Green Micro Lending: An Alternative Way to Invest in Renewable Energy

On the occasion that a Friend questions the sensibility of divesting from fossil fuel investments, I’ve seen a few patterns forming. Some among those who question seem to think that those of us who advocate divestment must, in the alternative, expect that the newly divested funds would then be put into a renewable energy stock, mutual fund, or exchange traded fund (ETF). While we are not investment advisors, I can express my personal observation: stocks in renewable energy companies have performed abysmally to date, much as I hate to admit it.

There is a much more conservative investment into which the money could be placed, and it would in an alternative way be an investment in renewable energy. Friends Meetings, Quarterly, or Yearlies could take their divested funds and create a green micro-lending fund based on a plan similar to the cooperative funds that many states now offer. An investor in the fund receives a percentage based on the percentage that the borrower pays back to the fund. The borrower can then purchase an energy alternative for their home (or Meeting), and the fund and its investors make a profit that exceeds that of a savings account and other investments. With current home improvement loans in the range of 6 percent, a Meeting, Quarterly, or regional that starts a fund like this could offer a good return on investment to individuals who contribute to the fund.

Most Meetings prefer to have investments that are relatively stable, and this alternative type of investment provides that. It is true that a Meeting or other Friends organization choosing this alternative will need a small committee to administer the fund, but for those Friends who see the value in this process from the initial divestment to finding constructive and profitable things to do with that newly freed up money, the enthusiasm will be ongoing.
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Published on Quaker Earthcare Witness (https://www.quakerearthcare.org)

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