft. Read more at harvardmag.com/cohen-bancroft-20.

Miscellany. Harvard University Employees Credit Union president and CEO Gene Foley, who joined the organization in 1979 and has led it for the past quarter-century, will retire in July. Craig Rodgers, a counselor at the Bureau of Study Counsel for nearly two decades, has become program manager for military student services, a new role, within the College’s dean of students office. He is responsible for working with ROTC students and others interested in military service. Snufeli professor of music Suzanne Clark is the new director of the Mandraka Humanities Center, succeeding interim director Sunil Amrith, Mehra Family professor of South Asian history. The Harvard Law School Library has begun releasing papers from its Antonin Scalia, LL.B. ’60, collection. The late Supreme Court justice’s papers will be made available to researchers during the next 40 years. Dean John F. Manning clerked for Scalia in 1988-1989.... In a bit of protective timing, the only faculty member appointed to the National Academy of Engineering this year, per its announcement February 6, was Friedman University Professor Charles M. Lieber; as reported (News Briefs, March-April, page 24), he was arrested on January 28 and charged with misleading the U.S. government and Harvard about his work for and compensation by programs in China.

- Smart cities and climate change, the newest and most nascent programs.

In the near term, the University’s re-focused online strategy appears promising. HBS and the Extension School have established large executive- and continuing-education businesses based on proven learner interest. They make increasing use of purpose-built online platforms with engaging pedagogies—and, helpfully, generate substantial revenues. Careful consultations, taking into account existing programs like those, have identified subjects in which Harvard faculty members can and want to develop unique online learning experiences, for which demand is apparent. And the model—tailored to Harvard’s educational strengths—appears to have the potential to sustain itself. In his January annual update, his last as HBS dean, Nitin Nohria wrote that the school’s online program, created on his watch, “achieved a key milestone of financial sustainability by making a positive margin for the first time. Equally important, we have scaled while maintaining high levels of learner satisfaction and engagement. Completion rates have remained at more than 85 percent for all courses.”

More broadly, both what has been learned to date, and the prospective university online programs, finally appear poised to have an impact on campus pedagogy. Those foundational modules—core skills and concepts—might be on-ramps to a host of courses across the University. And, said Tingley, “the exact intent of what we’re trying to do across the series” now under development might inform curricular planning within the Faculty of Arts and Sciences, enabling professors to “be in a better position to meet the needs, not just the interests, of our learners” with somewhat more intention and structure. As more faculty members engage with the new sequences, the appeal of that idea might spread.

And as faculty members gain experience with the large-scale, engaged learning enabled by the evolved online platforms, Anand thinks that it’s “much more likely that in the very near future we’ll be talking not about ‘online’ and ‘residential,’ but about blended experiences that seamlessly travel across formats.” In the coronavirus spring semester, essentially the entire teaching faculty and student body are encountering a primitive form of “distance” learning. It’s good to know that a multi-year investment in much more sophisticated, effective online pedagogies is maturing in the meantime, just as those appetites are whetted.

Divestment Digest

As reported, briefly, in the March-April issue, the Faculty of Arts and Sciences (FAS) voted on February 4 in favor of a motion calling on the Corporation to divest management Company to shed investments in future fossil-fuel production and to move toward assets that promote “decarbonization,” as part of the University’s response to climate change. (Find a detailed report at harvardmag.com/fas-divestdebate-feb-20.) Although President Lawrence S. Bacow has not yet reported back to the faculty about the Corporation’s response (only one intervening faculty meeting occurred before this issue went to press, and he had signaled that it would take some time to do so), much activity unfolded on other fronts.

- The demonstration effect. As of the day before the FAS vote, 550 faculty members and associates had signed Harvard Faculty for Divestment’s petition. By mid February, that roster had essentially doubled, no doubt in part reflecting both publicity about and reaction to the passage of the FAS motion, and Harvard Medical School’s subsequent Faculty Council vote in favor of similar divestment resolutions (directed to the Corporation and to Dean George Q. Daley).

- On other campuses. On February 6, Georgetown’s board of directors decided to divest public fossil-fuel investments within five years, and private ones within a decade. The university “will continue to make investments that target a market rate of return in renewable energy, energy efficiency and related areas while freezing new endowment investments in companies or funds whose primary business is the exploration or extraction of fossil fuels.”

Two weeks later, the University of Michigan regents decided to freeze fossil-fuel investments—not “bring[ing] forward new direct investments” in such companies—while they pursue a thorough review of investment policy for the sector. It is apparently the first Big Ten school to adopt such a pause.

And in a March 4 letter to her commu-
Academic investment managers are scrutinizing climate change—and likely financial returns.

The contested Overseers' election. On February 18, the Office of the Governing Boards announced that the Harvard Forward slate of five petition candidates for the Board of Overseers had qualified for the ballot (see harvardmag.com/divestslate-20). They join the eight candidates put forth by the Harvard Alumni Association's Committee to Nominate Overseers and Elected Directors (see harvardmag.com/haa-slate-process-20). Thus, 13 candidates are seeking election to an anticipated five Overseer openings—five of whom are campaigning on a platform that advocates both divestment from enterprises engaged in fossil-fuel production and broad changes in the policies governing endowment assets generally. See the full roster on page 67, and read the candidates' profiles at elections.harvard.edu; voting has been postponed to July.

Engagement. Presidents Drew Gilpin Faust and Bacow, and the Corporation on which they both served, have maintained that the University needs to have the capacity to engage with private enterprises involved in fossil-fuel production, rather than proscribing investment in such assets. Divestment advocates have criticized such engagement as ill-defined or feckless.

So it was interesting to learn that Yale's long-serving chief investment officer, David Swensen, met in February with Yale faculty members, student divestment advocates, and others to explain how he and colleagues have worked to shift its portfolio toward a more sustainable posture. (Swensen is widely considered the pioneer of the diversified endowment investment strategies that Harvard and peers now pursue—in Yale's case, relying almost exclusively on external investment professionals, and eschewing most publicly traded securities in favor of portfolios heavily committed to private equities, venture capital, hedge funds, real estate, and natural resources.)

Swensen also disseminated a “2020 Update on Climate Change.” Its starting point is that “climate change poses a grave threat to human existence and society must transition to cleaner energy sources”—via “a combination of government policy, technological innovation and changes in individual behavior.” Stressing the academic mission, he continued, “As a premier research institution, Yale will have its greatest impact by doing what it does best: research, scholarship and education.”

Turning to the endowment, he described an engaged process, recalling that in 2014 the investment office asked its external managers to assess the greenhouse-gas (GHG) footprint of possible investments, “the direct costs of the consequences of climate change on expected returns,” and the prospective costs of measures such as carbon taxes on expected returns. They were further expected to discuss with the managements of companies in which they might invest the financial risks of climate change and the financial implications of government policies to reduce GHG emissions. That done, the investment managers were expected to mitigate financial risks, and increase returns, by working with companies to reduce such emissions—and to avoid investing in companies that neither acknowledge the costs (social and financial) of climate change nor take economically sensible steps to mitigate their impact.

Discussions between the investment office staff and Yale’s external managers, he reported, have reviewed “the carbon footprint of various sources of power; the fuel efficiency of companies’ fleets; the energy efficiency of buildings that managers are developing, renovating or leasing up; and the impact of potential sea level rise on a developer’s land bank.” He cited a case where a manager decided against investing in a services provid-

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In adjusting the endowment overall, Swensen wrote, “As these managers incorporate the full costs of climate change into investment choices and, in the cases of corporate investments, engage the management of portfolio companies in discussions about addressing climate change, the risks associated with climate change are reduced. The risk reduction may come from sales of offending investments, from avoiding offending investments or from influencing company management to adopt climate-friendly policies. The accumulation of investment decisions that incorporate the full costs of climate change leads to a shift in flows of capital towards less carbon-intensive investments and away from more carbon-intensive investments.”

In 2016, he observed, Yale had readily tradable investments in thermal-coal miners and oil-sands producers. Those, and subsequently discovered public positions, have been liquidated. A private investment in thermal coal has been liquidated, and remaining ones are being disposed of. As a result, endowment’s exposure to thermal coal and oil sands has been decreased from 0.24 percent of its market value in 2014 to 0.02 percent now (the endowment was worth $30.3 billion last June 30). More generally, consistent with Yale’s policy of having managers incorporate the costs of carbon emissions in making decisions, investments with large GHG footprints “are disadvantaged” relative to those with smaller footprints.

Separately, in a conversation with the Yale Daily News, Swensen said that sudden divestment from companies involved in exploration and production of fossil fuels could actually be counterproductive because it could, in the near term, cause a shift from natural gas back to coal (for generating electricity)—raising the GHG intensity of that large sector, an outcome he called “perverse.” That matter aside, the conversation at Yale appeared to focus on the investment office’s active role in lowering carbon emissions.