



# Financing the Climate Transition Makes Good Business Sense

**Transition to a low-carbon economy must be a realistic evolution -- not an overnight revolution -- in order to minimize costs, support jobs and quality of life.**

- Nearly 300 million internal combustion engines in the U.S. alone
- Oil and gas currently support nearly 10 million jobs, or 5.6% of total U.S. employment
- Currently, low-carbon alternative fuels can cost twice as much as fossil fuels, more than 600% in some cases
- Currently, there is a “green” R&D gap of more than \$200 billion
- 50% of emissions reductions needed over 2030-2050 will rely on technology still being developed

**Financing sustainable initiatives offers major business opportunities.**

- In the U.S., “green” economy already worth \$1.3 trillion, growing at over 20% a year
- Annual global demand for carbon credits could reach 1.5-2 gigatons by 2030 and 7-13 gigatons by 2050—a market size between \$30 billion-\$50 billion
- Global climate finance flows reached an estimated \$810 billion in 2021
- Green hydrogen market projected to grow from <\$500 million in 2021 to over \$10 trillion by 2050

**There is major, organic consumer demand for sustainable financial products and services.**

- Globally, sustainable assets surpassed \$35 trillion in 2020 and are on track to exceed \$41 trillion by 2022 and \$50 trillion by 2025 – 1/3 of total AUM globally
- 80% of active investors say environmental, social and governance factors were an important factor in their investment decision-making
- About 1/3 of Millennials often or exclusively use investments that take environmental, social and governance factors into account
- 51% of Gen Z investors say green and sustainable investing has the biggest investment potential

**Charting a path toward net-zero carbon is good for investors, consumers, and the U.S. economy.**

- Rising temperatures could hit global growth; 2.5°C warming could trigger a 1.3% income loss.
- “Business as usual,” with no efforts to reduce emissions, would cause a significant decline in global GDP per capita by 2100, including avoidable losses for the U.S.
- Reaching a 90% clean energy grid by 2035 could create 500,000 more new jobs per year in the U.S
- Mean hourly wages of clean energy jobs in the U.S. exceed national averages by 8-19%, and have fewer educational barriers