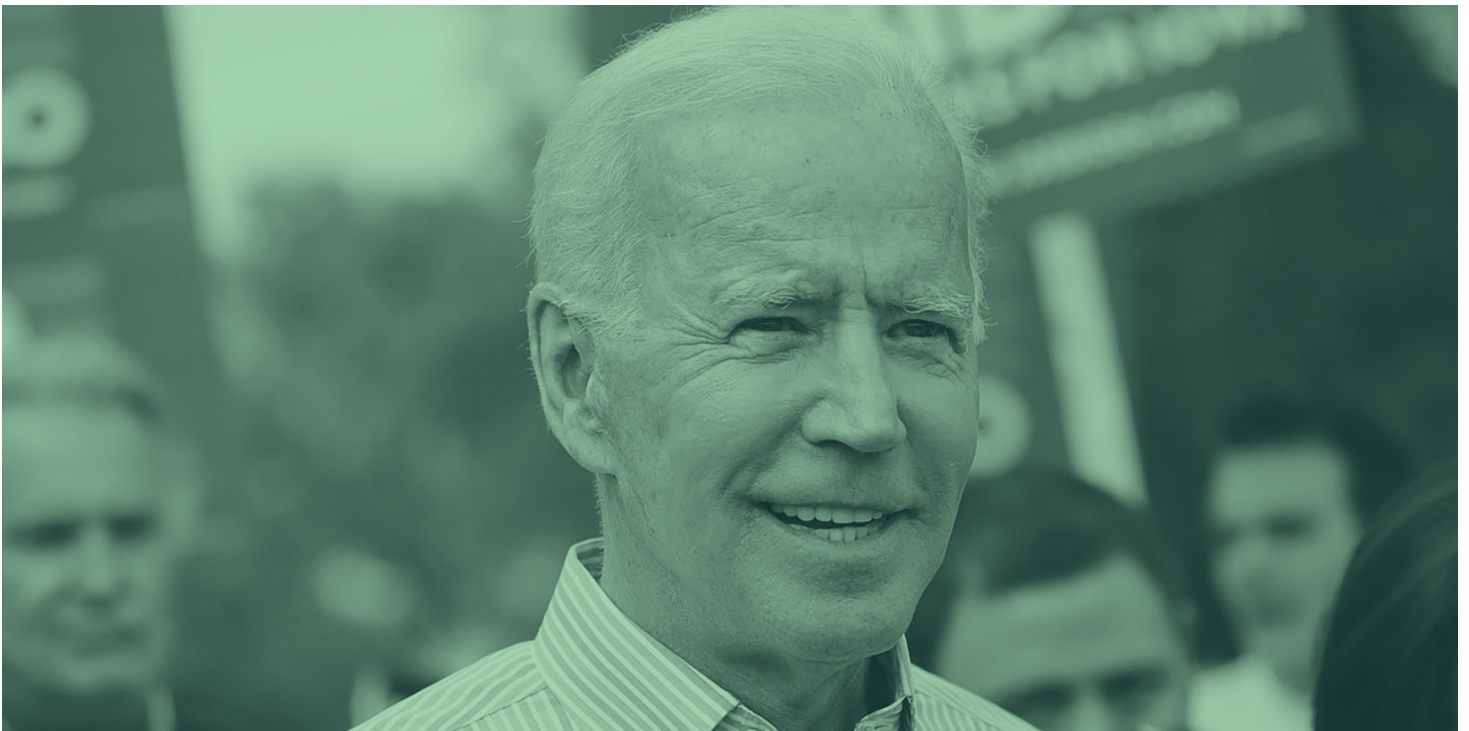




INSIGHTS FROM THE RESEARCH TEAM

The implications of Biden's victory for impact-focused climate philanthropy



Executive Summary

This is a summary of our report on the implications of Joe Biden's election for climate philanthropy. The full report can be found below. Our update in light of the Georgia Senate election can be found [here](#).

How to support high-impact climate charities

We recently launched the Founders Pledge **Climate Fund**, a highly effective way for our members



funds@founderspledge.com. Once you commit to be funding, your money will be pooled with others to truly boost your impact on climate change. Our dedicated Fund Managers, Johannes Ackva and Anu Khan, will make regular grants from the Fund to high-impact opportunities in the climate space, aiming to tackle not only climate change but the issues of harmful air pollution and energy poverty too.

If you are not a Founders Pledge member and would like to donate, you can do so via **EA funds** if you're in Europe or via **every.org** if you're in the US for donations of less than \$10,000, or by emailing funds@founderspledge.com for donations of \$10,000 or over.

The question

President-Elect Joe Biden has just achieved a historic victory -- defeating an incumbent President in what turned out to be a **convincing victory**. But, while Biden and the Democrats went into the race as favourites for control of the presidency, the Senate and the House, it looks as though they have underperformed compared to pre-election forecasts and, certainly, compared to hopes of a decisive Blue Wave. At the time of writing, it looks like the Senate will remain in Republican control unless Democrats win two run-off elections in Georgia in early January, whereas, albeit with losses, Democrats maintain control of the House.

While there are many post-mortems of the election and analyses of the implications for US climate policy, in this brief, we analyze what this means for high-impact climate philanthropy. We cover how this affects your ability to make a difference through climate philanthropy, whether and how the election affects Founders Pledge's Climate Fund strategy, and what this means for our top recommendations in this space. In particular, we will answer two questions:

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- 1) Do the election outcomes change *where* to give?
- 2) Do the election outcomes change *when* to give?

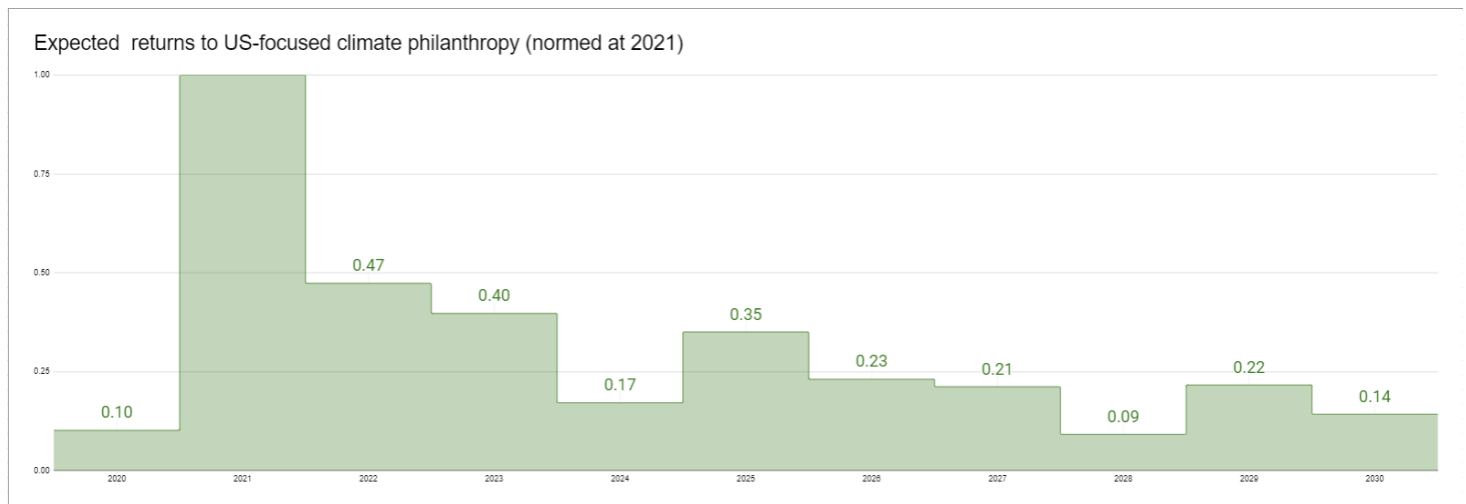
These are not academic questions, but their answers may make a big difference to the climate impact of donations. So, we will put our money where our mouth is, and act on the findings of the research related to this brief. In this spirit, any feedback is appreciated, and this report will be updated as our thinking develops.

Key findings

1. Our quantitative modelling suggests that the **Biden victory has probably increased the**



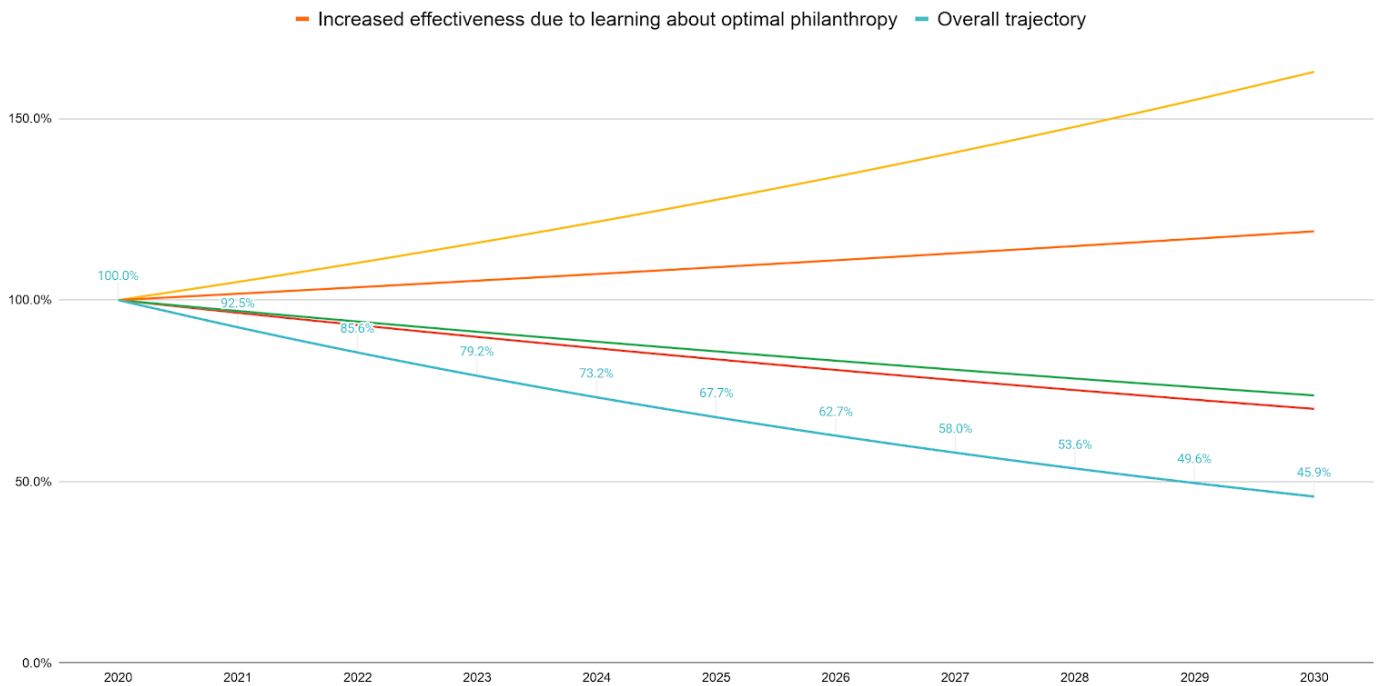
effect comes not only from Biden's ambitious climate agenda, but also from a special opportunity presented by a potential stimulus with a large clean spending component (though, we only model the probability of this happening at around 1/3, given that it would either require a Democratic upset in Georgia or a cooperative Republican Senate Majority Leader).



2. However, this effect is short-lived, our modelling suggests that **by 2025**, the first year of the next presidential term, **US-advocacy-focused climate philanthropy will only be about 35%** as valuable as it is now. **While the leverage from climate philanthropy varies with expectable political dynamics, the overall trend is one of sharp decline.** For example, we estimate that in 2029, the first year of two presidential terms from now, leverage from climate philanthropy will be about 20% as valuable as now.

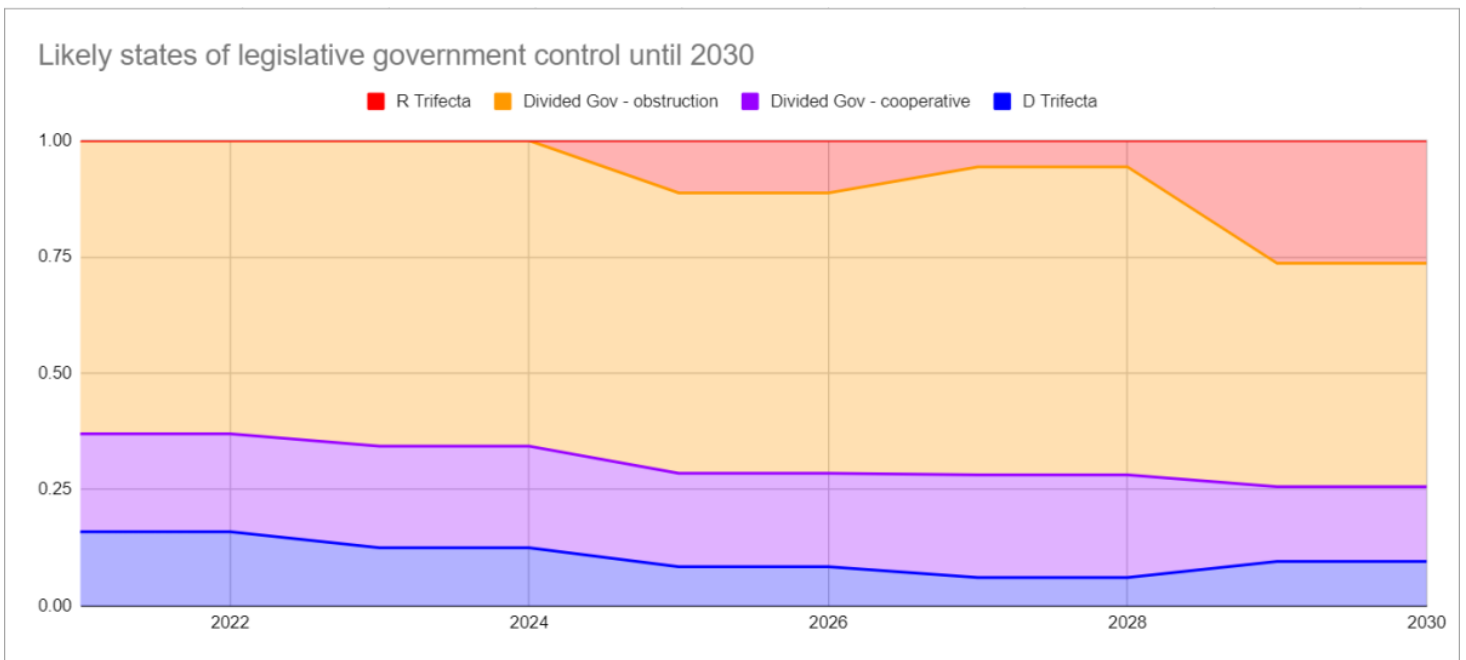
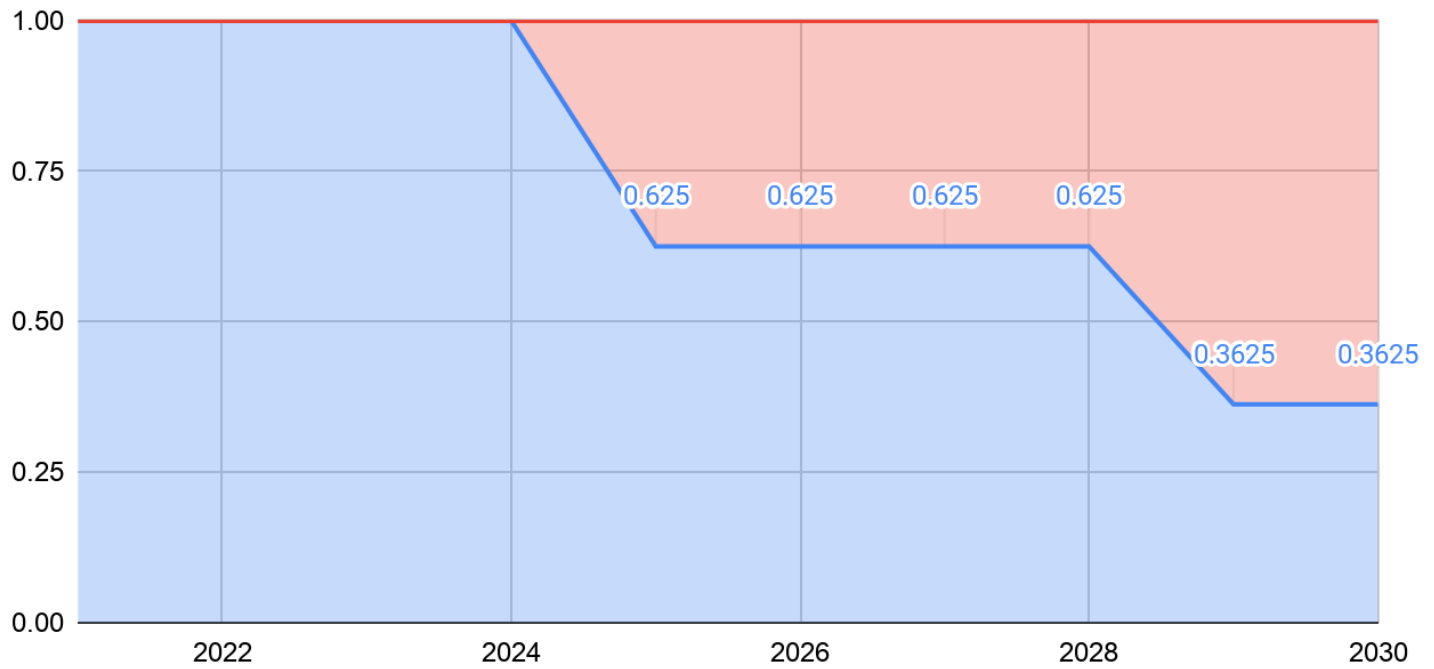
3. Crucially, while we are building a detailed model to get a sense of the quantitative importance of timing considerations, **this basic finding -- that, insofar as you have flexibility, giving now is significantly more impactful than giving at any point later in this decade -- is based on three quite basic and robustly established stylized facts.**

First, time is running out on climate change and **carbon lock-in** -- investments into carbon-intensive assets committing the world to decades of emissions -- provide a strong rationale for acting early. This is uncontroversial, but -- we believe -- politically and philanthropically underappreciated. **We think it is the most important factor among the general dynamics and is a primary driver of value decline of climate philanthropy over time.**



Second, **massive exogenous shocks**, such as COVID-19 and the related economic repercussions, also **present an unusually influential time** for climate philanthropy, given that economic stimulus policies can be decisive enablers of much accelerated clean energy progress, while, at the same time, this time also present a risk of increased carbon lock-in when the innovation economy is hit hard.

Third, if history is any guide, the power of the presidency and their party decline over time, which makes it unlikely that waiting for or working for an even better opportunity -- say, a solid Democratic majority in both chambers of Congress and the Presidency -- is a promising strategy. Indeed, history would suggest that we are now in the most Democratically leaning environment of the 2020s (which is also what our model, exploiting stylised facts such as re-election dynamics and decline of power of the presidency through Congressional losses, suggests):



4. Of course, everyone else is observing this dynamic as well. So **it could be the case that the increased leverage this moment presents is fully "priced in"**, with everyone giving proportionally more now so that -- at the margin -- donations now are not more impactful than those made at other times. **This is what would happen if philanthropy was a perfectly efficient market where philanthropists optimise for impact, optimise intertemporally, and have the ability to save and borrow with little constraint.**

At the outset of this research, we were quite open to this possibility -- that the "special moment"



unlikely to be perfect -- we expect significant additional impact from moving giving forward in **time to remain** (our very crude best guess is 75% of the impact differential from timing to remain). The main reason for that is that climate philanthropy is dominated by individuals compared to foundations by about 2-4:1, with individuals unlikely -- on average -- to be intertemporally optimising their philanthropy for impact given other important constraints such as timing of personal concern, liquidity events, regular giving, etc. In addition, foundations, while likely more strategic on average, do also face strong incentives to give more regularly and, in some cases, to not optimise for expected impact (e.g. facing incentives to have demonstrable and attributable results, both of which can stand in the way of impact maximisation).

5. To be perfectly clear, we are not suggesting that everyone should become an extremely time-sensitive philanthropist only giving in special moments. Indeed, regular funding streams are important and themselves an impact multiplier of a different kind (on the organisational level), one of the reasons we moved to a fund model at Founders Pledge. What we are saying is, merely, that **if you have temporal flexibility with regards to the timing of your climate giving, you can likely have significantly more impact by moving donations forward in time.**

6. Timing isn't everything, indeed the decision around which organisations you give to is almost certainly more important. Based on our own research and that of other impact-oriented philanthropists, **we believe that giving to the very best charities rather than average charities is easily 100x more impactful.** As we have argued elsewhere (here, video here), we are convinced that -- at this point in time -- funding (i) advocates (ii) focused on accelerating (iii) neglected yet critical decarbonisation and carbon removal technologies likely presents the best value proposition for impact-oriented climate philanthropists. This reasoning underlies our Climate Fund as well as the work of our top recommended charities, the Clean Air Task Force, Carbon180 and TerraPraxis. But, because the US election provides a major shift in US climate policy, we also analysed whether the election likely changed the relative goodness of this approach compared to alternatives.

7. In terms of relative changes, we believe that the outcomes of the US election strengthen the case for organisations that excel at translating political will in the US into policies effective at facilitating global decarbonisation, the ultimate goal of climate policy. We have chosen two of our top three recommendations, CATF and Carbon180, based on these considerations. In particular:

a) Geography: Had Trump won re-election while the rest of the OECD went for green stimulus policies, one could have made a compelling case to focus more philanthropic attention to other jurisdictions. With Biden's victory, the **US maintains its position as a top bet for impact-oriented climate philanthropists**, given its strong energy innovation system and potential for global leadership, possibly somewhat extending it.

b) Type of advocacy: We think that now that we have a very climate-friendly administration --



...er or more (taking a conservative average from the advocacy value of the next four years, based on our timing analysis above) compared to a second Trump term. At the same time, it is difficult to see how the value of funding advocacy focused on increasing the pie or improving political conditions in the future could have increased by the same amount based on the outcomes of the election. This makes us confident that, at least relatively, the outcomes of the election favour policy advocacy over general mobilisation around climate (see the main text for more detail and nuance).

c) Performance under divided government: If there had been a Blue Wave, one could have argued for a more partisan approach, though even then all policy would likely have had to have some bipartisan support. The actual results, however -- a Biden presidency with a fairly Republican Senate and a more Republican though still Democratic House -- and a fairly Republican judiciary, including a 6 to 3 conservative Supreme Court majority -- put a premium on organisations, such as the [Clean Air Task Force](#), [Carbon180](#) and others that have demonstrated significant policy successes in a fairly Republican political environment and have collaborators across the aisle. On balance, this election and the resulting political environment over the next four years at least seem to reinforce the value of supporting more bipartisan organisations over those strongly tied to Democrats.

This makes us confident that, overall, our top recommended charities and the strategy that they exemplify -- focusing on leveraging advocacy to improve how political opportunity is translated into outcomes useful for global decarbonisation by accelerating neglected yet critical technologies -- will be very effective in this new political environment that rewards, more than anticipated before the election, the ability to work across the aisle to make the most out of the existing policy windows.

Full report

Introduction

President-Elect Joe Biden has just achieved a historic victory -- defeating an incumbent President in what turned out to be a [convincing victory](#). But, while Biden and the Democrats went into the race as favourites for control of the presidency, the Senate and the House, it looks as though they have underperformed compared to pre-election forecasts and, certainly, compared to hopes of a decisive Blue Wave. At the time of writing, it looks like the Senate will remain in Republican control *unless* Democrats win two run-off elections in Georgia in early January¹, whereas, albeit with losses, Democrats maintain control of the House.

While there are many post-mortems of the election and analyses of the implications for US



whether and how the election affects funders' agendas, climate fund strategy, and what this means for our top recommendations in this space.

In particular, we will answer two questions:

1. Do the election outcomes change *when* to give?
2. Do the election outcomes change *where* to give?

These are not academic questions, but their answers may make a big difference to the climate impact of donations. So, we will put our money where our mouth is, and act on the findings of the research related to this brief. In this spirit, any feedback is appreciated, and this brief will be updated as our thinking develops.

Implications for climate philanthropy

The results of the election will no doubt impact US climate policy, an area we seek to affect with many of our climate funding opportunity recommendations. The combination of a Democratic House and (likely) Republican Senate² highlights the importance of finding bipartisan solutions to issues like climate change. The Democrats will need to compromise as their preferred climate policies are unlikely to pass through the Senate.³ So, how will Biden's victory change how we look at climate philanthropy?⁴

To understand this, we need to understand how climate philanthropy can create value. A key component of our philanthropic strategy in the climate space is what we call "**audacious advocacy**": We fund organisations that are thought-leaders and advocates influencing both the wider climate conversation and how government and private budgets, orders of magnitude larger than philanthropic budgets, on climate are being spent.

We think advocacy-based charity is the most impactful, because it is the only plausible strategy to drive change on the scale needed, while its uncertain nature (outcomes can never be guaranteed) and low attributability (donors cannot point to concrete outputs as the result of their donation) provide strong reasons to think that it is under-funded compared to its potential.

But even if one does not believe that advocacy-based charity is the kind of charity sensitive to the political changes discussed here, other kinds of charity will still be less influenced by these dynamics. To understand how the election affects this strategy, it makes sense to break down the concrete paths via which advocacy can create value, which we discuss in the next section.

Our theory of change behind funding advocacy



We believe there are, in principle, three ways by which advocacy-based charity can create value:

1. **Increasing climate opportunities:** First, advocacy can trigger an increase in the proportion of societal resources allocated to fighting climate change. Greta Thunberg's work is likely the best example of this approach.
2. **Improving resource allocation:** Second, advocacy can improve how limited resources *within* the climate space, such as attention, government budgets and political will, are allocated. Default resource allocation is often very far from optimal, as attention and investment into solutions is often not driven by their potential, but by ideological inclinations, political economy, and other factors unrelated to climate impact. This makes improving resource allocation, towards blindspots and bottlenecks, very valuable.
3. **Improved policy:** Third, advocacy can lead to better policies on specific solutions, such as how to structure support for renewables or the licensing process for advanced nuclear. In comparison to 2, these improvements are not necessarily related to distribution of resources, but improving the effectiveness of allocated resources.

Our recommended funding opportunities mainly focus on mechanisms 2 and 3, while both the Biden campaign and grassroots climate movements such as Fridays for Future, Extinction Rebellion and the Sunrise Movement can be seen as examples for mechanism 1.

At its most fundamental, the victory of Biden can be seen as an increase in the "pie" (mechanism 1) -- the number and value of opportunities for climate policy has increased, which increases the value of charities working on 2 and 3. There is a lot more nuance on this which the subsequent sections will cover.

What does a Biden climate agenda look like?

Until now, this might have sounded abstract -- what are we talking about when we discuss the advocacy landscape and political environment of the Biden win? The goal of this section is to make this more concrete to readers less familiar with this concept. Many excellent pieces have been written about this, we recommend the following:

- This [piece](#) from *InsideClimateNews*, focuses on the legislative possibilities around a clean stimulus if Democrats win the Senate or a Republican majority cooperates.
- This [piece](#) over at *UtilityDive* focuses on the difficulties of US climate politics but also the bipartisan opportunities, in particular around energy innovation.
- *E&E News* [dives](#) into Senate politics and the limitations and potentials of Congressional climate policy in light of state interests.
- The *Washington Post* has a detailed [piece](#) on what Biden could do via control of the



regulatory, part of executive power.

Those pieces, from slightly different perspectives and focused on different possible paths together give a good overview, we believe, of the policy landscape going forward and the space which our top recommendations seek to positively shape through their advocacy.

When should I give?

Now, with an overview over the current situation and the way in which advocacy-based charity can create a positive climate impact, we can analyse whether the election result impacts the timing of our philanthropy. Can we have *outsized* impact by giving now rather than at a later time? To gain traction onto this question -- and to integrate lots of different considerations -- it makes sense to integrate different influences on the optimal timing of climate philanthropy into a systematic framework.

A framework to think about timing

Our theory of change outlined earlier broke down the potential value proposition of advocacy-based charity -- (1) increasing the “pie”, (2) improving how resources are allocated amongst different approaches (e.g. overcoming under-funding of carbon removal), and (3) within approaches, improving the “efficiency” at which resources are translated into useful outcomes, e.g. improving policy on nuclear licensing.

Below, we outline several factors that can affect the optimal timing of giving that relate to these pathways. We start with considering general dynamics, such as trends in attention to climate change as well as decarbonisation pathways. We then consider the impact of COVID-19 and its economic impact. Finally, we complement this analysis with an analysis of the political forces specific to the American federal policy context.

Crucially, while we are building a detailed model to get a sense of the quantitative importance of these considerations, the basic finding -- that, insofar as you have flexibility, giving now is more impactful than giving at any point later in this decade -- is based on three quite basic and robustly established stylised facts.

First, time is running out on climate change and carbon lock-in -- investments into carbon-intensive assets committing the world to decades of emissions -- provide a strong rationale for acting early. This is uncontroversial, but -- we believe -- politically and philanthropically

underappreciated. We think it is the most important factor among the general dynamics and is a



Second, massive exogenous shocks, such as COVID-19 and the related economic repercussions, also present an unusually influential time for climate philanthropy, given that economic stimulus policies can be decisive enablers of much accelerated clean energy progress. Meanwhile, this time also presents a risk of increased carbon lock-in when the innovation economy is hit hard.

Third, if history is any guide, the power of the Presidency declines over time, which makes it unlikely that waiting for or working for an even better opportunity -- say, a solid Democratic majority in both chambers of Congress and the Presidency, is a sensible strategy.

With that said, we now dive into the full set of considerations and provide detail on their quantification.

General dynamics

We consider five different variables -- carbon lock-in, policy stickiness, learning about optimal philanthropy, improving societal response, and increasing societal resources allocated to climate -- that have a general impact on the value of climate philanthropy over time. We first discuss two factors that should let us expect that giving later is better than giving earlier before discussing three factors that push our estimates towards giving earlier. We then present an integrated perspective on how these general dynamics play out, by our best estimate, on balance.

CONSIDERATIONS IN FAVOUR OF GIVING LATER

Increasing attention to climate

The size of resources allocated to climate -- not only climate budgets, but also societal and policy attention -- will fluctuate over time. This is crucial because, everything else being equal, this makes the advocacy pathways that improve resource allocation and use (2 and 3) more valuable in times of increased attention. As the world has woken up to the significance of the climate challenge in recent decades, general attention on addressing climate change through budget and resource allocation has heightened. Although climate awareness has become more acute in the past few years, it has been rising slowly over time, a long-term trend we can expect to continue. So how does this influence the climate opportunities going forward? While it is difficult to quantify exactly, we believe based on past trends that it is reasonable to expect⁵ a 5% increase each year, equating to about a 60% increase by the end of this decade. We think this is consistent with past experience. If this was the dominant dynamic, investing your money for a decade and then spending it on climate philanthropy seeking to influence public budgets would be a very smart strategy.

Improved understanding of optimal climate philanthropy

Impact-oriented climate philanthropy is still a relatively nascent field -- there aren't many



future gains from future insights more impactful. Our best guess, averaged from the two of us, is a “learning rate” of 1.8% per year, which means that one should expect a donation in 2030 to be about 20% more impactful if this was the only consideration.

While this might seem low, the reason we think this to be a realistic guess is that, while progress on climate is hard, it is ultimately fairly clear what we -- as a civilisation -- ought to achieve it and the number of strategies we can employ is large, but not infinite. Somewhat less abstractly, carbon intensity of most economic activity needs to go to (near-)zero and, given the relative neglect of policy focused on enabling global decarbonisation via innovation, we would be surprised to find much better funding opportunities than current ones. To be sure, this does not mean we do not expect our recommendations to change, but rather it means that we do not expect them to systematically improve very much by learning alone. Put differently, we think our current funding opportunities are reasonably optimised for the current moment, so we do not expect massive gains from learning alone, while seeing large value to adapting our recommendations to changing circumstances.

CONSIDERATIONS IN FAVOR OF GIVING EARLIER

Carbon lock-in

We know that our time to act on climate change is running out. The overall budget for limiting carbon emissions to keep to specific temperature targets in terms of global warming has depleted with time. But if you knew that you can abate a ton of carbon at the same cost in 5 years then now you might think -- given that CO₂ remains in the atmosphere for millenia and it is the cumulative concentration that matters most -- that there is no decline in usefulness in spending overall. This is certainly true for some interventions, e.g. planting a tree in 5 years rather than now is only minimally less useful (5 years of carbon sequestration of the tree happening 5 years later), but -- crucially -- this is not true for the work that we are funding and focusing on, work that tries to bend the global emissions trajectory by making low-carbon technologies more attractive.

For this reason, we believe carbon lock-in to be the most dominant reason for giving earlier rather than later. Carbon-intensive technology and infrastructure can exist for decades, locking out low-carbon alternatives and making climate policy much more expensive (it is often much more expensive to decommission a new carbon-intensive asset than pay a premium for low-carbon assets when making investment decisions). Many nations are trapped in fossil-fuel-based energy systems due to a combination of social, institutional and technological factors and must escape. This issue is referred to as ‘carbon lock-in’, a commitment to decades of emissions due to long-lived investments. In a world of growing energy demand, this is a key dynamic as many countries around the world are building new infrastructure.

This makes the timing of our actions crucial: if we succeed in improving low-carbon alternatives



influence policy, becoming less valuable with time.

Our best guess for the importance of this consideration is a decline in usefulness of climate philanthropy by 7.5% per year, resulting in more than a 50% decrease by 2030.

Policy path dependency

A related but distinct dynamic is the path dependency of policy, the fact that policy gets locked in. While carbon lock-in is about the declining influenceability of global emissions through US policy, policy path dependency is about the fact that once policies, agencies or programmes for specific problems exist, they tend to be “sticky”. While it is very difficult to have a precise understanding of how to quantify this dynamic, our best guess is that stickiness decreases the leverage from climate philanthropy by something like 3.5% per year, which corresponds to a 30% decline over the next decade.

Improved societal response

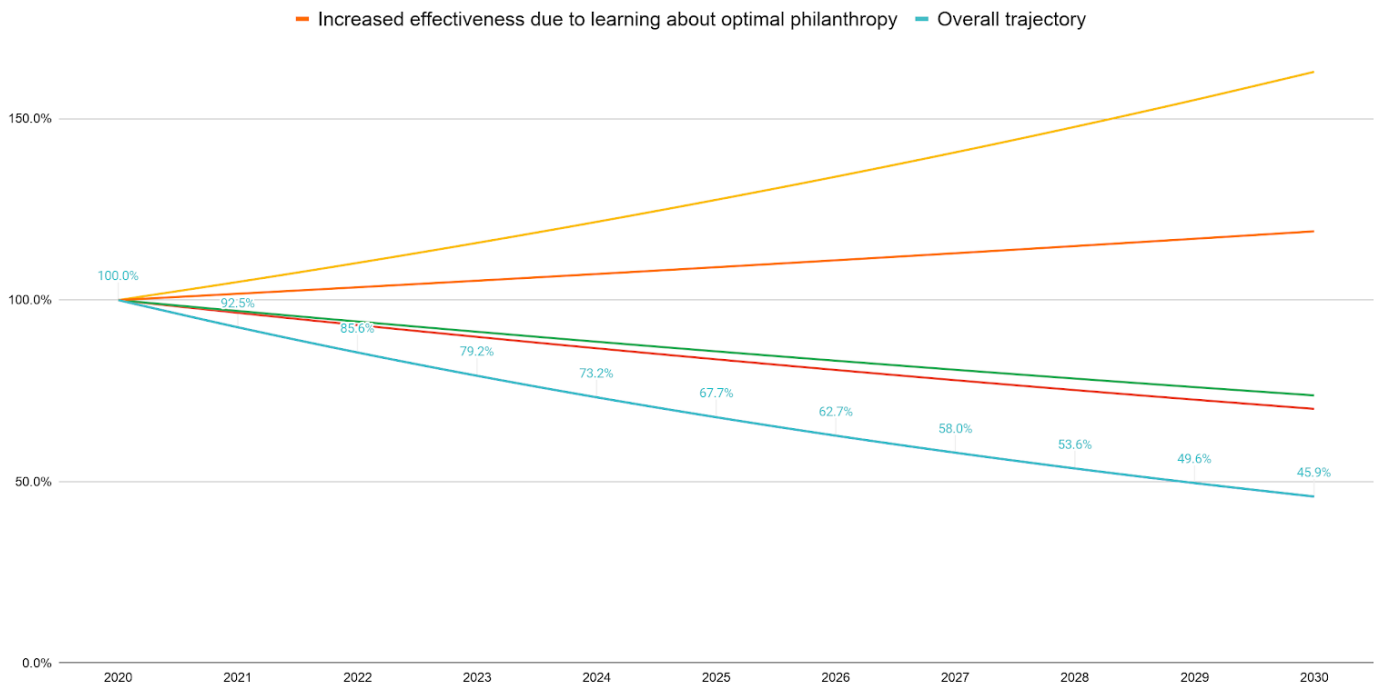
Lastly, we expect overall societal response to the climate challenge to improve somewhat over time, reducing the potential of advocacy focused on improving resource allocation and policy.

Our best guess for this parameter is a decline of 3% per year, leading to about a 25% decrease in usefulness of climate philanthropy over the 2020s -- everything else being equal.

While this rate of societal learning might seem low, certainly from an implicit model of rational problem response, we think it is reasonable approximation given that climate politics is dominated by lots of factors unrelated to actual optimal climate impact -- such as ideological preferences, special interest politics, and electoral politics -- that a much higher learning rate seems unwarranted.

GENERAL DYNAMICS ON BALANCE

In our best guess of the general dynamics, the four dynamics other than carbon lock-in roughly cancel each other out. The overall trajectory falls onto the carbon lock-in trajectory; a 7.5% decrease per annum in climate leverage from donations, based on those general dynamics alone.



Of course, these parameters are all extremely uncertain.

For this reason, to make our argument conservative, we also consider a set of very conservative assumptions -- biased against the argument that giving earlier is more impactful.

For this case, we assume that: carbon lock-in only reduces the value of climate philanthropy by 2.5% per year (a $\frac{1}{3}$ of our best guess); policies are almost entirely non-sticky (only a 0.5% decrease in usefulness per year from this effect); resources allocated to climate increase by 8.5% a year while at the same time there is almost no improvement in societal resource allocation (1% improvement per year); but we could learn about optimal philanthropy at a rate of 5% a year. In this hypothetical situation, which is an extreme case constructed to provide a conservative bound in light of uncertainty, general dynamics alone would push the value of giving later up by 150% over the next decade (from 100% to 250%).

However, these are all individually implausibly conservative, i.e. they seem biased against giving earlier in a way that we find hard to believe to be true. And, because we combine them -- we assume that all parameters at the same time fall onto the most conservative part of the distribution -- the resulting joint estimate is relatively more conservative.

Despite this, as we will see in the integrated analysis below, our main finding -- that now is a special opportunity for impact-oriented climate giving -- even holds true in this extreme case.

Special moments

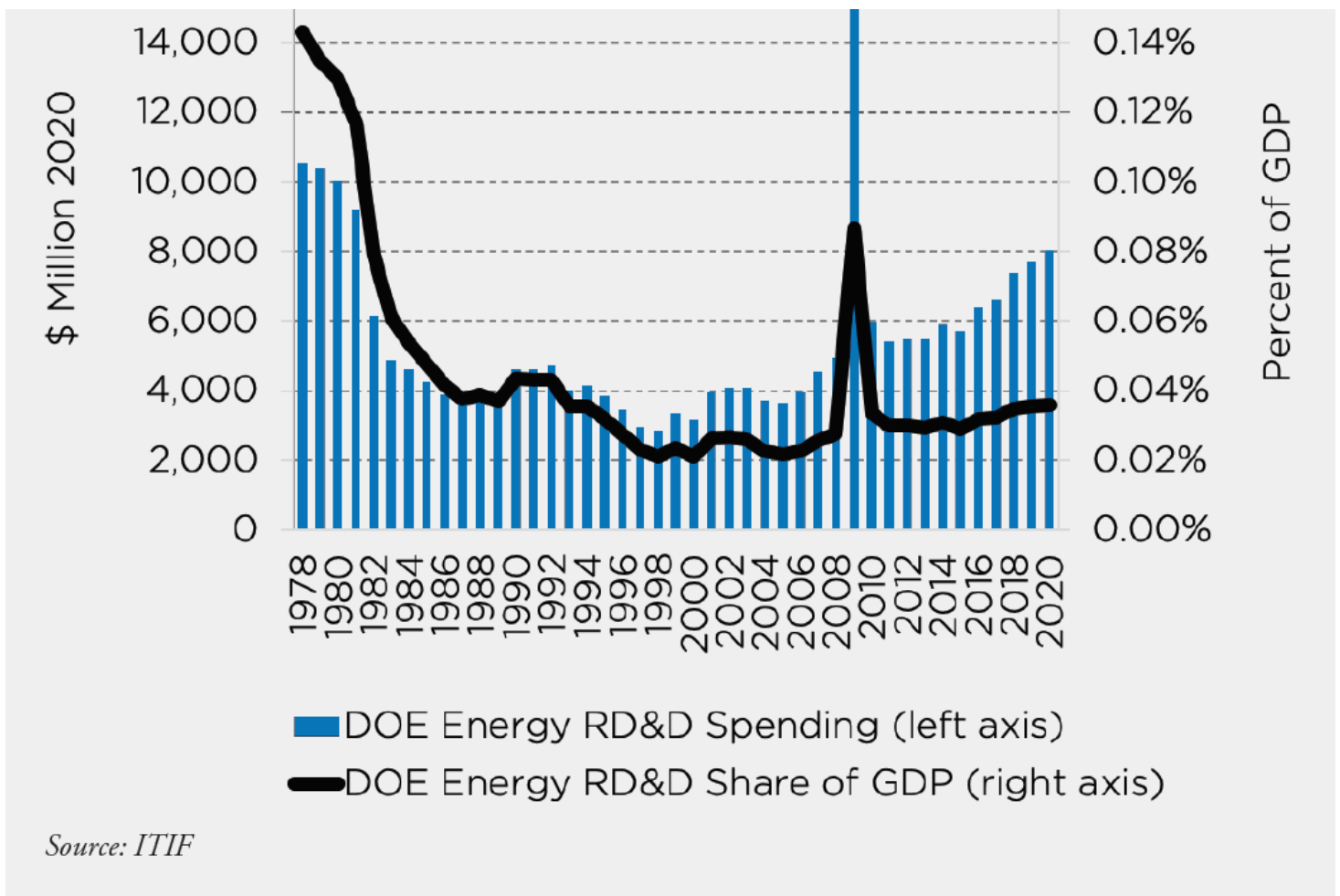


at this point, we are living in a time of economic crisis resulting from the **COVID-19 pandemic**. Progress on clean energy and decarbonisation in general are threatened, however, there is also a great deal of potential.

On the one hand, funding for innovation is at risk right now, as noted by the **International Energy Agency's July report** that outlined how the economic recession threatens critical innovation funding streams for the more than two thirds of climate technologies that are still in need of significant development. In addition, many emerging economies have seen a resurgence of coal in light of the COVID recession, and -- more generally -- stimulus bills to revive the economy **risk carbon lock-in**, a delayed transition to low-carbon solutions, because of incentives to save carbon-intensive assets.

On the other hand, stimulus bills have significant positive potential as they affect how money is invested over the long-term and can, when focused on green investment, **drive significant positive change** and technological learning facilitating a low-carbon transition.

The last time we had an economic shock of similar magnitude, the financial crisis of 2008 and 2009, the outcome was more than a tripling of energy innovation spending as part of Obama's Recovery Act:



(Source: Energizing America)

While Biden has campaigned on plans for a much more significant clean stimulus, a stimulus policy is not a given but a political reaction to an exogenous shock. We thus model its effect as an interaction effect on the political dynamics, giving special importance to who controls the Senate in 2021 (and, if Republicans do, whether they cooperate on a stimulus bill).

Political dynamics

Thus far, our analysis has been ignorant about political dynamics -- focused mostly on long-term trends. But, of course, in a context like the US, partisan politics matters hugely for climate policy.

So, we also need to think about how the changing political environment impacts resource and budget allocation; the next four years in the US look very different from the same four years under a Trump administration.

One can think of political dynamics as a “modifier” to general trends, opening or closing policy



We proceed with integrating these considerations in two steps. First, we provide a narrative outlook onto US climate policy going forward. Then, we present a simple quantitative model that, together with our consideration of general dynamics, provides the basis for our integrated estimate on the value of climate philanthropy over time.

THE POLITICAL TRAJECTORY

While, proverbially, *“predictions are hard, especially about the future”*, there are some things we do know, with varying levels of uncertainty, about the trajectory going forward. For the political trajectory over the next four years, a couple of points seem pretty clear. Below we outline these predictions across the next four years insofar as they shape our thinking about the timing of climate philanthropy.

Executive action

The Trump administration signed executive orders that are costly to the environment, and Biden plans to roll back these orders through executive action of his own. Executive action is **a tool available to the Biden administration** to take positive action on climate and influence how budgets are spent, and is not contingent on any new political results. However, it is important to note that this path is not a panacea; executive orders are vulnerable to courts and unfriendly future administrations, so they are by no means a perfect solution and outcomes in the Senate will still be crucial to climate policy. However, executive action will likely be an important component of Biden’s climate policy going forward.

Legislation until the 2022 midterms

We do not yet know the results of the Georgia Senate races, so we can only predict what will occur over the next two years based on different possible scenarios. Here, we outline our predictions and what they mean for climate policy based on these different scenarios, ranked in order of best to worst from a climate perspective.

1. The Democrats achieve a Senate majority:

If the Democrats win the Georgia races in January, giving them a Senate majority, more will be possible for Biden’s administration in terms of climate. If this situation arises (we estimate the likelihood to be around 15%, detail on quantitative predictions follows in the modelling section below), a stimulus with a strong clean energy component is fairly likely to be implemented as this will likely be a top priority for the Democrats. Meanwhile, specific climate policies, such as the introduction of a clean electricity standard, that rely on a Senate majority will be more likely to become a reality. The policies we describe below will also all be possible if this scenario arises.

2. The Republicans maintain the Senate and leader Mitch McConnell cooperates: If the



estimate. While it is difficult to predict, we estimate that there is an 85% probability that McConnell will remain Senate Majority Leader and about a 25% chance of cooperation in that case, for a total of about a 21% estimate of this scenario as our best guess. While a stimulus with a strong clean energy component would be unlikely to succeed, a more moderate one might be feasible in this scenario. How specific climate policies fare will be determined on a case-by-case basis where they require Senate approval, but some climate policies may succeed. The policies we continue to describe below would still be feasible in this situation.

3. **The Republicans maintain the Senate and leader Mitch McConnell decides to obstruct:**

There is a chance that in the case of a Republican Senate, McConnell is obstructive to climate policy. We estimate that there is a roughly 63% chance of this scenario occurring, based on the 85% chance of McConnell remaining Majority Leader and a 75% probability of him choosing obstruction over a more cooperative path. This situation would be problematic for climate progress and a worst-case scenario, with legislative possibilities being restricted to moderate bipartisan policies, such as increasing innovation budgets for key technologies.

2022 midterms and the remainder of Biden's first term

Not only are there narrow margins in the House and Senate -- provided the Democrats actually achieve a majority in the Senate -- but we know from historic trends that that incoming Democratic Presidents tend to get "punished" significantly in their first midterm elections.

Based on these dynamics, it would be a minor miracle if the Democrats held a trifecta -- control of both chambers of Congress and the Presidency -- after the 2022 elections. After all, the last time a president's first midterm election result was robust to maintain/win a trifecta given *current* margins in the House and Senate was JFK in 1962.

Given that JFK was an unusually charismatic President and polarisation has increased significantly since then (reducing the degree to which a President can be popular across both parties and overcome typical balancing dynamics) leads us to assume a 10% probability of the Democrats winning a trifecta. However, the outcome of the COVID-19 pandemic may work in his favour; if Biden is successful in limiting the pandemic in the US and ensuring the nation recovers quickly and effectively this could be quite significant⁶, which leads us to a 12.5% (1 in 8) guess for this scenario. In other words, it is likely that the relative poor performance of Democrats in the 2020 House and Senate races will mean that the Democrats will lose the House in 2022, and that winning/defending the Senate will be an uphill battle as well. While it makes sense to think about both possible outcomes and make plans accordingly, when we think about timing, our *expectation* of what will happen, integrating both scenarios and weighing them according to

probability. 2023-2024 will likely be dominated by a situation that becomes significantly less



2024 Elections and Beyond

At this point, our predictions become even more speculative as certain factors, such as whether Biden will seek a second term, remain unclear. Based on historic trends, we do know that presidents are more likely to gain a second term than not, making Trump's situation a rarity. This means that we are fairly likely to see the Democrats in power between 2024 and 2028 and we estimate that the likelihood of this occurring is around 62.5%.

However, we know that US presidents tend to achieve most in their early years, so if Biden were to succeed in being re-elected, momentum for climate action will likely be lower than it is now. Meanwhile, what policies can achieve will likely become more constrained and other issues may become of higher priority to the Democratic party. With this in mind, an election of a new Democratic president will likely achieve more in terms of climate than a second term for Biden would. The other possible scenario is a Republican first-term president or even a second term for Trump, which could threaten climate action and policy somewhat. Thus, the timing of donating towards climate advocacy in the US is highly important, as the timeline of individual presidents' terms and presidential changes overall affect the potential for advocacy to achieve change.

A simple model

"All models are wrong, some are useful" is an important proverb to understand the intention behind the current modelling effort, the results of which we present below. (You can also make your own copy of the [model](#) here and play around with model assumptions.)

While the below model results will *certainly* be wrong, we believe they provide a much better grounding for strategic decisions about philanthropy than informal reasoning and predictions driven by heuristics or single considerations.

Indeed, going through this process, we were surprised about the amount we could learn from combining relatively simple stylised facts -- such as re-election probabilities of incumbent presidents, typical dynamics around midterm elections and partisan swings about the expected political trajectory going forward.

One can think about this expectation as a probability-weighted averaging over a tree of possible political outcomes, of which only one path will be realised but where our expectation right now expresses our best guess over the probability and value of different scenarios.

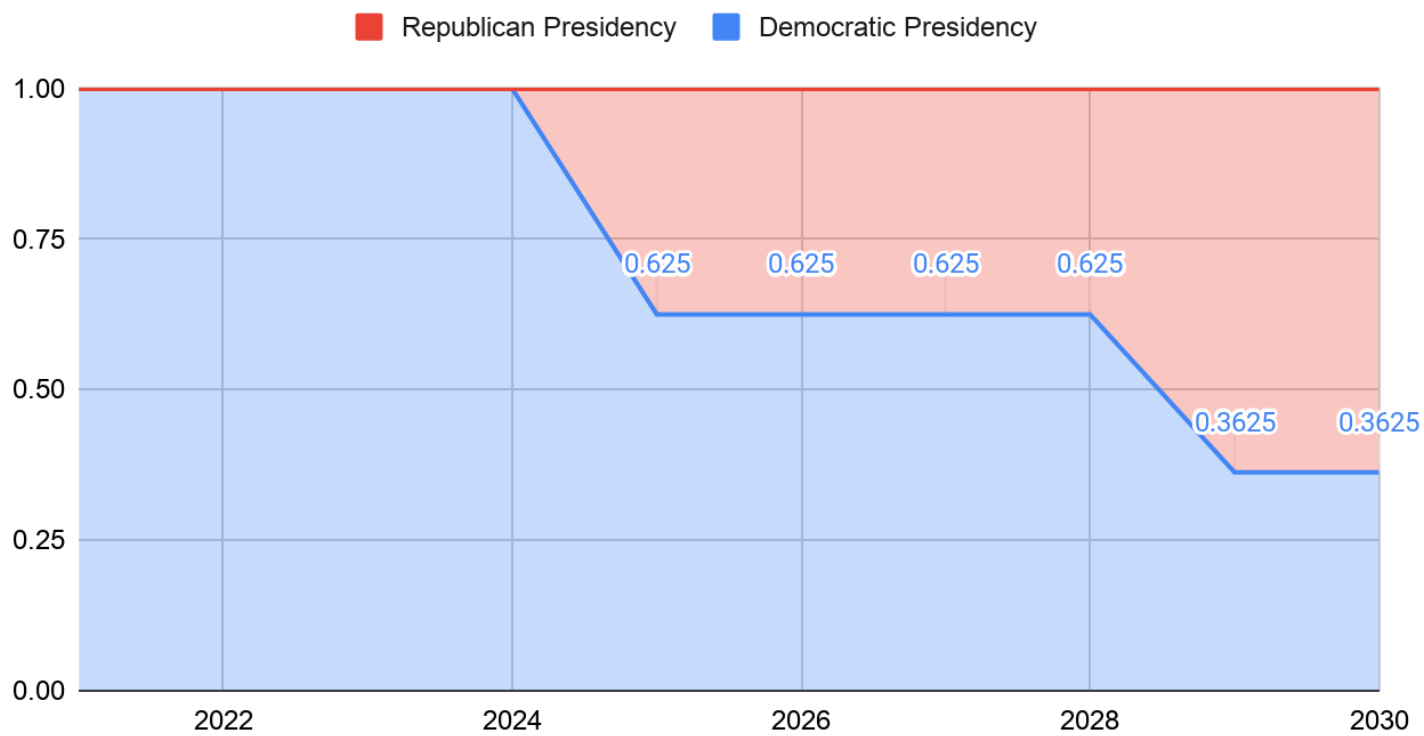
We first describe the modelling of political trajectories before providing some detail on the advocacy value -- what we believe the value of advocacy to be like in different trajectories -- of different "nodes" of this tree.



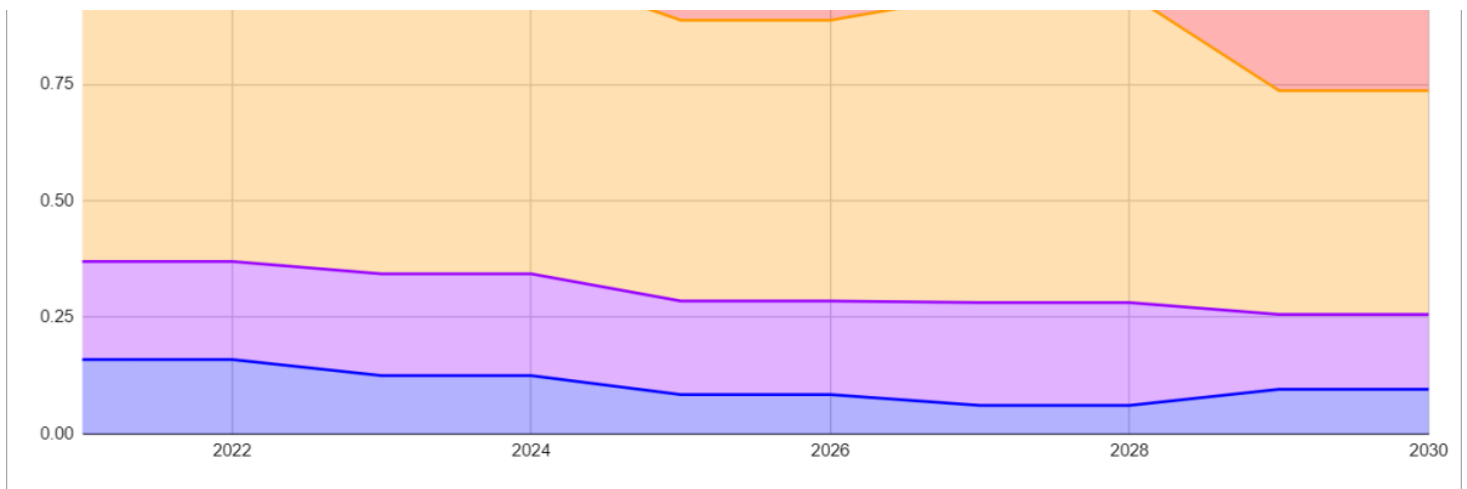
politics (control of both chambers of Congress and Presidency, as all are veto players in legislation).

In terms of the Presidency, we know that Democrats will hold office until 2024 and that they are favoured in a re-election effort in 2024, albeit the uncertainty about a second run of Biden reduces the re-election probability somewhat (from 65% to 62.5%). The chance that Democrats win the Presidency in 2028 is significantly less likely given usual dynamics of partisan swap, though somewhat higher than if we were sure that Biden ran for a second term.

Likely control of the executive (Presidency) until 2030



With regards to the legislative environment, we know that the Democrats will probably not win both seats in Georgia and that, even if they do, they are expected to lose seats in the 2022 midterms. We think there is a 85% chance of a divided government until the 2022 midterms and an even higher chance of that until the end of Biden’s first term. The trajectory after that is less clear; Biden would not be expected to hold a trifecta in a second term, though a new Democratic candidate might have a better chance.



Overall, as we move forwards through the 2020s, the *expected* political environment becomes relatively more Republican-leaning given the strong balancing dynamics in American politics which we reflect in low probabilities of the President's party also holding both chambers of Congress, and a low probability of a 12-year single party Presidency. The bottom line here is that, albeit one might be disappointed with the relative lack of a strong "mandate" for Biden given an unlikely trifecta until 2022 and a likely loss of it thereafter (if won), one should not expect the situation to get more favourable over time frames relevant to climate policy (given strong carbon lock-in dominating intertemporal dynamics, see above). Indeed, if history is any guide, this moment is the most Democratic-leaning of the 2020s.

This is not cause for pessimism or defeatism on climate policy. As we discuss below, we think a lot of the value of climate policy can be realised under divided government. But it is important to understand what specific agenda items are most likely to succeed in this environment, and how to allocate resources to maximise global emissions reductions given political constraints.

Are trajectories really independent from climate philanthropy?

One obvious reply to this kind of analysis is to say that climate philanthropy, and climate activism more generally, can affect the above trajectory in a meaningful way; that political majorities will be shifted -- in expectation -- by climate philanthropy and climate activism.

If that were true, given that partisan shifts are likely quite valuable (see below), this could provide an argument for partisan climate activism that shifts the probabilities towards more favorable environments in which proposed policies can be implemented.

We think, however, that this is quite unlikely to be true for a number of reasons:



favorable to stronger climate policy. It is at least plausible that increased climate activism also increases political polarisation and thereby affects, negatively, the win probabilities of Democrats in moderate-leaning districts. We are not saying that we are convinced of this argument to be true, but only that the open debate on this question should push us to at least give some credence to this view and be skeptical of the view that increased climate activism will necessarily make a big positive shift to the electoral odds of Democrats.

2. The base rates informing this model, the basic probabilities on partisan dynamics, are informed by a long history of American politics including trends such as the Civil Rights Movement, the rise of environmentalism, the Peace Movement, etc. Given the relative stability of these dynamics, it makes sense to put a lot of weight on them to be deeply structural features of American politics that do not change through single issue advocacy.
3. In a similar vein, public attention to climate in the US has been waxing and waning since the 1980s. While the last three years or so have certainly been a period of increased attention to the issue, also among young Republicans, simply extrapolating this trend into the future and expecting that climate change will shift more voters to Democrats going forward, while possible, seems in no way guaranteed.
4. The most dominant trend in American politics -- increasing polarisation -- is likely a force that gives more stability to divided government as the default state as control of the entire government by one party is seen as a very unfortunate, even threatening, state of affairs by (almost) half the country at any one time, making it unlikely to persist for long if to occur at all.

This leaves us with the basic view that, while, undoubtedly, a simplification, treating these macro-political dynamics as exogenous to climate philanthropy and climate activism more broadly is roughly right.

Political cycles

Apart from the particular policy window of a potential COVID stimulus and the general political trajectory we also model the cyclicity of presidential politics, assigning relatively more advocacy value to the first and third year of a presidential cycle (initial agenda setting and adjustment in light of midterms, respectively) and less affectability to policy in election years. We also model a second-term president's agenda as less affectable than a first-term's president to reflect the fact that policy approaches will be more locked in than under a new presidency.

While we believe these to be important stylised facts of presidential politics they do not have a major effect on our model results, as the cyclicity does not affect the relative trend and we are very uncertain about whether or not there will be a first-term president in 2024.

The advocacy value of different trajectories



value of different states for climate advocacy, -- what we can expect leverage -- under different scenarios. One can think about these as multipliers to climate philanthropy, how the expected usefulness of donations shifts with time and in different scenarios.

Crucially, these estimates are *not* statements about the relative goodness of different political outcomes for climate policy all things considered, but rather statements about how impactful we expect additional advocacy, via donations to high-impact climate philanthropy, to be given different policy windows.

What determines advocacy value?

Understanding the relative leverage from different political scenarios requires us first to clarify what the value of different policies feasible in such different scenarios is.

By example, to answer the question of how much better it would be for climate philanthropy if Democrats controlled both chambers of Congress and the Presidency -- the so-called “trifecta” -- we need to map policies feasible in such a case to plausible decarbonisation outcomes.

As we have argued elsewhere, we are quite certain that the primary value of US climate policy, even if domestically focused (i.e. non-foreign-policy), lies in facilitating global decarbonisation and the uptake of carbon removal⁸.

This is for a number of reasons, including the US’s declining share in global emissions, the US’s prowess in driving energy innovation, and its potential leadership role (and felt absence) in international climate policy.

This means that -- when evaluating feasible policies in different scenarios -- we are *not* primarily interested in “*how much does this reduce emissions in the US?*” but rather in “*how much does this help global decarbonisation via direct and indirect effects?*”

While quite a bit more uncertain than questions about direct domestic effects, we think that in a world of rising energy demand shifting away from the OECD, it is much more valuable to be roughly right about indirect effects rather than more precise about domestic effects while, implicitly, treating international effects that carry most of the value as zero.

With that said, we provide more detail in the Appendix on how exactly we estimated the value of different scenarios and here focus on key results.

Different states of divided and unified government

Again, we differentiate between control of the executive (presidency) and the state of legislative

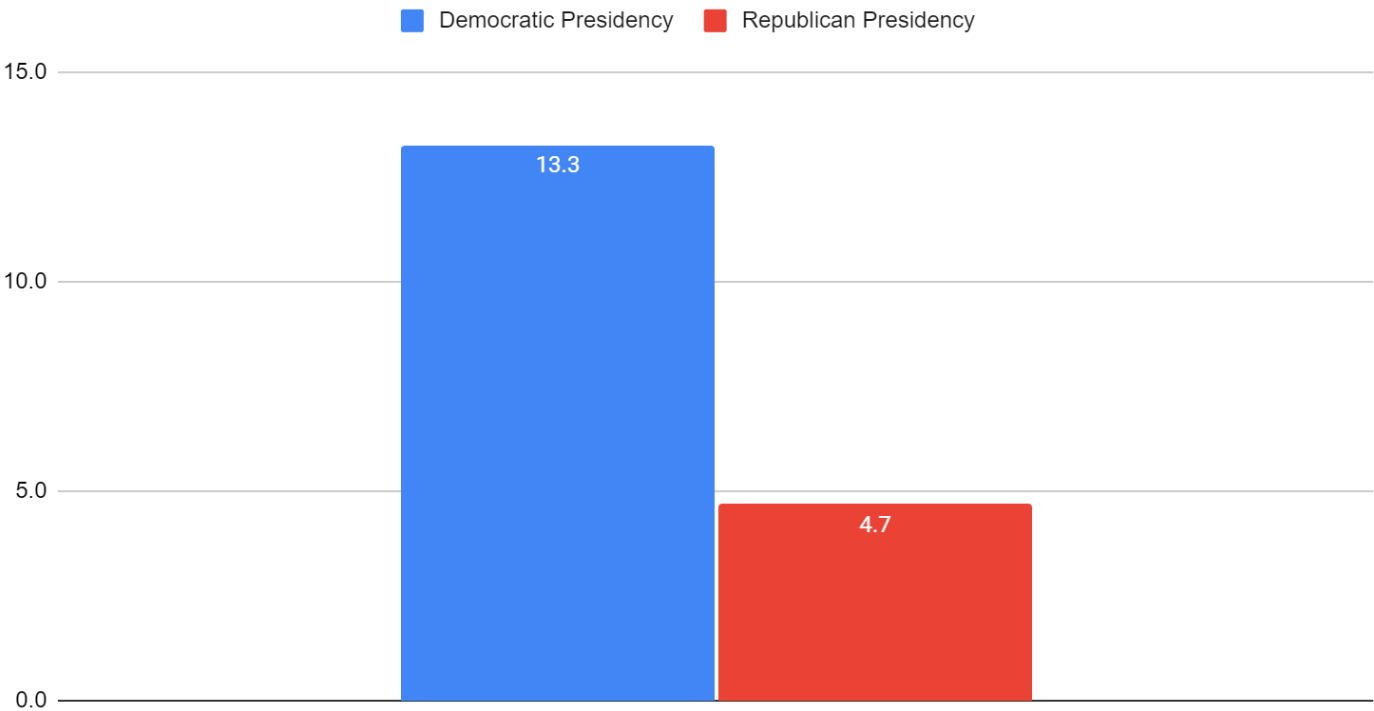


With regards to the presidency, it is clear that -- at this point -- a Democratic presidency, allows more leverage for climate philanthropy, as the federal government can strongly influence progress on clean energy via government agencies and, while not robust to political changes, executive orders, both of which can likely be strongly improved through targeted advocacy ensuring that the work of the executive optimally benefits climate mitigation.

We also think the presidency is critical for climate foreign policy, though we are less sure about the advocacy value of influencing this, in our best guess most of the advocacy value of influencing the presidency predominantly comes from improving the way the federal government’s programmes work (see Appendix for more detail).

Importantly, this estimate also includes the expectation that a future Republican president will, in expectation, be somewhat less “anti-climate” than Trump was -- this should not be seen as a comparison between Biden and Trump, which would certainly be more pronounced.

Estimated leverage from Presidency



Considering legislative politics, we again differentiate between four scenarios -- a Democratic trifecta, a Republican trifecta, and a state of divided government with or without cooperation.

Trifectas here are generally thought of as majorities that are not filibuster-proof in the Senate but rather simple majorities, else the differentiation would be more pronounced still.⁹

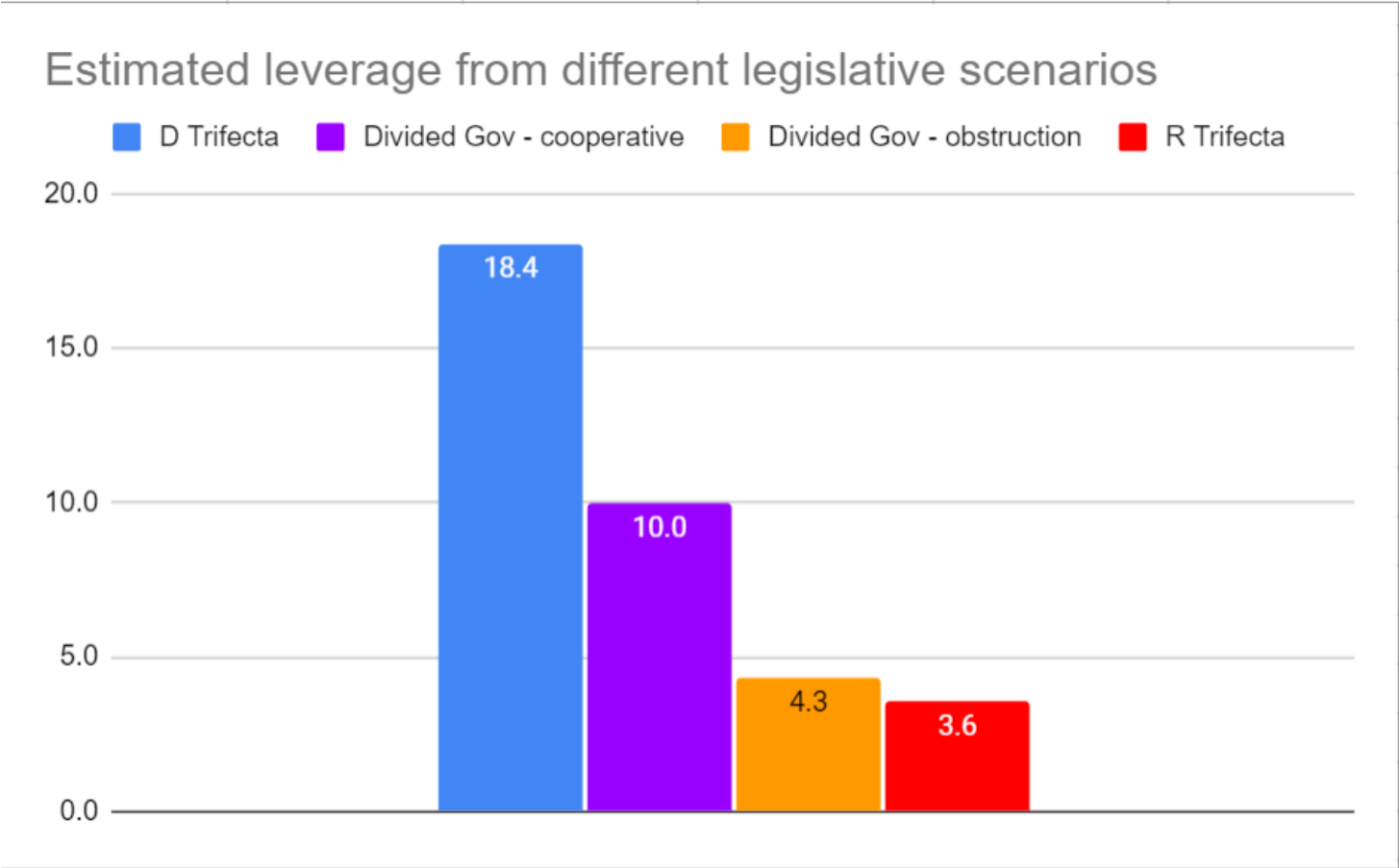
Not surprisingly, we think that a Democratic trifecta offers the most potential for climate impact



climate, are always aligned with the goal of maximal climate impact, which does provide a strong value proposition for advocacy-based charity via paths 2 and 3 described above.

However, we do not think that -- if a Democratic trifecta is not achieved -- everything is lost. Indeed, we are probably more upbeat than many other observers about the potential for climate progress under divided government. The reason for this is, broadly, that while binding economy-wide climate targets or sweeping Green New Deal legislation are impossible under divided government (though also a stretch under unified government), much of the value that the United States can contribute to solving the climate challenge comes from directing its world-class energy innovation system to the task at hand. While budgets and opportunities for policies around this are certainly higher in more Democratically leaning environments, Congressional Republicans have repeatedly defended cuts in energy innovation spending over the past for your years and, maybe surprisingly, the last Congress has passed important legislation for many nascent climate technologies, such as carbon capture, carbon removal, and advanced nuclear (for more detail, see our Appendix as well as the *Energizing America* report cited therein).

We believe that these political opportunities offer plenty of advocacy value, as progress is far from guaranteed while, at the same time, significant improvements are feasible in the near term.





important fact, the COVID-19 pandemic and its potential impact on climate policy, via a significant green stimulus.

Because, as discussed, the stimulus is not guaranteed, but rather dependent on Congressional majorities, we think it is most accurate to model this as an interaction effect, a multiplier on the advocacy value of different political environments in 2021 and, somewhat weaker, in 2022.

Our best guess -- based on background conversations, analysis of the 2009 green stimulus, and the relative size of stimulus policies discussed right now -- is that the potential of a significant stimulus under a Democratic trifecta increases the advocacy value of this by a factor of 3 for 2021 and 1.5 in 2022, while a divided government with cooperation -- in this case McConnell agreeing to some form of a more moderate stimulus bill with clean energy component -- would provide a doubling of the advocacy value of this political environment in 2021 and a 25% increase in 2022.

An integrated perspective on the importance of timing

We are now in a position to bring together the general considerations on the timing of climate philanthropy, the potential special policy window presented by COVID-19, and the analysis of political trajectories into an integrated estimate on the expected leverage of climate philanthropy.

Before diving into the results, a few words on how to interpret these results.

First, the results express an *expectation*, a probability-weighted assessment of possible futures. They integrate over many different paths, but only one of them will be realised. So it would be wrong to perceive this as a prediction over specific outcomes, e.g. the estimate for 2021 is comprised of a situation where Democrats win both Georgia races and one where they do not and -- when they do not -- one where McConnell signs up for some form of green stimulus and one where politics remains entirely obstructionist.

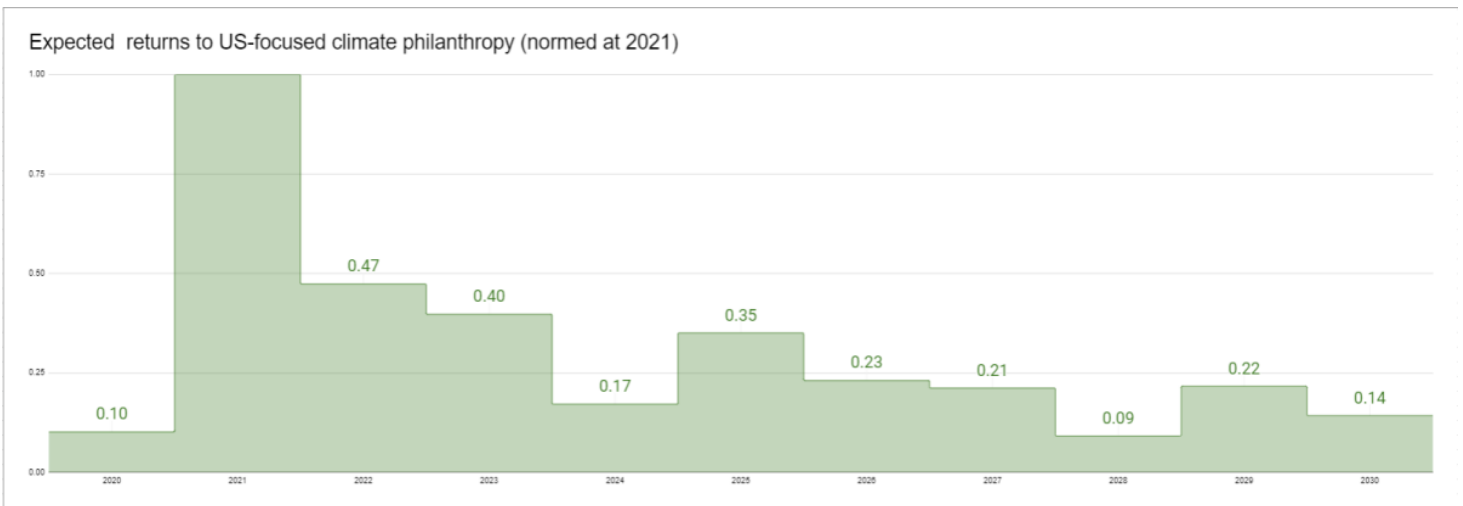
Second, the advocacy value per year is meant to reflect advocacy targeted at affecting political activity in that year. For example, giving now will clearly affect outcomes in 2021, so it is *very* valuable. By the same token, this also means that philanthropic investments made now to influence events in 2024 or later,¹⁰ should be judged by the relative leverage of the target year.

Third, these are considerations for everything else being equal. Of course, there are and will be dynamics we do not capture here. The right interpretation -- we think -- of these kinds of

numbers is to say “If I knew nothing else but the consideration examined above, when should I



With these caveats in mind, let us examine the results.



Bringing all of the above considerations together into an integrated perspective, we estimate that the win of Biden alongside the stimulus window has increased the advocacy value of climate philanthropy by a factor of 10 (note that this includes, with 15%, a Democratic trifecta with significant stimulus and a 25% cooperation probability of McConnell for a more moderate stimulus should the Senate remain Republican).

However, this is short-lived, as initial policy is pursued (and gets locked in, to a degree) while the 2022 midterms and a more Republican Congress will likely constrain the climate agenda. This means that we expect donations targeted at the post-midterm environment (2023) to only be about 40% as valuable as now, with a further decline for donations targeted at the election year 2024 (though donations in 2024, to influence a 2025 Presidency should be judged by the value of 2025, as discussed above).

Of course, a new presidency in 2024 -- where Democrats are favoured -- provides another period of agenda-setting and influencing policy. However, while our model “thinks” that there is about a two thirds probability of a Democratic victory in 2024, the value of advocacy for the target year 2025 is significantly lower than two thirds of the 2021 value (around 40%). The reason for this -- apart from the general decline due to carbon lock-in as the dominating general dynamic and the absence of a stimulus -- is that, in the case of a second Biden term, he would likely face higher barriers to pass policy and existing policy would be more locked in. In the case of a first-term Democratic president (if Biden does not run for re-election), there would be somewhat more climate leverage though the win probability of such a candidate is lower than for an incumbent.

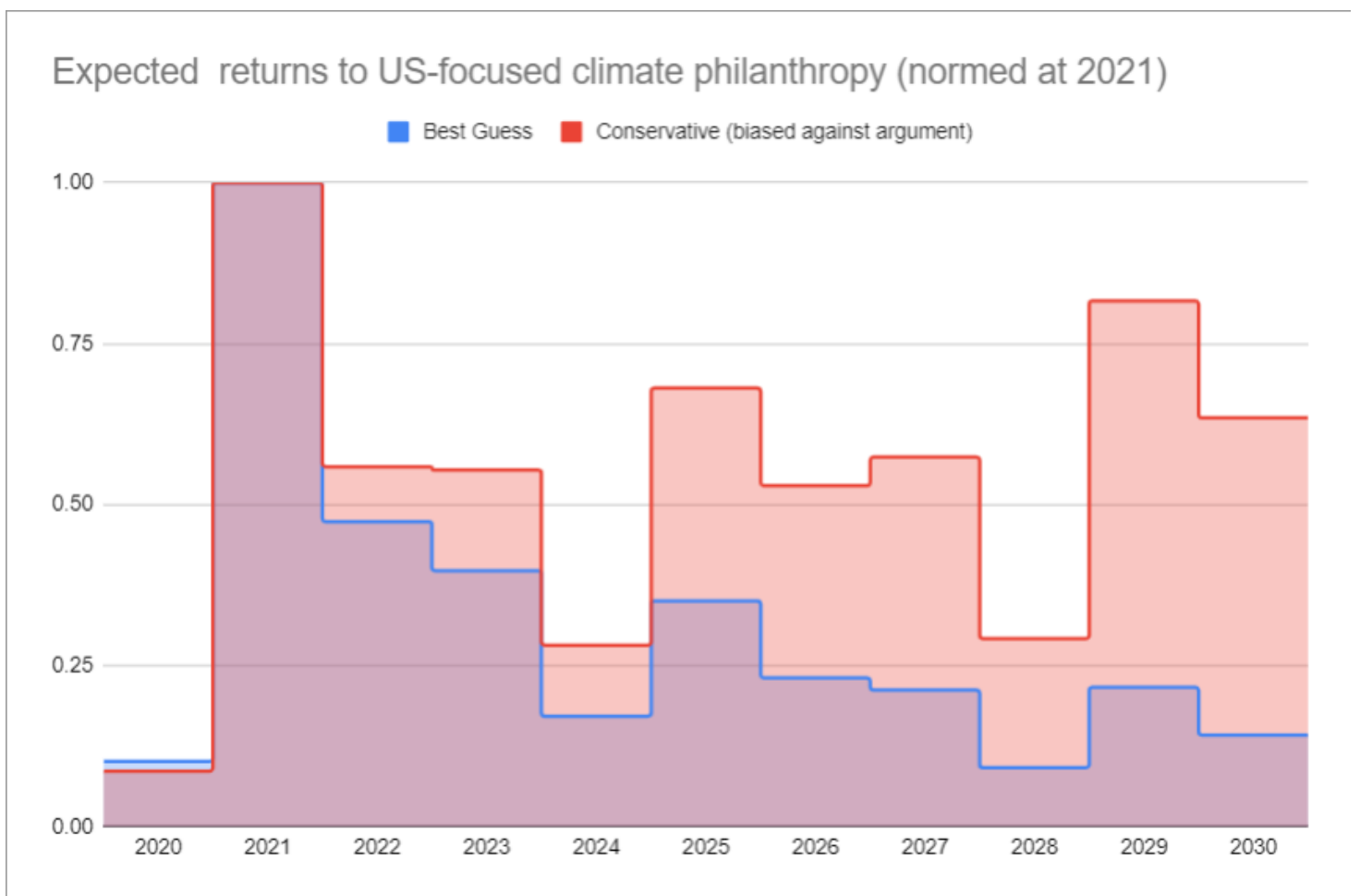
In any case, while we can see a clear cyclicity over time -- reflecting the dynamics around the rhythm of presidential cycles and checks-and-balances dynamics -- there is also an obvious decline in overall climate leverage over the 2020s



increasingly less useful in shaping global decarbonization -- far from an idyllic

For example, while general dynamics would push the overall value of climate leverage in 2030 to about 45% of current value, the value for 2030 is a mere 19%. Part of this comes from the potential stimulus making 2021 an unusually influential time. But another important factor is that the political environment in 2029 and 2030 is -- from all we know -- significantly more Republican-leaning, with a Republican Presidency more likely than not and, in the case of a third Democratic term, the expectation of a Congressionally constrained Presidency.

This can also be seen by looking at the “conservative” case, where the general dynamics are unrealistically biased against the case of giving earlier by choosing individually extremely conservative assumptions that jointly (through multiplication) express an extremely conservative case (see the section on general dynamics for more). Even in this scenario, where general dynamics push climate leverage of donations to increase by almost 10% per year, leading to a an about 150% increase in the leverage of climate donations over the next decade, our overall result -- that now is a special opportunity for impact-oriented climate philanthropy -- holds true because of expected partisan political dynamics.



Based on this analysis we think that if you have any flexibility in the timing of your climate



Is the special moment fully “priced in”?

Of course, climate philanthropy is a relatively crowded space and everyone else is observing this dynamic as well.

So it could be the case that the increased leverage this moment presents is fully “priced in”, with everyone giving proportionally more now so that -- at the margin -- donations now are not more impactful than those made at other times. This is what would happen if philanthropy was a perfectly efficient market where philanthropists optimise for impact, optimise intertemporally, and have the ability to save and borrow with little constraint.

At the outset of this research, we were quite open to this possibility -- that the “special moment” is mostly an illusion with many impact-oriented philanthropists reacting strategically and thereby reducing the spread of impact over time.

We now think this is less of a concern (unfortunately!¹¹) and our best guess is that only around 25% or so of the impact differential over time is already priced in by others funding more as well. This means that we believe that 75% of the impact benefit of moving donations forward is not priced in. While this is obviously somewhat of a crude guess and we hope to learn more about this in the future, here are our key considerations for this estimate:

1. According to ClimateWorks’ analysis, the leading in the field, of the \$5-9 billion spent on climate philanthropy in 2019, giving by individuals outweighs foundation giving by something between 2-4 (all of the total uncertainty comes from uncertainty about individual giving). We think it is unlikely that most individual donors react very strategically in the timing of their giving; with yearly giving, giving around liquidity events, giving around natural disasters or other events putting climate on the agenda, etc. This puts our estimate on the “pricing in” to something around 10-15%.
2. Of course, environmental NGOs do make the argument around special moments in their fundraising drives, but they will do so around every election and not in a way that stresses a decline over time (they want to do the same fundraising drive again in 4 years). In addition, given scope insensitivity, we think that qualitative notions of “*time is running out*” and “*now is a special opportunity*” are unlikely to lead to a corresponding reaction. Indeed, this is one of the main motivations in building a quantitative model of impact over time, to give some indication of the magnitude of these effects.
3. While foundations and philanthropic aggregators are, on average, likely more strategic than individual donors, many of them also face strong incentives to not hold large reserves, but rather to present a compelling value proposition every year.
4. Again, based on ClimateWorks’s analysis cited above, while the trend in foundation giving in climate philanthropy has been encouraging (increasing from less than 1 billion to 1.6 billion between 2015 and 2019) the growth trajectory reflects a roughly linear trend in line with



strategic reactions could be hidden in this data.

On the whole, this lets us believe that maybe 25-30% of the “arbitrage” of timing might be accounted for, but that a large impact benefit will persist from moving donations forward in time.

To be perfectly clear, we are not suggesting that everyone should become an extremely time-sensitive philanthropist only giving in special moments. Indeed, regular funding streams are important and themselves an impact multiplier of a different kind (on the organisational level), one of the reasons we moved to a [fund model](#) at Founders Pledge. Rather, we seek to accurately characterise an opportunity for those that have some flexibility in the timing of their giving.

Does the election change where I should give?

As we have argued elsewhere ([here](#), video [here](#)), we believe that -- at this point in time -- funding advocates focused on accelerated neglected yet critical decarbonisation and carbon removal technologies likely presents the best value proposition for impact-oriented climate philanthropists. This reasoning underlies our [Climate Fund](#) as well as the work of our top recommended charities, the [Clean Air Task Force](#), [Carbon180](#), and [TerraPraxis](#).

Rather than restating the case, we here focus on whether and how the US election has changed our perception of those charities and, more generally, where impact-focused philanthropists should focus their efforts. The “where” here is not meant not only in a purely geographical sense -- we differentiate between geography, type of advocacy, and partisan alignment.

Geography

Under Trump, we already believed that giving to improve US climate and technology policy was a top leverage option for donors because of the strength of the US energy innovation system and, as we outlined in great detail in the timing section above, Biden’s win opens up even more doors for impact, increasing opportunities -- compared to Trump -- to something like 10-fold for 2021 and 5-fold for 2022.

To be sure, this does not mean that the US becomes relatively 5-10 times more attractive just through this election, because a major influence on the goodness of climate philanthropy in 2021 and 2022 is the potential of stimulus policies that, in similar form, are or will happen in many other jurisdictions.

Rather, it makes sense to think about the counterfactual. Had Trump won re-election while the



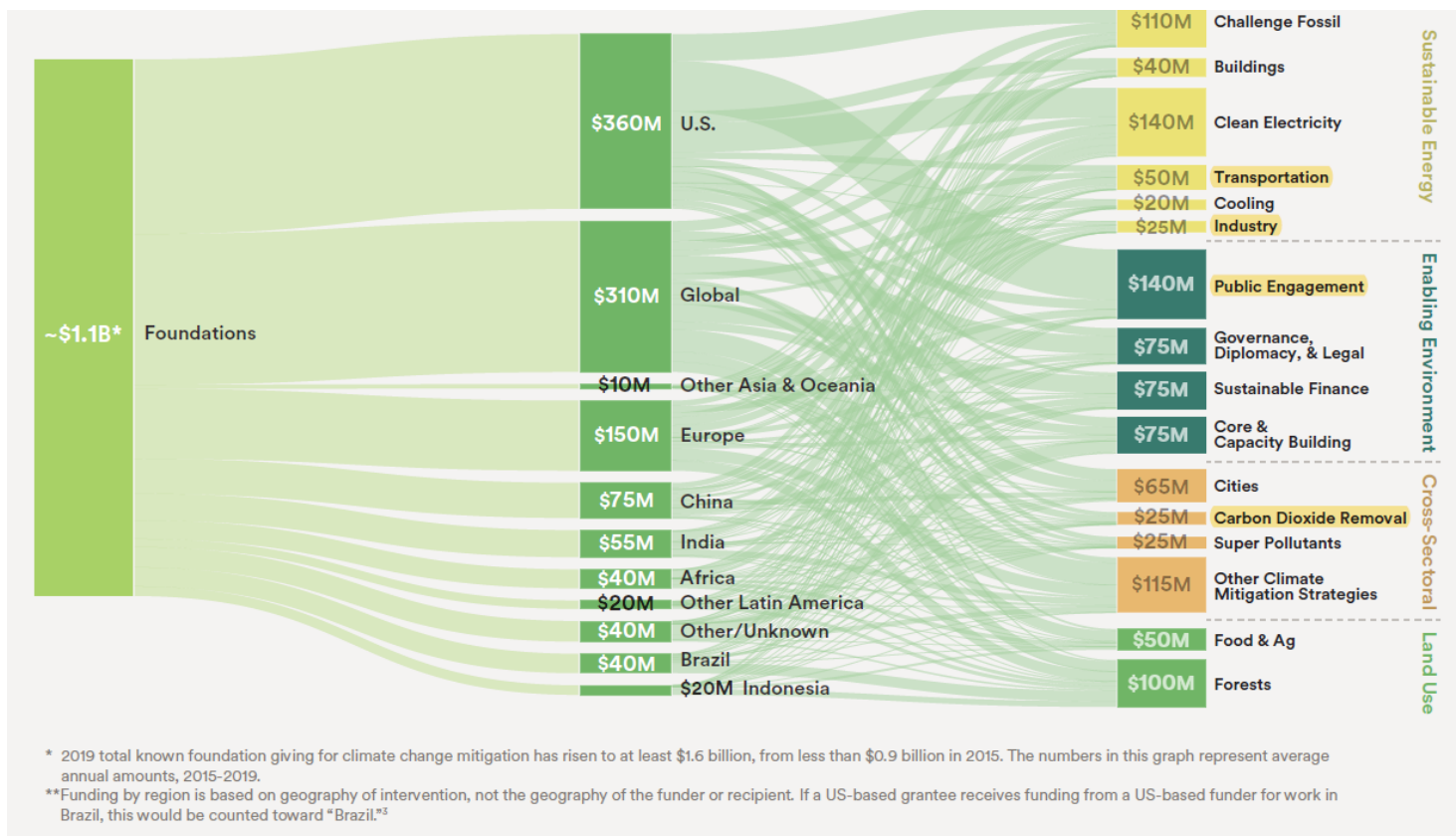
its position as a top sector for impact-oriented climate philanthropy, possibly, somewhat extending it.

Type of advocacy

In terms of advocacy type, our climate work has been focused on advocacy that targets key decision-makers to improve resource allocation and policy (mechanisms 2 and 3 in our typology), rather than grassroots activism, direct political campaigns or mass engagement (mechanism 1).

This is not because we think grassroots advocacy is not important. Quite the opposite. Arguably, the rise of climate grassroots activism -- from Greta Thunberg to Extinction Rebellion to Sunrise - has been one of the most important trends in climate politics over the past four years, significantly contributing to increasing the “pie”, the overall attention and budgets that the issue of climate change is receiving across OECD economies. Rather it is because we believe that this form of advocacy is, compared to its potential, less under-resourced than policy advocacy translating political momentum into useful decarbonization outcomes (mechanisms 2 and 3 in our model of the pathways of advocacy value above).

Consider, again, the reporting from ClimateWorks on climate philanthropy (p. 5, emphases ours):



According to this analysis, in the 2015-2019 period, about 100 million have been spent on public engagement in the US per year, more than a quarter of the climate philanthropic spending by foundations in the US in total. What is more, Jeff Bezos -- **now the largest climate philanthropist in the world** -- has focused his first round of grants on well-known Big Green groups that have a long history of raising awareness of the climate challenge, probably making that “public engagement” bucket significantly larger in future iterations of the *ClimateWorks* report.

Beyond philanthropy, the largest environmental NGOs have hundreds of thousands of members and even relatively new grassroots movements, such as Sunrise, have volunteers in the 10,000s, making environmental NGOs and grassroots a major political force.

At the same time, *global* philanthropic support for decarbonising sectors that are usually considered among the **hardest to decarbonise** -- transport and industry -- is less than that USD \$75 million.¹² Carbon dioxide removal, the technology considered **most in need of additional innovation policy support**, received only USD \$25 million in global philanthropic support. These numbers do not allow differentiating by type of philanthropy so only a subset of these overall numbers will be focused on advocacy increasing overall societal resource allocation to these approaches; in other words these numbers are an overestimate for the type of advocacy work we are interested in assessing.

We tend to think that this presents an imbalance, given the large value of improving the



ultimately, a fairly hard-to-test hypothesis and almost philosophical question (we will attempt to gain some traction on this in 2021).

But, while it is difficult to make a statement about the relative balance, we think it is clear that now that we have a very climate-friendly administration -- likely under divided government, if not with razor-thin majority -- the value of policy advocacy to improve how the attention to climate is spent strongly increases, easily by a factor of 4 or more (taking a conservative average from the advocacy value of the next four years, based on our timing analysis above) compared to a second Trump term.

At the same time, it is difficult to see how the value of funding advocacy focused on increasing the pie could have increased by the same amount based on the outcomes of the election.

Indeed, insofar as mass mobilization and climate grassroots activism are strongly tied to the Democratic party and making Democrats more ambitious on climate, it seems likely that the value of this advocacy has decreased due to the relative underperformance of Democrats in Congressional races and the likely less **Democratic-leaning environment in the midterm** elections.¹³

On balance, we think that the election directionally shifts the balance towards advocacy to improve resource allocation and policy rather than advocacy focused on increasing overall resource allocation (increasing the pie), so we feel more certain in the relative prioritisation of this kind of advocacy in our philanthropy. As mentioned, we plan to come back to this question some time in 2021.

Performance under divided government

If there had been a Blue Wave, one could have argued for a more partisan approach, though even then all policy would likely have had to have some bipartisan support. The actual results, however -- a Biden presidency with a fairly Republican Senate and a more Republican though still Democratic House -- and a fairly Republican judiciary, including a 6 to 3 conservative Supreme Court majority -- put a premium on organisations, such as the **Clean Air Task Force**, **Carbon180** and others that have demonstrated significant policy successes in a fairly Republican political environment and have collaborators across the aisle. On balance, *this* election and the resulting political environment over the next four years *at least* seem to reinforce the value of supporting more bipartisan organisations over those strongly tied to Democrats.

Note that this perspective is informed by the belief, outlined in the timing section and the Appendix, that the primary value of American climate policy lies in facilitating global decarbonization, the ultimate goal of climate policy. And, crucially, many of the policies most effective at achieving this goal -- policies across the innovation chain, from support for basic



policies more narrowly focused at regulating CO₂ emissions.

Conclusion

In conclusion, we believe -- and have hopefully demonstrated convincingly -- that now is very likely quite a special opportunity for impact-oriented climate philanthropy.

Our quantitative modelling suggests that the Biden victory has probably increased the leverage from US advocacy-focused climate philanthropy, how donations translate into climate impact, by a factor of 10x or so compared to a hypothetical second Trump term.

However, this effect is short-lived, our modelling suggests that by 2025, the first year of the next presidential term, US-advocacy-focused climate philanthropy will only be about 35% as valuable as it is now. While the leverage from climate philanthropy varies with expectable political dynamics, the overall trend is one of sharp decline.

Crucially, while we are building a detailed model to get a sense of the quantitative importance of timing considerations, this basic finding -- that, insofar as you have flexibility, giving now is significantly more impactful than giving at any point later in this decade -- is based on three quite basic and robustly established stylised facts.

First, time is running out on climate change and carbon lock-in -- investments into carbon-intensive assets committing the world to decades of emissions -- provide a strong rationale for acting early. This is uncontroversial, but -- we believe -- politically and philanthropically underappreciated. We think it is the most important factor among the general dynamics and is a primary driver of value decline of climate philanthropy over time.

Second, massive exogenous shocks, such as COVID-19 and the related economic repercussions, also present an unusually influential time for climate philanthropy, given that economic stimulus policies can be decisive enablers of much accelerated clean energy progress, while, at the same time, this time also present a risk of increased carbon lock-in when the innovation economy is hit hard.

Third, if history is any guide, the power of the presidency and their party decline over time, which makes it unlikely that waiting for or working for an even better opportunity -- say, a solid Democratic majority in both chambers of Congress and the Presidency -- is a promising strategy. Indeed, history would suggest that we are now in the most Democratically leaning environment of the 2020s.

To be perfectly clear, we are not suggesting that everyone should become an extremely time-



one of the reasons we moved to a [fund model](#) at [Founders Pledge](#). What we are saying is, moreover, that if you have temporal flexibility with regards to the timing of your climate giving, you can likely have significantly more impact by moving donations forward in time.

Importantly, while we have talked a lot about timing, timing is not everything; indeed the decision around which organisations you give to is almost certainly more important. Based on our own research and that of other impact-oriented philanthropists, we believe that giving to the very best charities rather than average charities is easily 100x more impactful.

As we have argued elsewhere ([here](#), video [here](#)), we are convinced that -- at this point in time -- funding (i) advocates (ii) focused on accelerating (iii) neglected yet critical decarbonisation and carbon removal technologies likely presents the best value proposition for impact-oriented climate philanthropists. We believe that, relatively speaking, the US election strengthens the expected impact of this approach given the much increased “pie” -- climate budgets and other political opportunities -- policy advocacy can focus improving on and a political environment that puts a premium on organisations, such as the [Clean Air Task Force](#), [Carbon180](#) and others that have demonstrated significant policy successes in a fairly Republican political environment and have collaborators across the aisle.

In short, we believe it is time to act and to fund bold advocates for neglected solutions to make sure that the political moment in the US is translated into policy outcomes that will help the entire world decarbonise. No pressure.

Appendix

You can find our full Appendix [here](#).

Notes

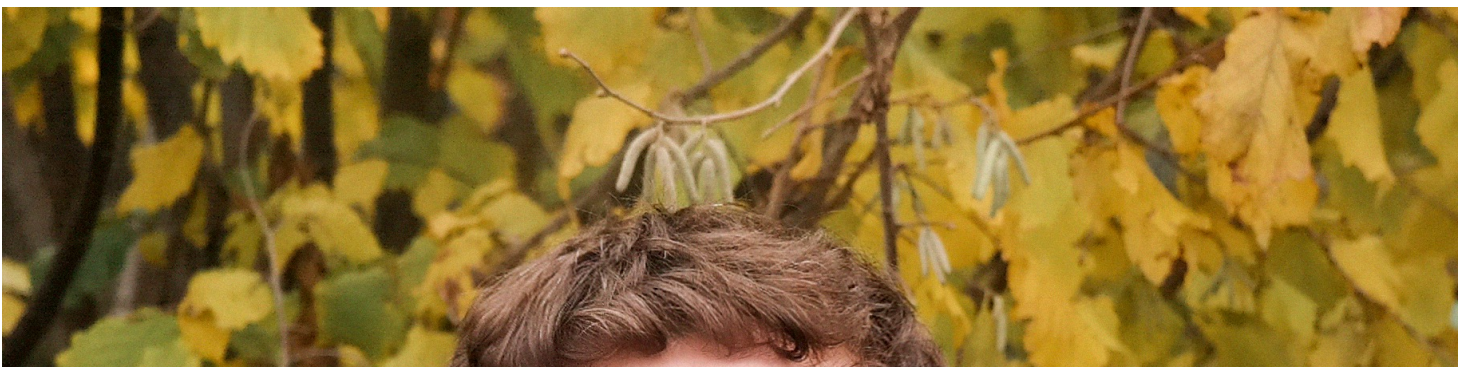
-
1. We [estimate](#) the probability of Democrats winning both seats and thereby the Senate majority to be around 15%. ↩
 2. Even if the Senate flips Democratic through two wins in Georgia, the majority would be razor-thin and it would be highly unlikely that strongly partisan policies, such as the Green New Deal, would pass the Senate; in any case the majority would not be filibuster-proof. ↩
 3. Of course, the President can also revert to executive orders as a form of “policy” making, bypassing the legislature. While this can be a tool for climate policy, the fact that it can easily be reversed by future administrations makes it less robust, it is also no full equivalent to legislative policy. ↩
 4. For a deep dive into our general conclusions surrounding climate philanthropy, see our [Climate Fund Prospectus](#) and new [Climate Report executive summary](#). ↩

5. Note that this expectation also includes cases where increases are faster or slower. this is a best guess



over the coming decade. ↩

8. For short-hand we will sometimes only write “decarbonization” in the remainder, as well as talk about “energy innovation” rather than “energy innovation and innovation around carbon removal”. Our arguments are always meant to include both, except for if otherwise indicated, and we see “carbon removal” as one of the most neglected technology groups, which motivates our recommendation of Carbon180 as a top philanthropic opportunity. ↩
9. Filibuster-proof trifectas are very rare and we do not expect a Democratic trifecta in the 2020s given that Biden is, at most, starting with 50 Democratic senators and expected losses over the course of the Presidency. ↩
10. Say, policies that require a Democratic trifecta assuming Democrats do not win a majority via Georgia and are unrealistically far from a 2022 victory. ↩
11. It is important to remember that increased leverage from climate philanthropy is not *per se* desirable, the ideal state of the world is one where climate philanthropy (and philanthropy more generally) are already optimized to improve the world as much as possible. ↩
12. Many neglected technology approaches are not even mentioned in the breakdown. In addition, while some parts of electricity -- in particular, load-following electricity -- are considered hard-to-decarbonize the verbal description of the “clean electricity category” suggests that philanthropic spending within electricity is heavily focused on intermittent renewables rather than electricity technologies with load-following ability. While the ClimateWorks numbers do not allow us to differentiate between clean electricity technologies supported, our **former analysis** suggests that spending with electricity tends to be tilted towards intermittent renewables rather than neglected approaches within this field such as carbon capture and storage, advanced nuclear and, even, non-intermittent renewables. ↩
13. While not philanthropic and outside the remit of Founders Pledge, political contributions might seem like an attractive option for some donors. And indeed, the climate benefit of shifting the Senate to a Democratic majority via two wins in the Georgia runoffs, would likely be very large given the kind of agenda and green stimulus it would enable.
However, it seems fairly unlikely that these campaigns are in need of additional funding. Expected funding is in the hundreds of millions, lowering potential for marginal impact, especially when considering counterbalancing dynamics in a polarized environment. ↩
14. For short-hand we will sometimes only write “decarbonization” in the remainder, as well as talk about “energy innovation” rather than “energy innovation and innovation around carbon removal”. Our arguments are always meant to include both, except for if otherwise indicated, and we see “carbon removal” as one of the most neglected technology groups, which motivates our recommendation of Carbon180 as a top philanthropic opportunity. ↩





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Johannes has dedicated much of his adult life to this topic. From a teenage environmental activist to a climate policy expert advising major EU decision makers, Johannes is committed to solving the problem of global energy poverty, while simultaneously reaching net-zero emissions and protecting our planet.

Prior to joining Founder Pledge, Johannes spent five years working in a think tank advising decision makers on climate policy, and conducting academic research into the intersection between effective and feasible climate policies.





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