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Connecticut to divest \$30M in gun stocks in effort to shape gun control debate

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HARTFORD, CONN. - 12/03/2019 - State Treasurer Shawn T. Wooden stands with Janet Rice of Hartford at a press conference Tuesday, December 3, 2019 to release details of a new proposal designed to address the financial underpinnings of gun violence. Rice is the outreach coordinator for Connecticut Against Gun Violence. Her 20-year-old son was shot to death in Hartford in 2012. (Daniela Altimari / Hartford Courant)

State Treasurer Shawn Wooden, whose cousin was shot and killed in Hartford seven years ago, unveiled a sweeping initiative Tuesday that seeks to promote gun control through investment policy.

Wooden's plan calls for the divestment of \$30 million in equity investments in five companies that manufacture ammunition for the civilian market. The move is largely symbolic: those investments make up a tiny fraction of the \$37 billion in public pension funds overseen by Wooden.

Wooden is proposing additional steps to shape gun policy, including asking financial institutions to disclose their gun policies when seeking to do business with the treasurer's office.

He said he was inspired to act because Congress has let gun control legislation languish.

"Efforts to advance meaningful gun reform at the federal level have stalled at every turn in the Senate," Wooden said at a news conference Tuesday in his Hartford office, where he was joined by gun control advocates and families who have been harmed by gun violence.

"Despite the death toll of gun violence rising, despite mass shootings in Las Vegas, Parkland and countless other communities, despite the pleas of parents, our kids, educators, law enforcement and health care professionals, despite calls from corporate America and steps taken from Walgreens to Walmart, despite the fact that an overwhelming majority of Americans support universal background checks, despite that and so much more, our neighborhoods continue to be ravaged by senseless gun violence," Wooden said.

Wooden's proposals, which still need the approval of the state's Investment Advisory Council, are part of a larger movement to exert financial pressure on the gun industry.

Several states, including California and Massachusetts, have adopted similar policies.

Last year, Citigroup became one of the first large Wall Street firms to take a stance in support of tougher gun laws. The bank approved a mandate that requires its retail clients to pledge not to sell firearms to customers younger than 21. It also seeks bar those clients from selling bump stocks, devices that increase the rate of fire of semi-automatic weapons. (Bump stocks were banned in Connecticut last year.)

On Tuesday, Wooden announced that Citibank and Rice Financial Products, "two firms that want to be part of the solution on gun violence," have been selected as the senior bankers for the state's upcoming \$890 million general obligation bond sale.

"A financial institution's gun policies will be incorporated into this office's decision-making process," Wooden said. "We want to work with good financial partners that are adequately managing the risk related to gun violence. We want to incentivize the financial services industry to do the right thing."

He said his decision to begin reallocating state pension funds from the non-military firearms market is based on more than his own family's experience with gun violence.

"Yes, this issue is personal to me," Wooden said. "However as Connecticut's state treasurer, gun violence is a matter of significant financial concern which warrants the attention of this office. I'm the fiduciary for more than \$36 billion in pension and trust assets for more than 212,000 state employees and teachers ... it's my responsibility to look out for the best interests of taxpayers and retirees by ensuring that we maximize returns while minimizing risk."

Investments in companies that produce firearms for civilian use are subject to volatile swings, he said. "Simply put, the business of civilian guns has become an increasingly risky proposition," Wooden said.

Gun control advocates praised Wooden's proposals.

"The treasurer's decision to divest from gun manufacturers and enact a first-of-its-kind, comprehensive, responsible gun policy should be applauded," Gov. Ned Lamont said.

"Connecticut continues to be a leader in responsible gun safety policies and as a state we must go beyond legislation in order to reflect the importance of protecting our communities from gun violence."

Lamont added: "While divesting sends a strong message, we still need a moment of action in Washington that will bring an end to the mass shootings that have become an everyday tragedy for our country."

Janet Rice, outreach coordinator with Connecticut Against Gun Violence, also hailed Wooden's proposals. "We need to tackle gun violence from every angle," she said.

Rice lost her 20-year-old son, Shane Oliver, to a gunshot in 2012. "Shane was the light of my life, my only child and my best friend," she said. "In the blink of an eye, my child was gone and my life was turned upside down."