

# Which Public Pensions Made More Money ? Democrats vs Republicans vs Independents; Pro-ESG vs Anti-ESG



May 29, 2024 (for year-end 12/31/2022 reported results)

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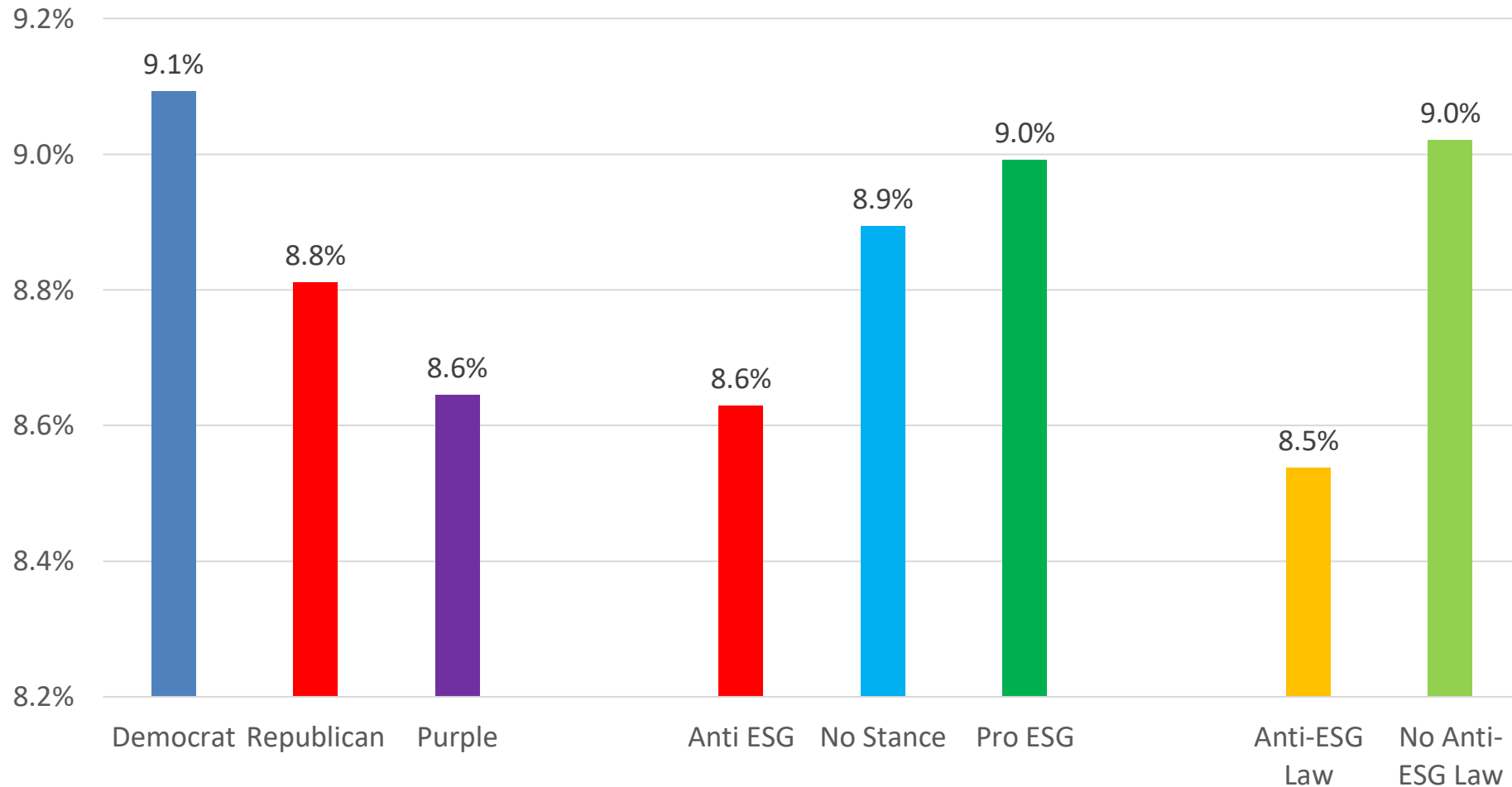
# Which US Public Pensions Made More Money? 12-Year Financial Returns of 204 Plans of States, Counties, Cities

*By Political Affiliation  
by ESG\* Stance (Pro vs. Anti)  
by Anti-ESG Law*

*\* ESG = Environmental, Social, Governance  
(or more colloquially: People, Planet, and Trust)*

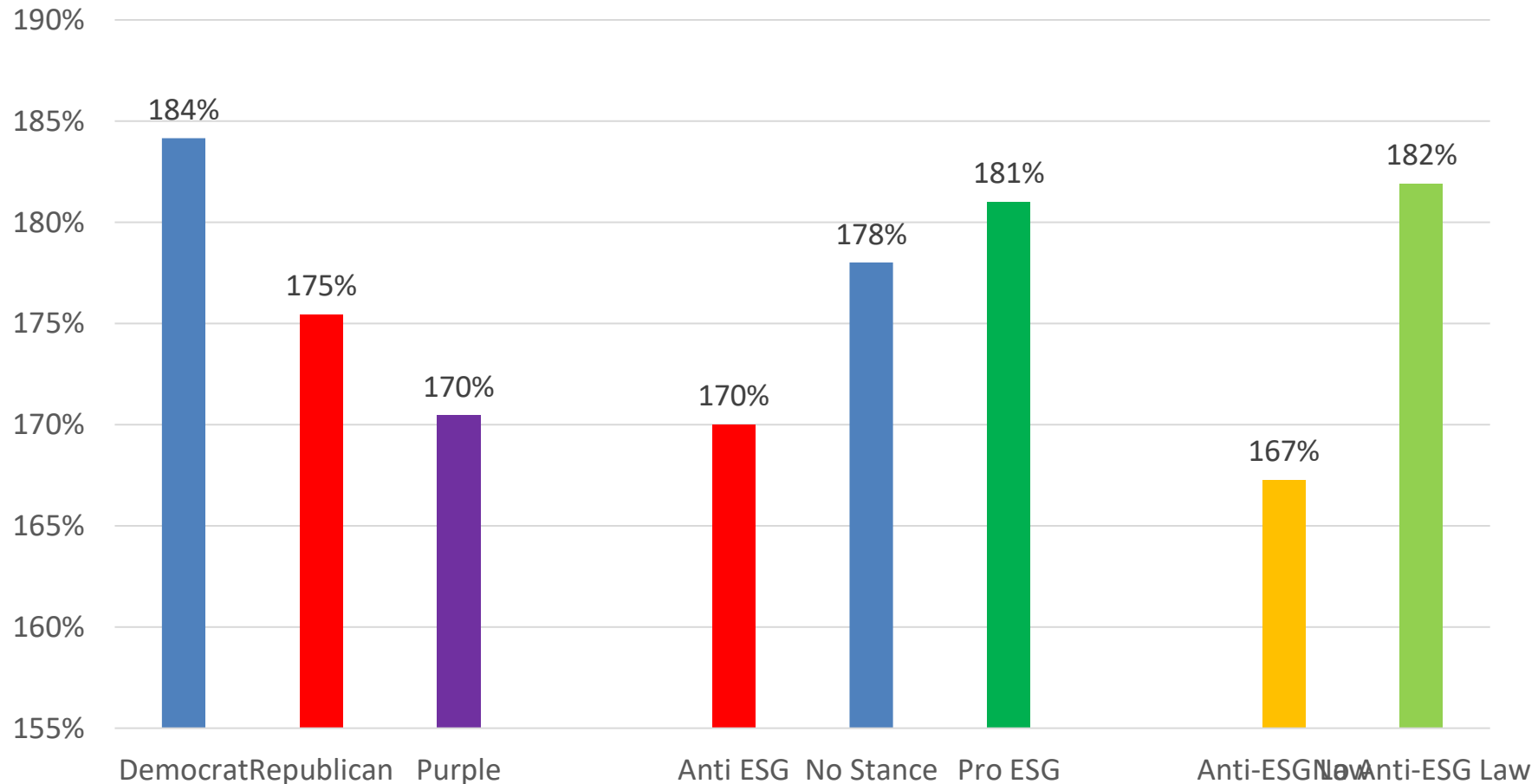
# Public Pensions in States Led by Democrats, and Pro-ESG, Outperformed Financially those Led by Republicans, and Anti-ESG

Annualized Financial Returns (2011-2022) of US Public Pensions:  
by Political Leadership and ESG Stance in 2022, and by Anti-ESG Law 2024



# Public Pensions in States Led by Democrats, and Pro-ESG, Outperformed Financially those Led by Republicans, and Anti-ESG

Cumulative Financial Returns (2011-2022) of US Public Pensions:  
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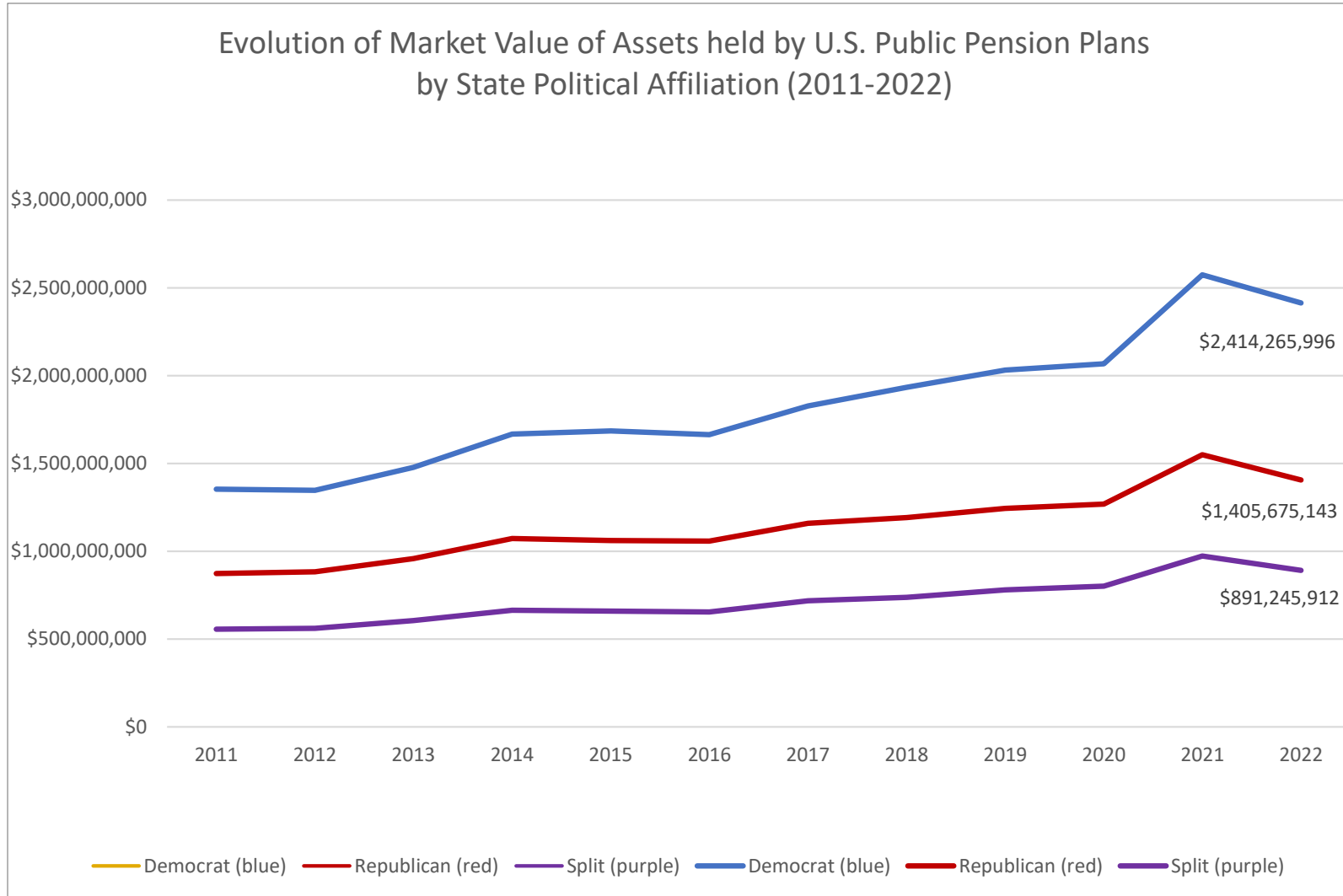


# Which US Public Pensions Made More Money?

- i) by Political Affiliation
- ii) by ESG\* Stance (Pro vs. Anti)
- iii) by Anti-ESG Law
- iv) Impact on Citizen Well-Being

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# US Public Pension Assets by Political Affiliation: Higher in Democrat-Led than Republican-Led or “Purple”-Led



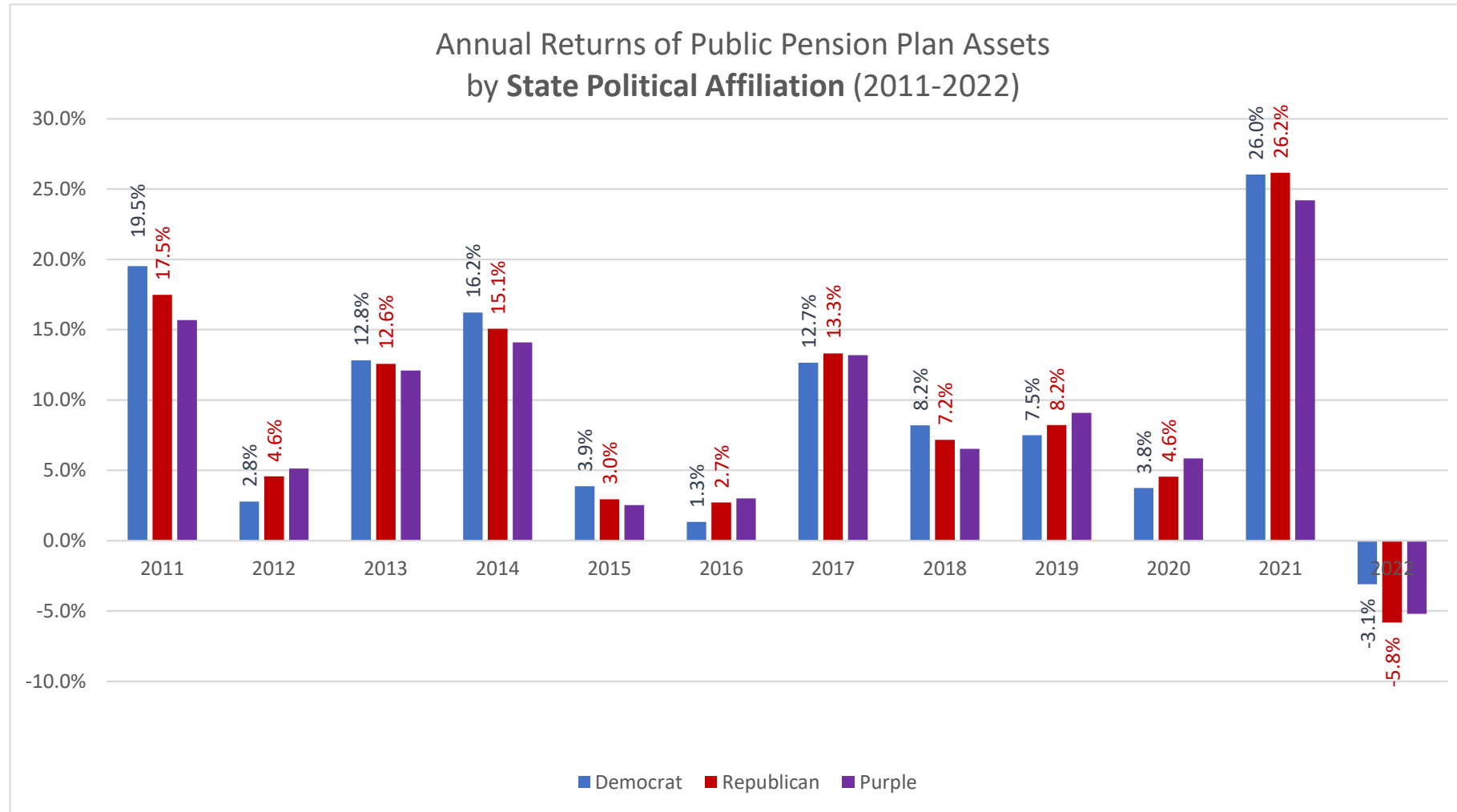
## Market Value (2022):

**Dems: \$2.4 Trillion (51%)**

**Reps: \$1.4 Trillion (30%)**

**Purple: \$0.9 Trillion (19%)**

# Annualized Financial Returns in Democrat-Led Public Pensions Generally Higher than Republican-Led or “Purple”-Led



Annualized Financial Returns (2011-2022):

Dems: 9.1%

Reps: 8.8%

Purple: 8.6%



# Whether Annualized or Cumulative Financial Returns, Republican-Led Public Pensions Lagged \$40 Billion to \$96 Billion

<u>Annualized Financial Returns (2011-2022):</u>		1 Year Returns (weighted avg.)	Cumulative Returns (weighted avg.)
Dems: 9.09%	Democrat Led	Leading	Leading
Reps: 8.81%	Republican Led	Lag 2.89% over 12 years, = \$40 Billion Behind	Lag 6.85% over 12 years, = \$96 Billion Behind
Purple: 8.64%	Purple (mixed leadership)	Lag 5.91% over 12 years, = \$52 Billion Behind	Lag 12.37% over 12 years, = \$110 Billion Behind

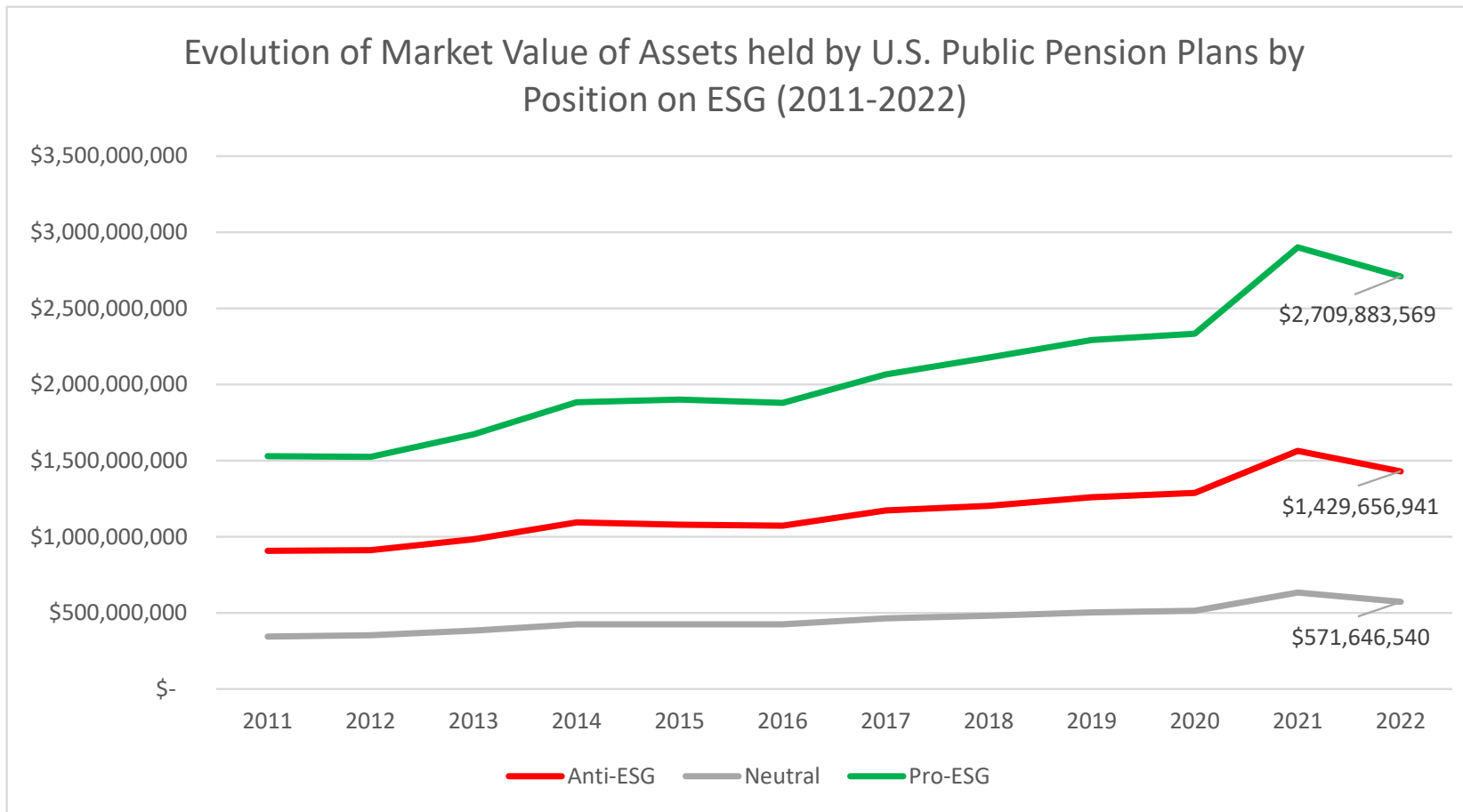
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# Trillions of Pension Assets Can Be Influenced by “Pro ESG” and “Anti ESG” Investment Policies, Proxies, and Boycotts

Evolution of Market Value of Assets held by U.S. Public Pension Plans by Position on ESG (2011-2022)



Market Value (2022):

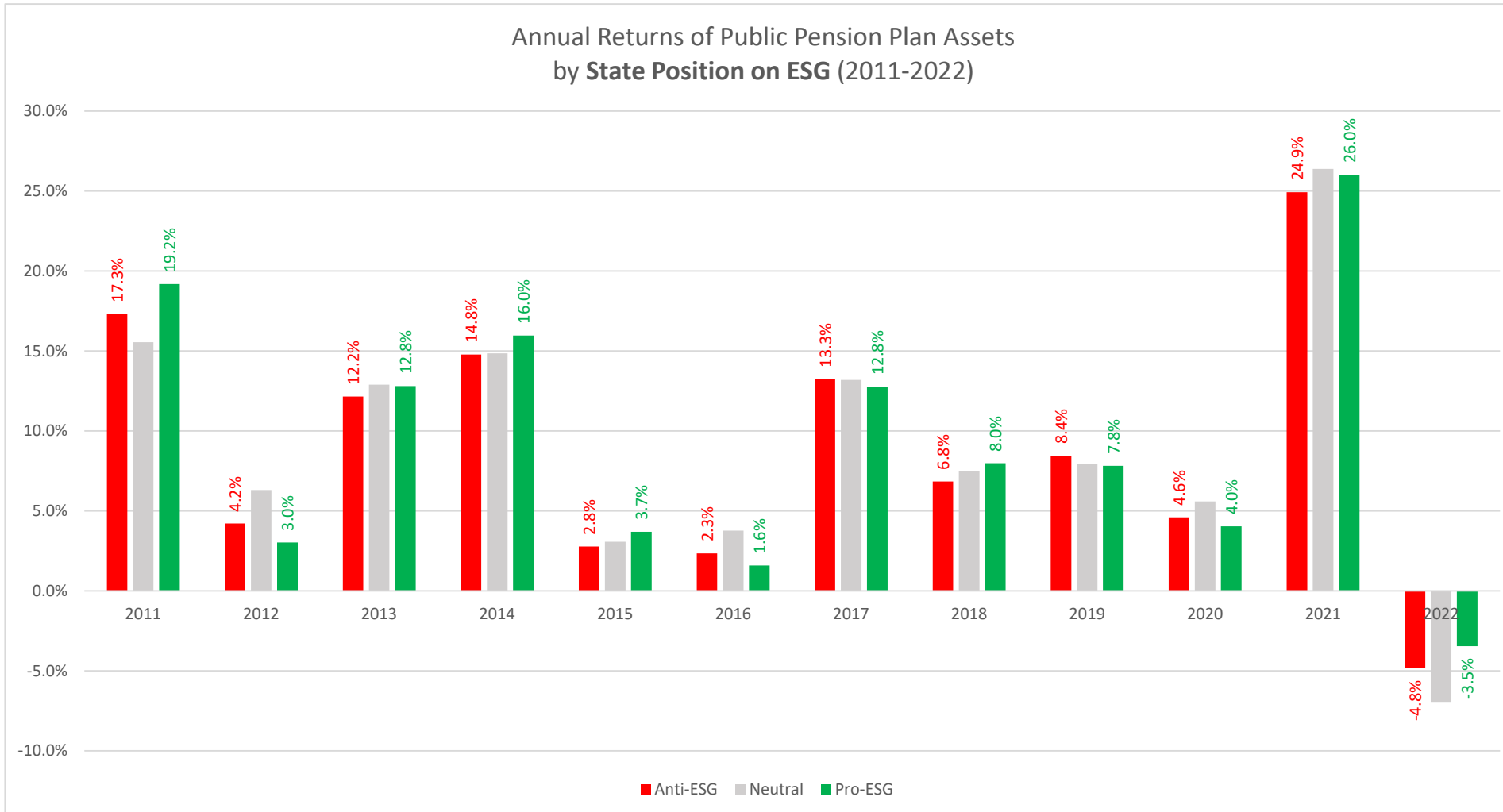
Pro ESG: \$2.7 Trillion (58%)

Anti ESG: \$1.4 Trillion (30%)

Neutral: \$0.57 Trillion (12%)

# Annualized and Cumulative Financial Returns in Public Pensions of Pro-ESG States Have Been Generally Higher than Anti-ESG or Neutral

Annual Returns of Public Pension Plan Assets by State Position on ESG (2011-2022)



Annualized Financial Returns (2011-2022):

Pro ESG: 9.00%

Neutral: 8.89%

Anti ESG: 8.63%

# Public Pensions in **Anti-ESG** States Lagged Even More, Resulting in **\$66 Billion to \$159 Billion Less** for Citizen-Pensioners

<u>Annualized Financial Returns (2011-2022):</u>		Annualized Returns (weighted avg.)	Cumulative Returns (weighted avg.)
Pro ESG: 9.00%	Pro ESG Led	Leading	Leading
Neutral: 8.89%	Neutral Led	Lag 1.34% Over 12 years, \$7 Billion Behind	Lag 3.40% Over 12 years, \$19 Billion Behind
Anti ESG: 8.63%	Anti ESG Led	Lag <b>4.65%</b> over 12 years, <b>\$66 Billion Behind</b>	Lag <b>11.14%</b> over 12 years, <b>\$159 Billion Behind</b>

# Which US Public Pensions Make More Money?

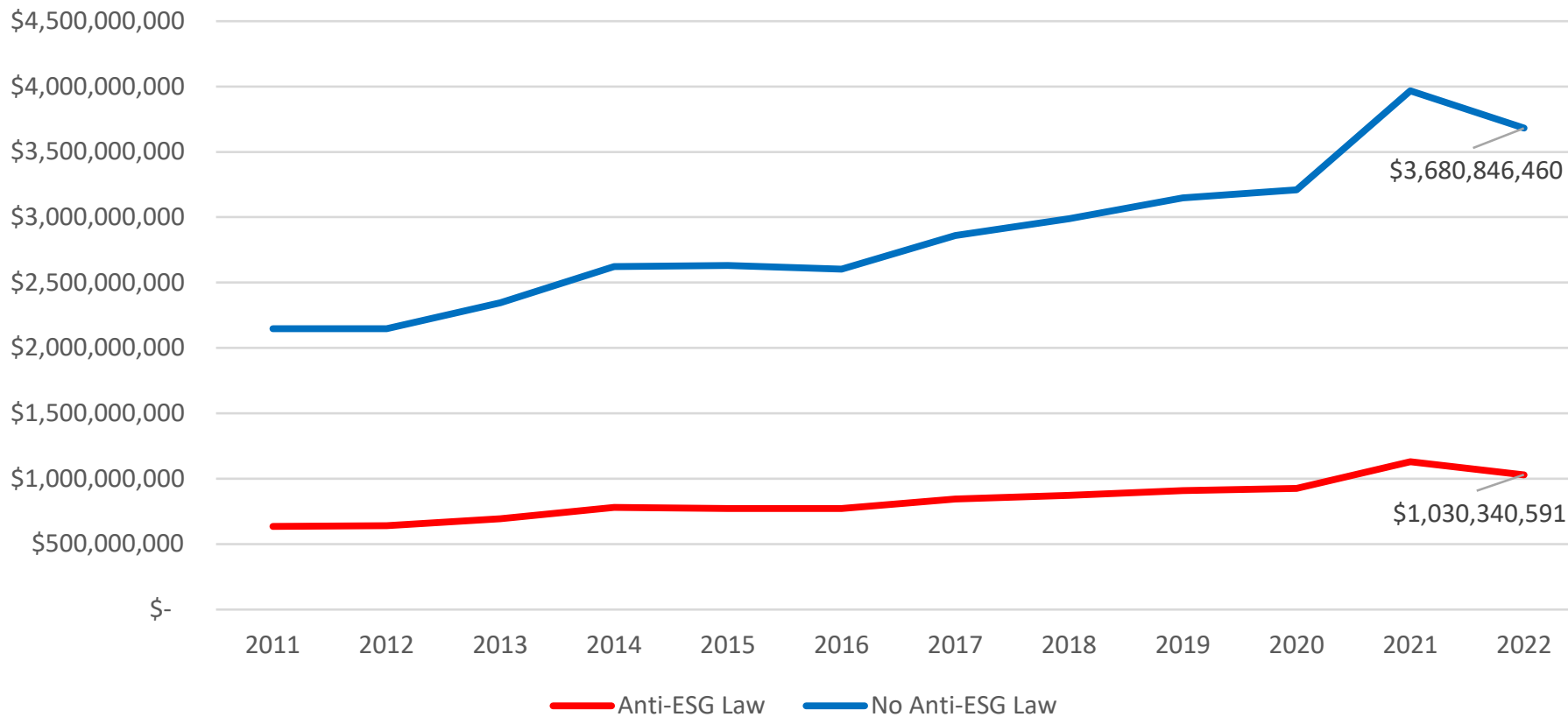
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# Public Pension Assets in States with **Anti-ESG Laws** Total \$1 Trillion

Evolution of Market Value of Assets held by U.S. Public Pension Plans for States with Anti-ESG Laws (2011-2022)



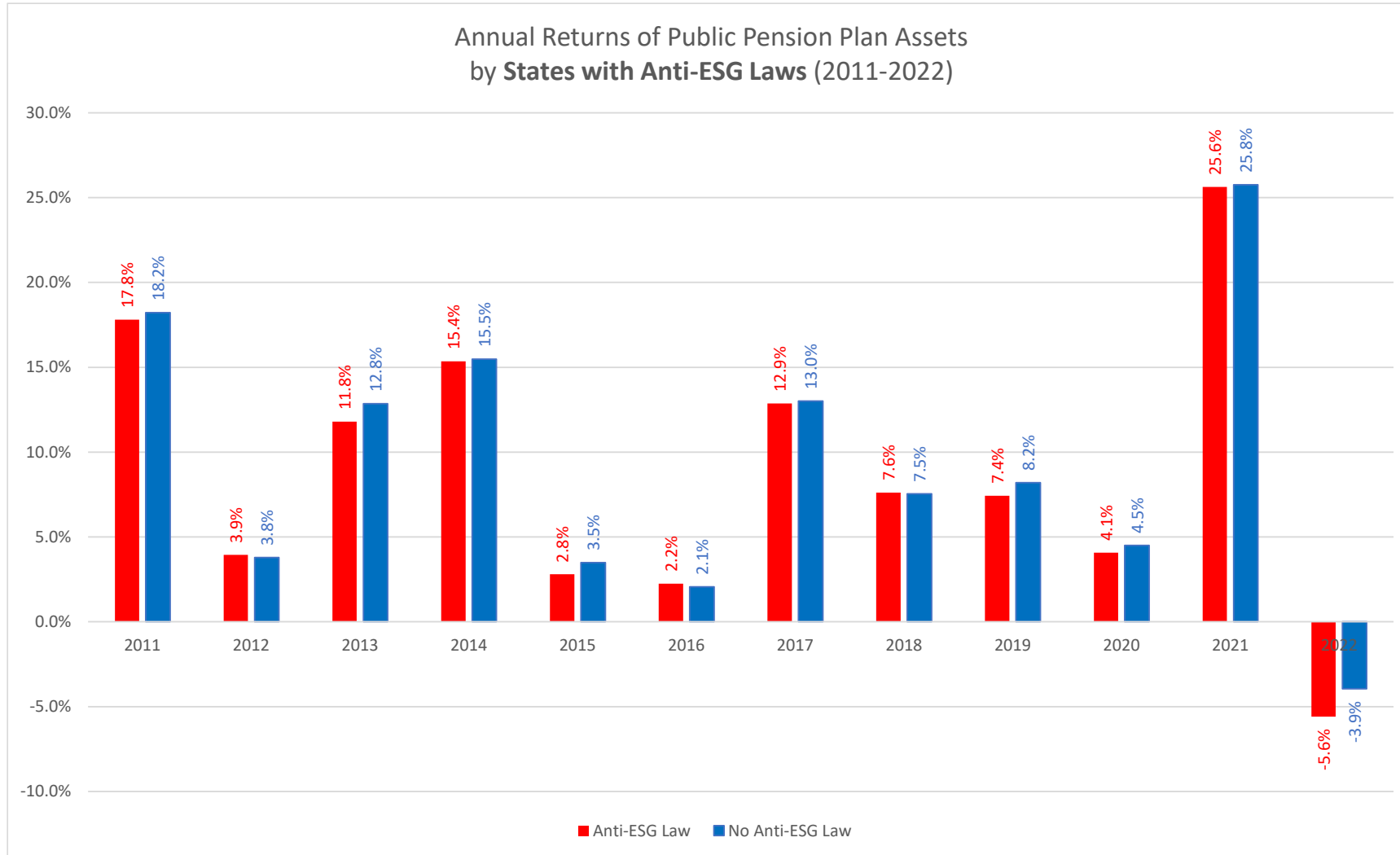
Market Value (2022):

No Anti-ESG Law:  
\$3.68 Trillion (78%)

Anti ESG Law:  
\$1.03 Trillion (22%)



# Annualized and Cumulative Financial Returns Lag Significantly in Public Pensions of States with **Anti-ESG Laws**



Annualized Financial Returns (2011-2022):

No Anti-ESG Law: 8.97%

Anti ESG Law: 8.54%

# Public Pensions In States with **Anti-ESG Laws** Lag More Too, Resulting in **\$55 Billion to \$133 Billion Less** for Citizen-Pensioners

Annualized Financial Returns (2011-2022):

No Anti-ESG Law: 8.97%

Anti ESG Law: 8.54%

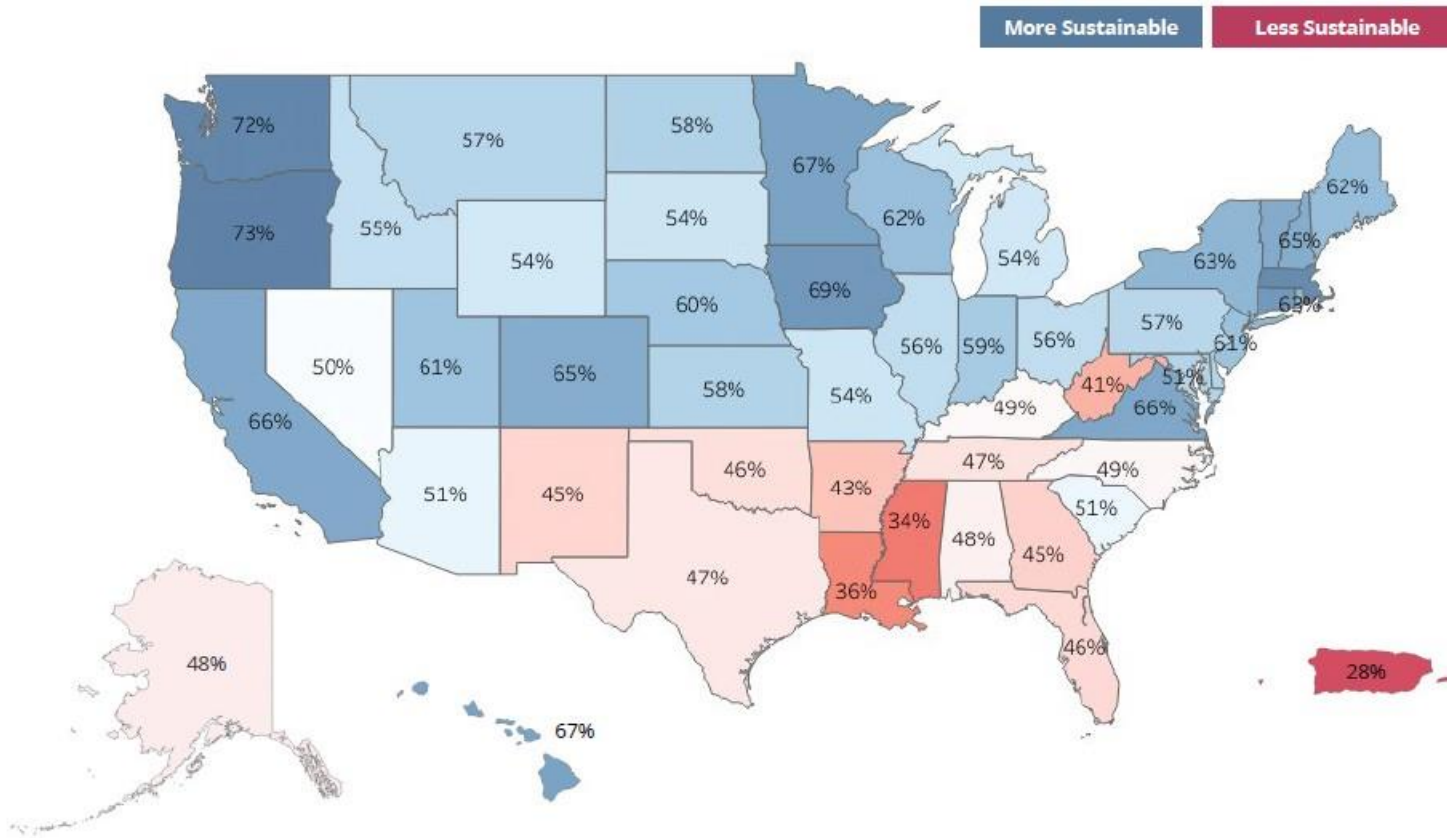
	Annualized Returns (weighted avg.)	Cumulative Returns (weighted avg.)
No Anti-ESG Law (32 states)	Leading	Leading
Anti ESG Law (18 states)	Lag 5.39% over 12 years, <b>\$55 Billion Behind</b>	Lag 12.98% over 12 years, <b>\$133 Billion Behind</b>

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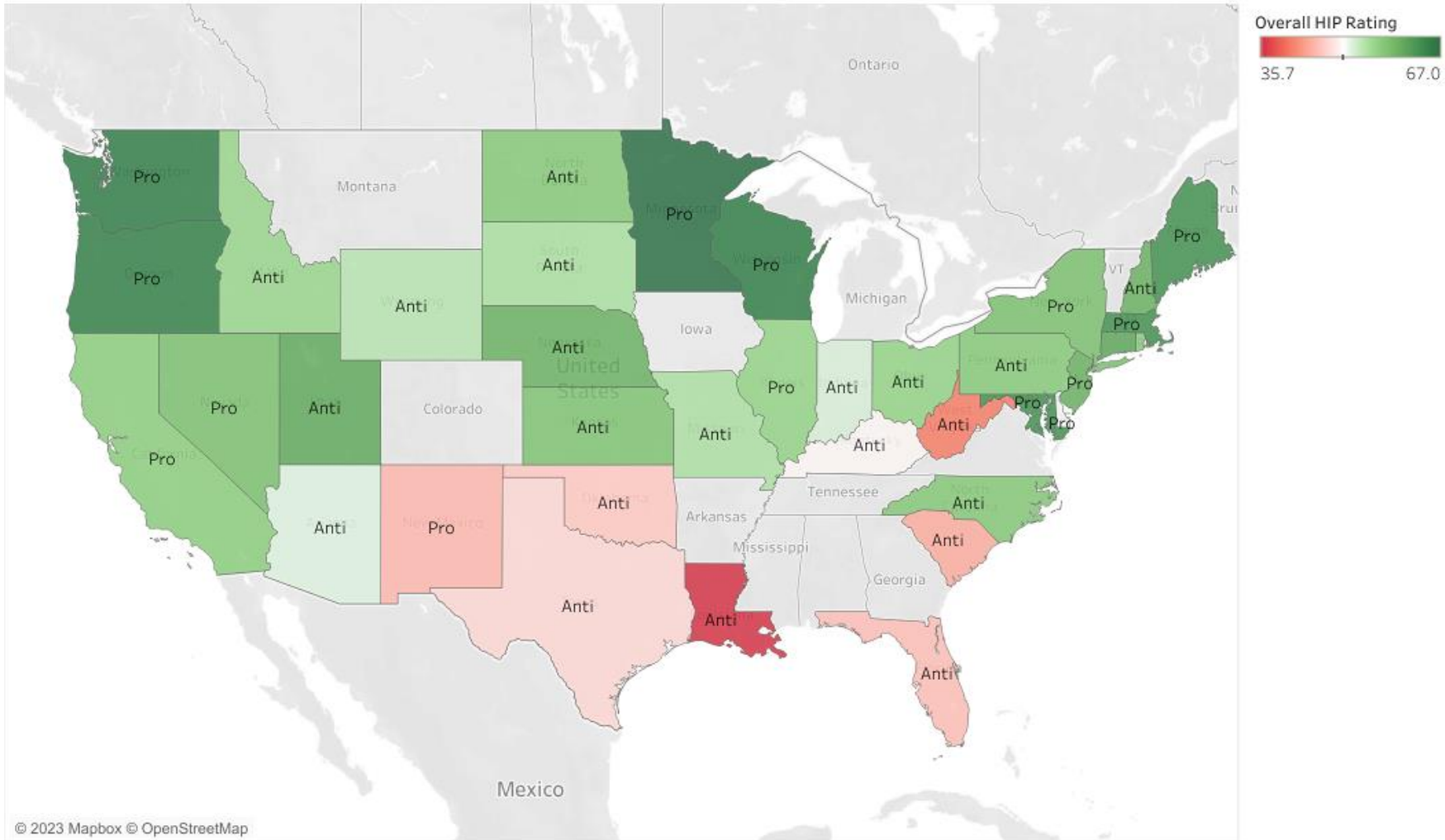
# Using Data-Driven Outcomes and Metrics, Citizen Well Being Rates Higher in the North, Lesser in the South



- Patterns in HIP's Rating data have generally shown a sustainability gap for citizens and communities between northern and southern states
- It is important to discern that these are ratings of each U.S. State; there are also a wide range of issuers across sectors within each state that can have diverging HIP Ratings when compared with the state's general obligation bonds

# States with Positive Well-Being (People, Planet, Trust) for Citizens Are a Mix of “Pro-ESG” and “Anti-ESG” Policy

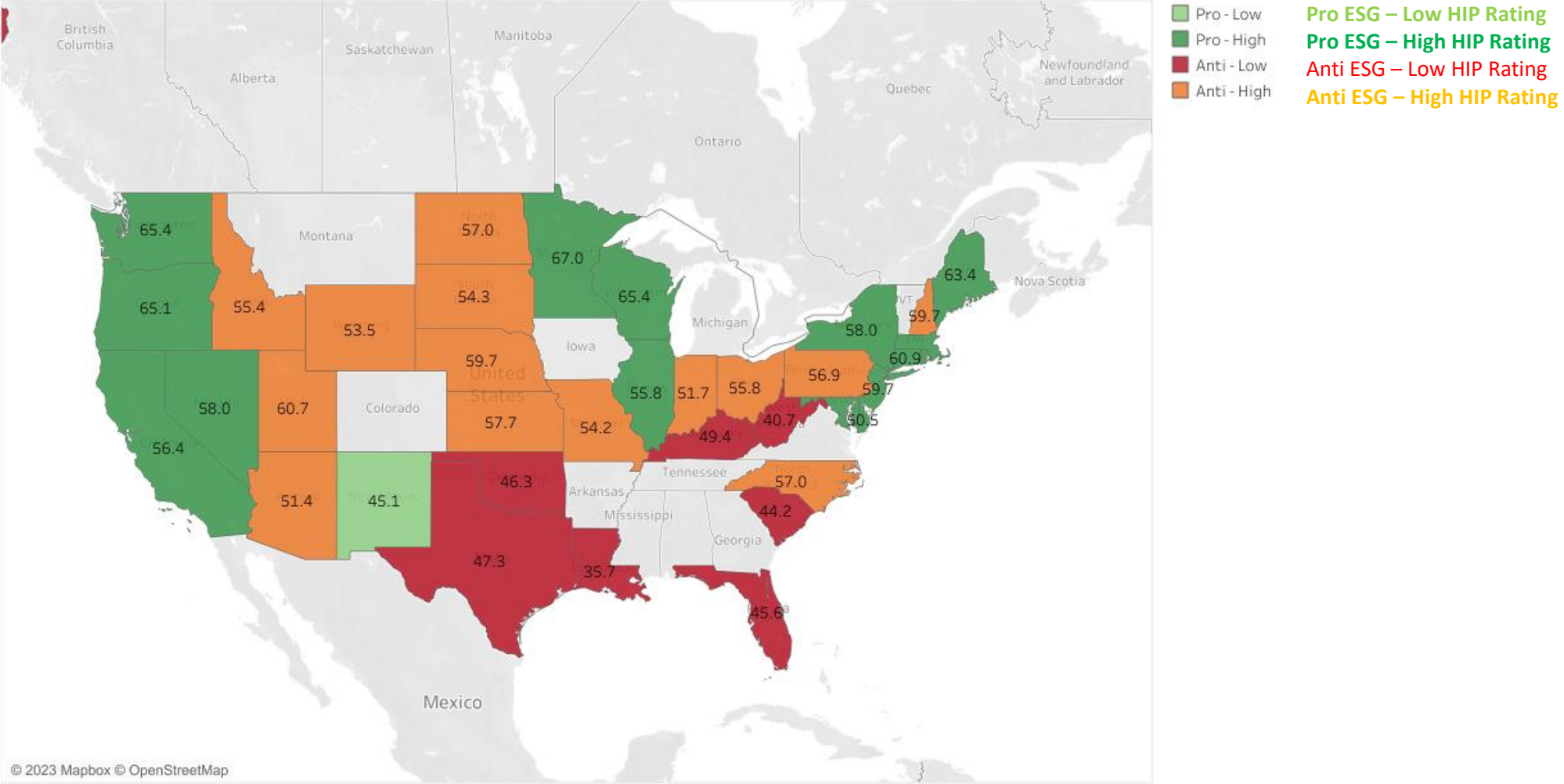
Some higher HIP Rated States are Anti ESG



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# The “Anti-ESG” Wave Persists Despite Orange States with Higher Well-Being Delivering Better Citizen Outcomes

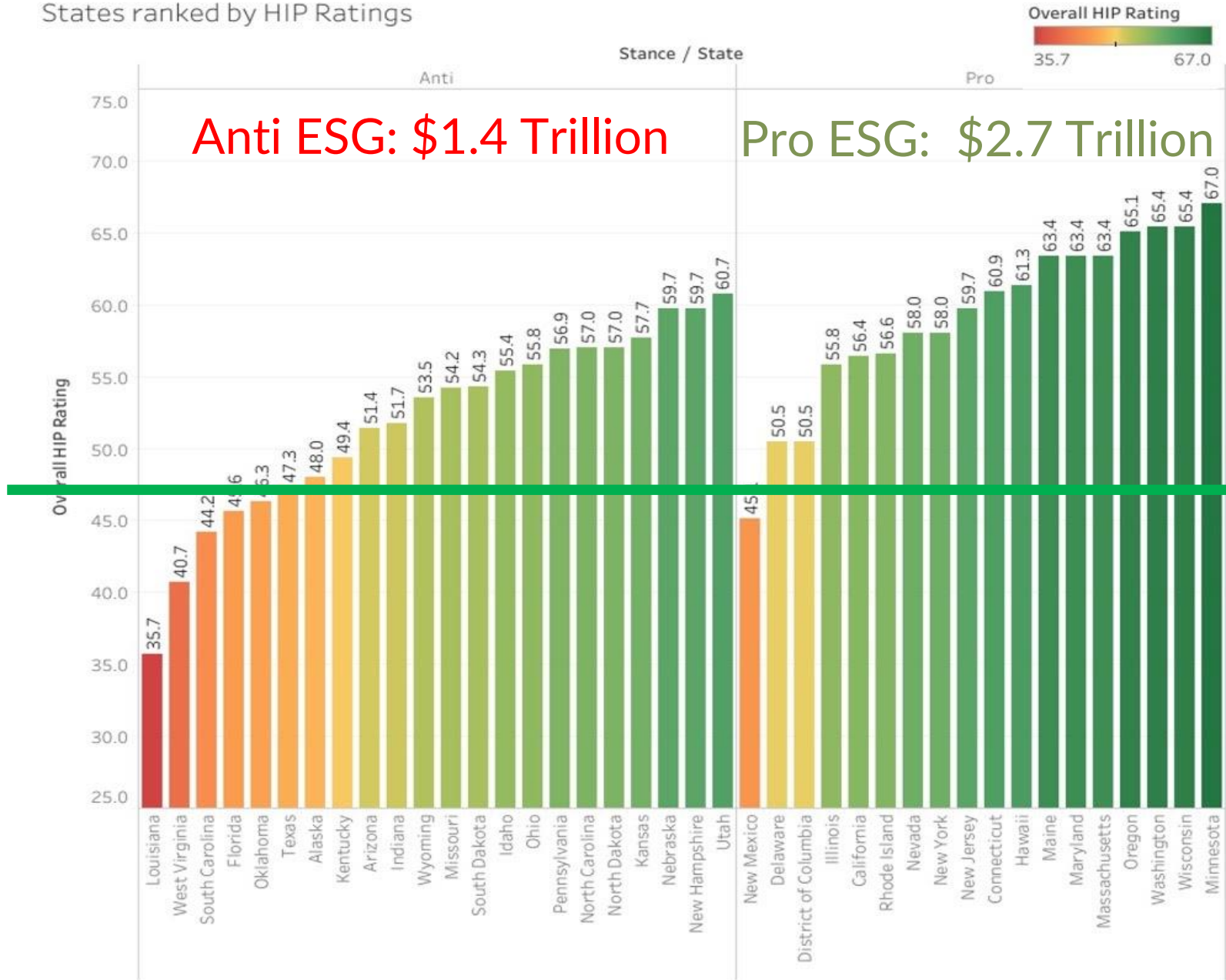
Stance of States varies by geography and politics



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States ranked by HIP Ratings



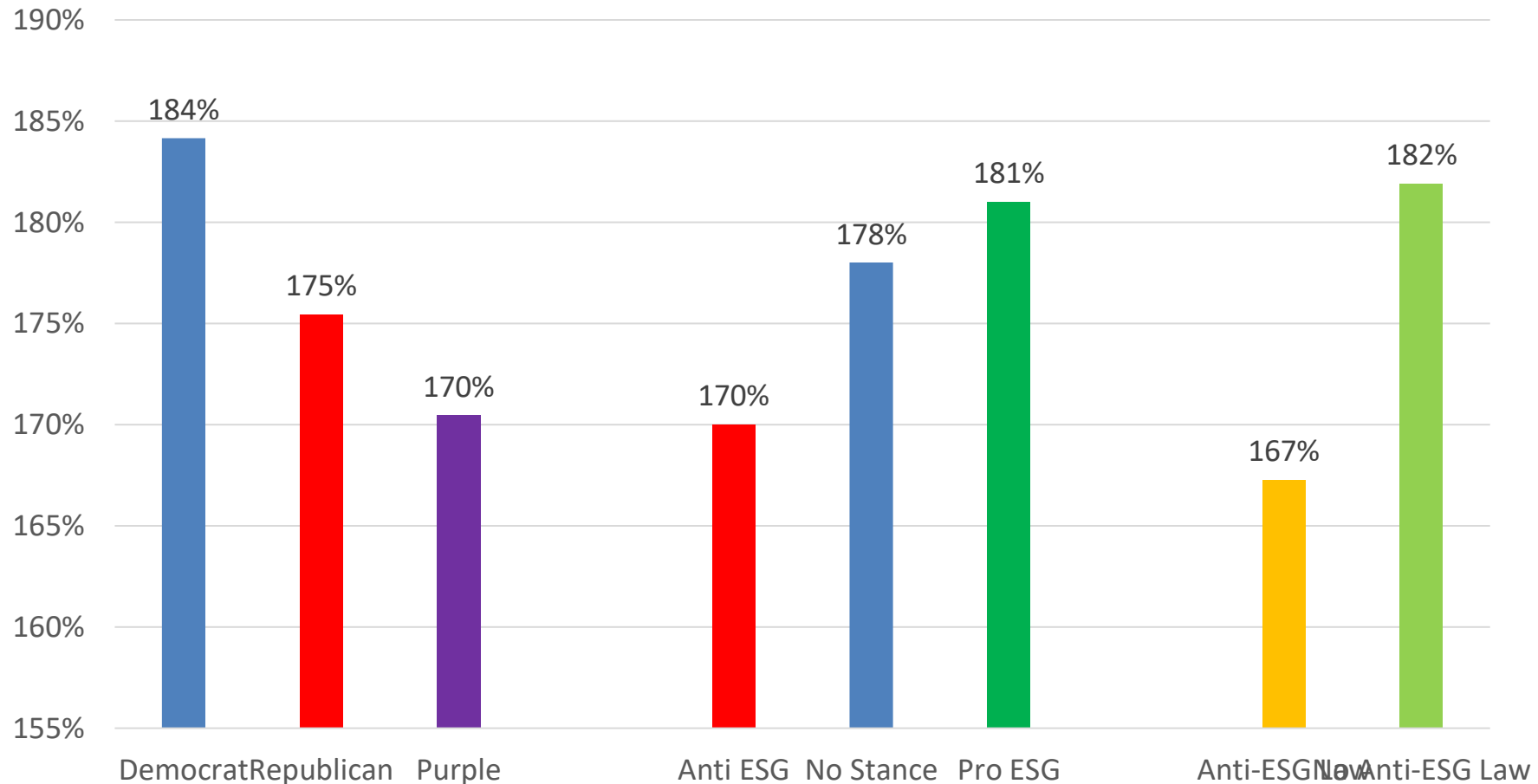
“Pro-ESG” States  
Manage More  
Pension Assets ...

... and Can  
Achieve Better  
Citizen  
Outcomes

- Health
- Wealth
- Earth
- Equality

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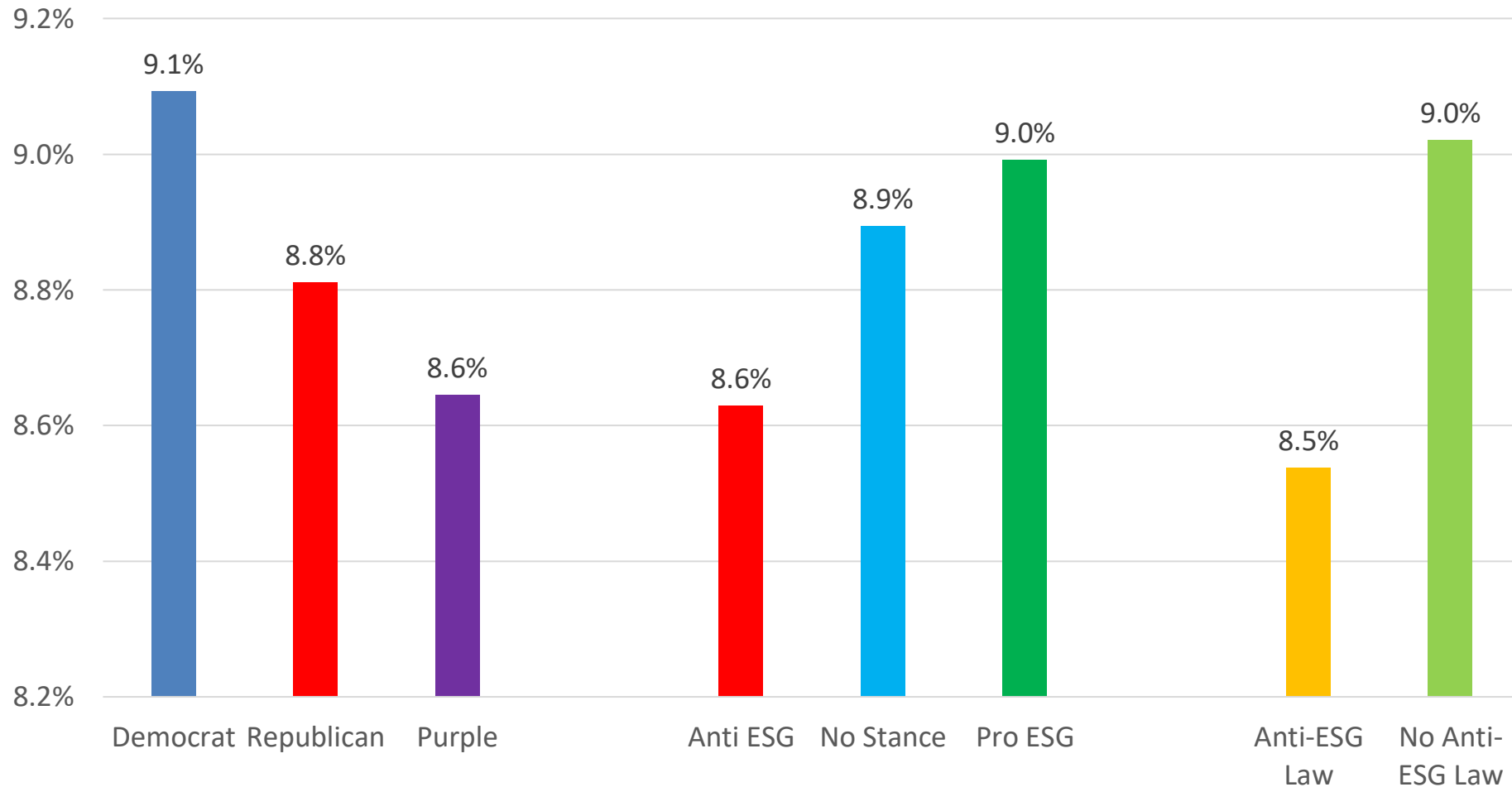
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# What Can You Do Next?

## PORTFOLIOS, ENDOWMENTS, 401(k)s

Evaluate your own portfolio

[www.GreenPortfolio.com](http://www.GreenPortfolio.com)

Advocate your college endowment explore

[www.IntentionalEndowmentsNetwork.org](http://www.IntentionalEndowmentsNetwork.org)

Read and share results of 12 sustainable endowments

[https://d3n8a8pro7vhm.cloudfront.net/intentionalendowments/pages/5507/attachments/original/1582238620/IEN\\_FinancialPerformance\\_2020-02-20.PDF?1582238620](https://d3n8a8pro7vhm.cloudfront.net/intentionalendowments/pages/5507/attachments/original/1582238620/IEN_FinancialPerformance_2020-02-20.PDF?1582238620)

Consider sustainable funds for your portfolio

[www.InvestYourValues.org](http://www.InvestYourValues.org)

Add sustainable funds to your 401(k) or 403(b)

[www.GreenRetirement.com](http://www.GreenRetirement.com)

## RATINGS, RESEARCH, EDUCATION

Rate and research with HIP on Datasets, Pillars, and Ratings

[www.HIPinvestor.com](http://www.HIPinvestor.com)

Read sustainability books and add to your curriculum

[www.Wiley.com](http://www.Wiley.com) (free samples for professors)

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## HIP CLIENTS

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11 top Bond and Equity Managers,  
whose total AUM is \$18 trillion

### Indexes

ICE HIP ESG US Muni Index  
Peter Drucker's Management 250 (WSJ)

### Hedge Funds

### Advisor Platforms + RIAs

### Families and Family Offices

### Foundations

### 401(k)s and 403(b)s

## HIP BOOKS on Impact Investing

*The HIP Investor* textbook / e-book / audiobook (Wiley 2010)

*Global Handbook of Impact Investing* (Wiley 2021)

## HIP IN THE MEDIA

**BARRON'S** 2019, 2020, 2021, 2022, 2023

**CNBC** 2018, 2019, 2020

**The New York Times** 2010, 2014, 2017, 2018, 2023

**FAST COMPANY** 2006-07-08-09-2010-2018

FT Agenda 2016, 2017, 2018, 2019, 2020, 2021

Bond Buyer 2021, 2022

Morningstar.com 2021, 2022

## HIP ANALYTICS FEATURES

**Newsweek**  
**GREEN RANKINGS** 2015, 2016, 2017

# HIP-led books on ESG and Impact Investing: How-To Guidebooks for Seeking Impact + Profit

**14-YEAR Anniversary in 2024**

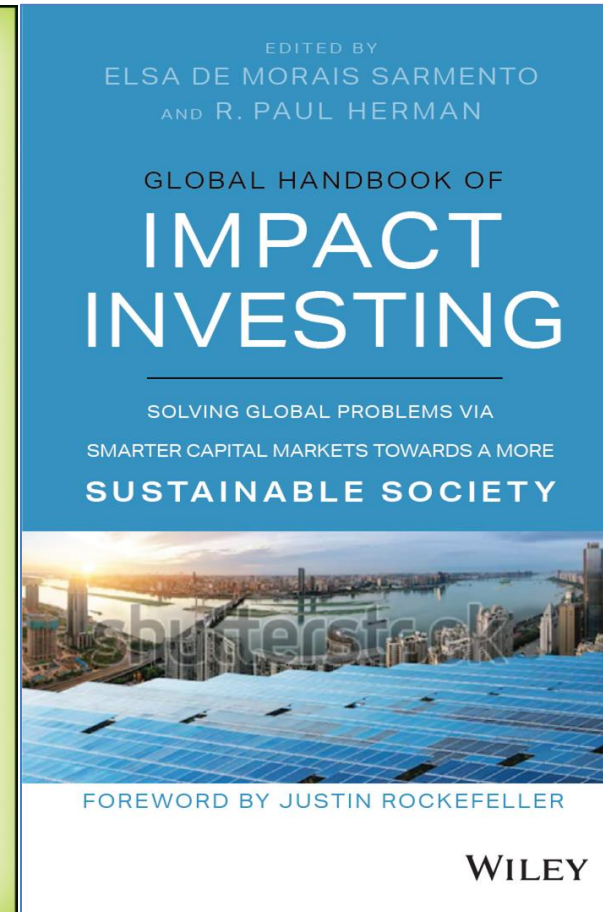
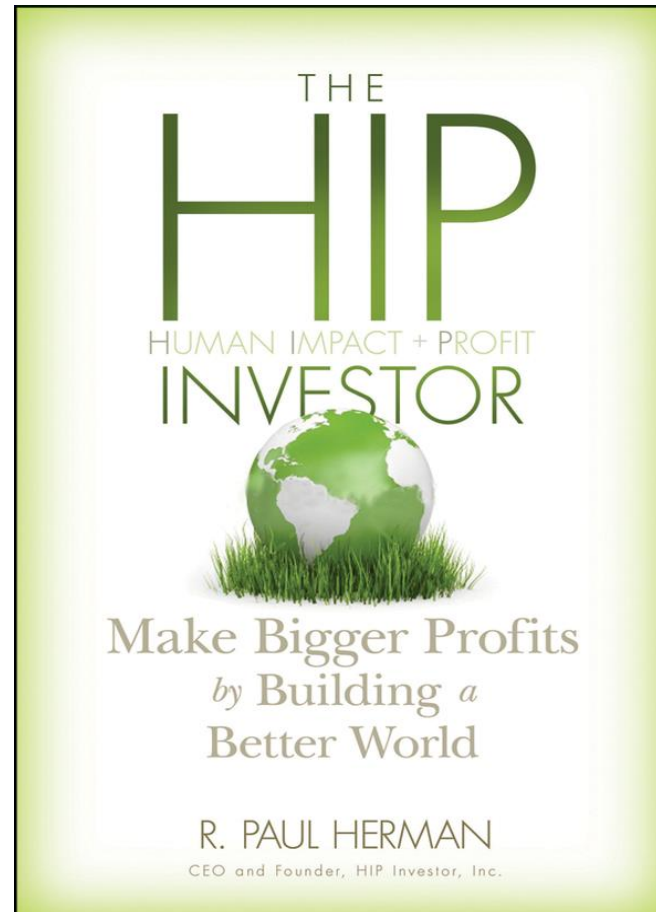
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# ESG Investing Awards

## Winners & Finalists | 2024

2020 | 2021 | 2022 | 2023 | 2024



### 1. Best Specialist ESG RATINGS Provider Finalists:

- Elucidate • **HIP Investor Ratings (SILVER runner-up)**  
• S&P Global • Scotiabank • Sustainable Fitch (winner, gold)

### 2. Best Specialist ESG DATA Provider Finalists:

- 60 Decibels • Atrius (Acuity Brands) • Cardano  
• FE fundinfo • **HIP Investor Ratings** • Insig AI  
• Normative • Preqin • S&P Global

### 3. Best ESG Investment Fund: Exchange Traded Fund

- Amundi ETF • Global X ETFs • HANetf • Invesco • J.P. Morgan Asset Management • Ossiam • Tabula Investment Management Limited  
• VanEck Investments (includes HIP data usage)

**Silver, runner-Up: VanEck Investments (includes HIP data usage)**

Winner, gold: HanETF (Spark CO2)

### 4. Best ESG Investment Fund: Thematic Finalists:

- AllianceBernstein • Bank J. Safra Sarasin  
• Edmond de Rothschild Asset Management  
• **HIP Investor (Great Place to Work)** • Janus Henderson Investors  
• Santander Asset Management  
• TT International Asset Management

### 5. Best ESG Investment Fund: Climate Transition Finalists:

- abrdn • AllianceBernstein  
• Amundi Asset Management • Athena • Danske Bank  
• **HIP Investor (Climate Action)** • Neuberger Berman  
• Osmosis Investment Management • Trium Capital

### 6. Best ESG Investment Fund: Real Estate Finalists:

- Bridge Investment Group • Harrison Street  
• **HIP Investor (Sustainable REITs)** • Invesco  
• Kayne Anderson Real Estate • Resonance • Wafra



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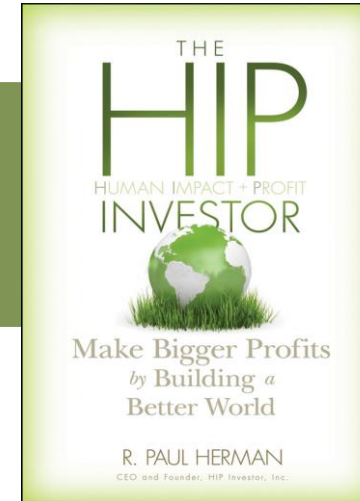
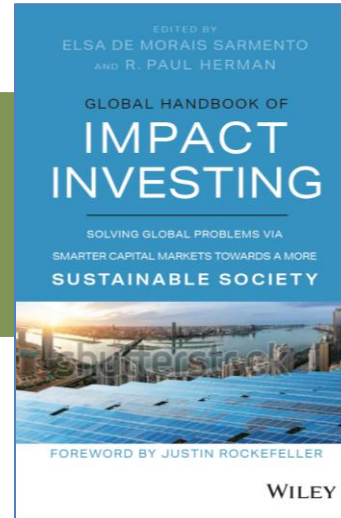
Human Impact + Profit

Contact Us:  
[BeMoreHIP@HIPinvestor.com](mailto:BeMoreHIP@HIPinvestor.com)

## Authors of this report

R. Paul Herman  
Onindo Khan

CEO + Founder  
SVP Analytics



[Paul@HIPinvestor.com](mailto:Paul@HIPinvestor.com)  
[Onindo@HIPinvestor.com](mailto:Onindo@HIPinvestor.com)