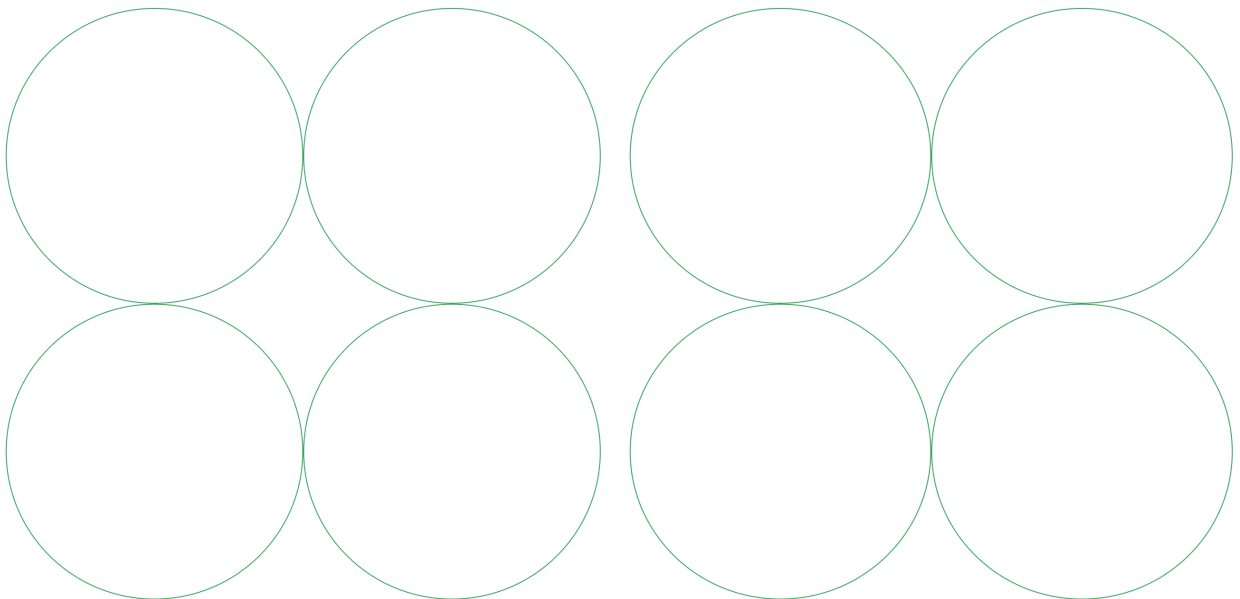


Climate at the Crossroads?

Robust Philanthropic Strategies for Impact Amid Political
Uncertainty in the US and Beyond

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Note: We are a registered 501(c)(3) and are not involved in any political activity. This report does not serve as a political endorsement.

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Introduction

As the 2024 US Elections¹ loom — with former President Trump a coin flip away from a second term, seen by many as a catastrophic outcome for fighting climate change in the US and globally — those interested in minimizing climate damage may be wondering how this election, and similarly uncertain situations, factor into our decision-making.

We have been proactively considering the upcoming U.S. election outcome in our grantmaking strategy for a year and a half, which has led us to invest more heavily in Europe and Canada, and to invest in right-of-center climate U.S. civil society groups, starting in 2023.²

This piece tries to explain how we have been thinking about this election for the past years, how we have been preparing and acting, what more we and others can do, and what we are still uncertain about.

We do so by answering two broad questions:

1. **Why should we care?** Why is it, fundamentally, that US elections in general and this US election in particular carry such an outsized importance that climate philanthropists seeking to minimize damage from climate change should pay close attention to it in designing and executing their strategies?
2. **What have we done and what more can we do?** If it is indeed true that US elections are of outsized importance to climate progress, what have we already done to prepare for it and what more can we, you, and other climate philanthropists do to be more effective?

(We should note that, while the argument is integrated, readers mostly interested in what to do can skip to this section without too much loss.)

To answer the first question, we examine what is at stake at this election, looking at forecasts of likely climate policies under different outcomes and putting them in the context of the goal of minimizing climate damage. We find that it is likely true that this election is more consequential than prior elections for climate outcomes. One reason is because part of Biden's impressive climate record — making the biggest bet yet on driving clean technology to commercial viability across most sectors — is at risk. Another reason is because Trump's

¹ While we primarily talk about the Presidential election in this introduction, Congressional elections matter greatly as well, as we will discuss below.

² While we have been geographically diversifying [as early as 2021](#), in particular with our grantmaking to Future Cleantech Architects (FCA) focused on Europe, our primary motivation at the time was increased neglectedness of innovation advocacy in Europe, rather than explicit geographical hedging.

hostility to climate action would likely have strong international repercussions as well, changing the global climate action outlook.

We then go through three sources of skepticism we interrogated that accept the high stakes of the election but suggest that this should not strongly affect our own actions now (or, indeed, since last year). Can it be the case, in other words, that the election matters greatly but still should not affect our current grantmaking and strategy?

First, should we really act years in advance, as opposed to waiting until after the election? After all, without knowing how the election will turn out, it might be a waste of resources to fund opportunities and strategies that might be less effective under different outcomes. While this critique is intuitive, we argue that — on balance — the benefit of waiting (some revealed information) is small compared to the significant costs of waiting (failure to take advantage of the compounding returns of early investment, delayed action after key events). In many cases, acting well in advance of uncertain outcomes is well-justified. Beyond the general argument, there are two particular reasons for this in this context that we briefly discuss: the value of hedging, and the potential [Overton window](#) around permitting and transmission reform in the lame duck session directly after the election.

Second, given that everyone knows the same information we do about the likelihood and consequences of different election outcomes, shouldn't we assume that philanthropists have already priced in all contingencies and that there is nothing more to be done? After all, if climate philanthropy were an efficient market, it should not be possible to “beat the market” — to find opportunities for outsized impact that do not rely on private information. We argue that while this is probably true to some degree, there are strong reasons to expect that philanthropists at large underreact to potential developments.

Third, even if philanthropists under-appreciate the odds of election outcomes unfavorable to climate progress before they happen, maybe there are very quick adjustments after elections that autocorrect and reduce the value of foresight. After all, when Trump won in 2016, funding for causes threatened by the administration often surged by several 100% or even 1000% in a very short time, equipping charities working in these fields with ample funds. If such autocorrections were quick and sufficient, then there would be no need to act in advance of outcomes under uncertainty. While we find some evidence for such compensatory dynamics, we find it overall less pronounced than expected and insufficient to make preparatory action unnecessary.

Having established that it is likely we are collectively underprepared and that more preparatory and responsive action would be beneficial, we examine four potential response strategies and their associated benefits, uncertainties, and limitations.

First, we explain why we think seeking to shift election outcomes is not a philanthropic strategy but also, more broadly, seems unlikely to be promising at the current margin.

Then, we explore three strategies we are pursuing and/or considering: (1) coalitional diversification in the US, (2) geographical diversification, and (3) coalitional diversification across the world.

Coalitional diversification in the US, in particular building the Ecoright civil society ecosystem, is a strategy we have been strongly supporting since 2023. We review what we see as its promise (increased robustness as well as an expansion of valuable bipartisan opportunities), its limitations (in particular, a limited impact on the international and indirect effects of a second Trump presidency), and some remaining uncertainties.

Geographical diversification – investing outside the US in anticipation of worse climate policy outcomes – is a strategy we have been investing in for the past year, with earlier geographic diversification (as early as 2021) driven primarily by other considerations. Here we provide a more systematic discussion of how we currently think about this strategy and, in particular, under which conditions geographical diversification is impact-maximizing when an event – in this case, the US election – has strong effects across jurisdictions.

Finally, we discuss a strategy we have not yet funded but are actively exploring – supporting more robust climate action across the world by engaging right-of-center constituencies often most skeptical of increased climate action. While our research here is early, we quickly review how we think about such work comparatively to similar work in the US (1), looking at the underlying structure of the impact proposition of such work in different geographies

We conclude by summarizing our key results, actions taken, and remaining uncertainties and likely future steps.

Why care?

Climate is a global problem, with the US likely contributing less than 10% of future emissions, not all of which will be impacted by this election.³ So why, as globally oriented philanthropists trying to help solve a global problem, are we paying close attention to this US election and how it affects philanthropic strategy?

We clarify the answer to this question by examining the domestic and, more crucially, international effects of the election. As will become clear throughout this section, the stakes are often high, albeit difficult to quantify precisely. We nonetheless think it is important to review those stakes and to not – as often happens – discount uncertain impacts as impossible to think about or, implicitly or explicitly, set to zero until they occur.

³ While, as we will discuss below, many impacts of climate policies are often thought of and modeled as affecting long time frames, it is *also* true that many policies and their consequences can be (partially) reversed.

Domestic US policies and their domestic effects

Several groups have tried to provide an initial answer to this question by focusing on what is most estimable: the short-to-medium-term differences in domestic emissions trajectories. They model this based on intended policy changes assumed in case of a Trump victory and of policy continuity⁴ in the case of a Harris win:

- [Carbon Brief](#): Up to **4 Gt** of additional emissions **by 2030**
- [Energy Innovation LLC](#): Up to around **30 Gt** of additional emissions **by 2050**
- [REPEAT Project](#): About **0.5t Gt** per year **by 2030** and about **1 Gt** per year **by 2035**.
- [Aggregation of all policies by Michael Thomas](#): About **32.3 Gt** over **30 years**

While slightly different and for different time frames, these estimates are all in the same ballpark — a **~1 Gt/y** difference, which roughly equates to 20% of current US emissions and about 2% of current global emissions.

If it were “only” about 2% of global emissions, the 2024 US elections would not be of outsized importance. But how certain, accurate, and useful are these estimates really?

In some sense, these estimates are extremely pessimistic cases. They usually assume a complete policy reversal of existing policies, which would require not just a Trump victory but also Republican control of both chambers of Congress.⁵ Even with a Republican trifecta, a complete policy reversal would not be guaranteed, given that some Republicans have come out in favor of some parts of the Inflation Reduction Act and other parts of the current policies were passed with bipartisan support to begin with.

These estimates also assume that the domestic consequences of Trump’s policy reversals would persist, sometimes up to 2050, clearly an extreme assumption given that an incoming Democrat would certainly try to introduce new climate policies if Trump successfully reversed all existing progress.

In another sense, however, these estimates are extremely optimistic,⁶ by focusing on domestic effects and by *primarily* modeling the inhibited local diffusion of mature technologies.

⁴ While some of the groups also provide estimates of what could happen if Harris increased ambition -- in particular putting the US on a trajectory in line with its Paris Agreement targets -- the low salience to climate in her campaign and the lack of a commitment by Harris to increase ambition lets us to focus on policy continuity as the mainline scenario for a Harris administration.

⁵ According to [prediction markets](#), only about half the predicted scenarios of a Trump victory would also provide a trifecta.

⁶ More precisely, what is optimistic is using these estimates as indicators of the importance of the election, I do not want to imply that the authors do consider these estimates as comprehensive and they are usually very keen to emphasize the limitations of the modeling (see e.g. [here](#)).

In particular, these estimates do not include the following effects, which — albeit uncertain — are all likely to be extremely significant:

- 1) **Global deceleration of adoption of and innovation in clean technologies** : The US is the most significant driver of clean energy innovation, so losing the US's contributions to accelerated cleantech adoption and innovation could cost us transformational global impacts.
- 2) **Global climate policy backlash**: Due to the strong leadership role of the US, a reversal of US policies could result in global backsliding.
- 3) **Other US policies impacting climate**: US policies that aren't explicitly climate policies could also have global effects on climate action — e.g., tariffs levied on China.

We will explore each of these effects in more detail in the sections below.

Note that, for clarity, the ordering moves downwards from direct relations to domestic policies discussed in this section and does *not* imply declining importance.

Global I: Weakening the US's contributions to cleantech innovation

[As we have argued in detail before](#), the key way the US contributes to global climate action is by driving clean energy innovation and inducing global technological change over time. Indeed, all of the major climate policy successes of the Biden administration – the Bipartisan Infrastructure and Investment and Job Act (IIJA) in 2021 and the CHIPS and Science Act (CHIPS) in 2022, both of which explicitly focus on technological innovation, such as green hydrogen.

This means the global repercussions of a Trump win are likely to be much larger than the simple ~1 Gt/yr estimate, for the following reasons:

- (1) It has been estimated that for some parts of the Inflation Reduction Act, [more than 2/3 of emissions savings will occur outside the US](#) due to the global adoption benefits of accelerated cleantech innovation.
- (2) It seems likely that the net global effects are likely even larger for four [fundamental reasons](#):
 - (a) The US is only about 5–10% of future emissions.
 - (b) The US is the most significant driver of clean energy innovation and the bills passed by the Biden administration have amplified this leadership. (a) and (b) together make it quite unlikely that the domestic effects dominate,

given the US is a small part of the future problem and a large contributor to *part* of the solution.

- (c) These estimates stem from “brute-force” cost reductions via deployment subsidies, whereas many parts of the Biden climate agenda target more transformational impacts that could arise if some of the big bets — such as enhanced geothermal, advanced nuclear, or industrial decarbonization innovations — pay off.
- (d) Policies other than the IRA, in particular the IIJA and CHIPS and Science Act, are more focused on driving innovation in new technologies over longer time-frames, something not fully modelable in existing forecasts.

For these reasons, we would expect that the real impacts if policies were completely repealed, as these scenarios model, could be on the order of **2-5 Gt/y** over the long run, quite uncertain but significantly larger than the domestic effects in the US.

A preliminary view and what it implies about taking action

While useful as a first proxy to get a directional sense of impact, the 1 Gt/y estimates are thus actually quite uncertain.

If policies were fully repealed, the effect would likely be much larger. On the other hand, the probability of full repeal is actually low as well. We could end up in worlds where the effect is much larger than 1 Gt/y — globally and over the long run⁷ — but also plausibly be in situations where an incomplete repeal of the Biden climate agenda would yield much lower damage than 1Gt/y in the US and lower international consequences as well.

Importantly, while some of these uncertainties are unaffected for climate philanthropists — e.g., dependent on Senate control — not all are. As we will discuss below, we believe that within each political scenario, there is important variation in what might happen.

Beyond the direct uncertain but extremely significant global effects of the US’s domestic climate and energy policies, there are at least two further pathways which could have an outsized impact on global climate action, and we will turn to them next.

⁷ The “per year” here applies to the effect of US policy change being in place, i.e. it would likely not be the case that we could easily see much larger global impacts in the short term, as these would be delayed.

Global II: Signaling and global climate policy backlash

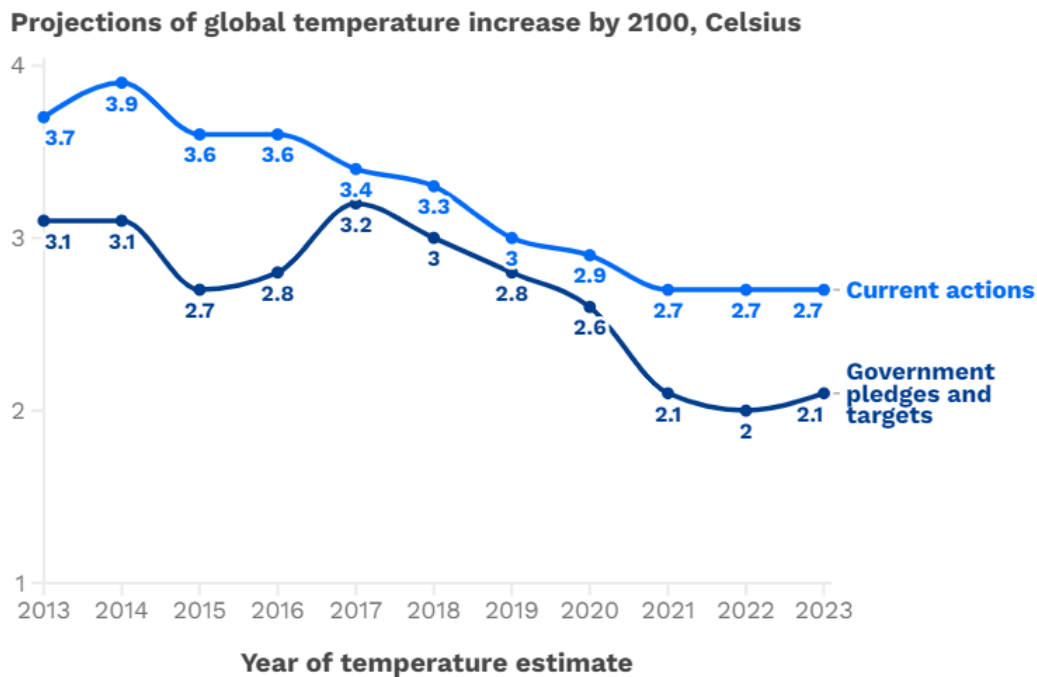
It is clear from recent history — both Trump’s infamous hostility towards international climate action such as the Paris Agreement, but also from the global ratcheting-up of climate policies induced by President Biden’s Inflation Reduction Act — that US climate policy has repercussions globally on the ambition and appetite for global climate action.

While this effect is hard to precisely quantify, one useful approximation comes from examining what happened with climate policy after Trump’s 2016 election.

To do so, we examine how forecasts of end-of-century global warming — the target outcome — have changed over the years based on data from the [Climate Action Tracker](#) (helpfully visualized by [Cipher](#)):

Amount of warming Earth is projected to face by 2100 has dropped

But declines have recently plateaued far above 1.5 degrees Celsius, a threshold scientists say we should avoid.



cipher

If we take these forecasts at face value (see reasons for some caution below), we can observe *no* clear effect of the first Trump Presidency on warming *beyond* domestic effects.

The increase in expected warming if countries fulfill their pledges between 2016 and 2017 is almost entirely driven by the US's withdrawal from the Paris Agreement,⁸ while not causing other withdrawals of pledges.⁹

What is more, the path of implementing more ambitious policies appears actually unaffected by Trump's election, with a continued reduction in expected warming from 2016 onwards. It is, of course, possible that under a counterfactual Clinton presidency there would have been a stronger implementation of policies internationally, but the most plausible explanation to us appears to be a continued ratcheting up of policies in response to the Paris Agreement reducing the "implementation gap" outside the US.

While we believe this history is mostly good news with regards to limited international backlash from US climate policy withdrawal, we also believe that there are several reasons to be less optimistic that the effect would be as limited in a future Trump Presidency:

1. Progress has been stalling for the past three years, likely due to COVID and the energy crisis. There is now a plateauing and less clarity on a path of successively increasing policy and pledging ambition.
2. While the dominant reaction to Trump's rollbacks in 2017 internationally was one of carrying on with existing policy commitments, the current political environment is significantly more hostile to climate action.

The starkest example of a shift in support for strong climate policy is probably the EU, historically a leader on driving climate progress and championing climate action:

As Reuters [notes](#), with "gains for right-wing and far-right parties sceptical of the EU's 'Green Deal' package of environmental policies, and heavy losses for Green parties" it will be significantly harder to pass new climate policies.

If the situation were to shift further, e.g., through a Trump victory telegraphed as a rebuke to climate policy, there appears at least a risk of backsliding – as opposed to just stagnation – in Europe as well.

⁸ "Due substantially to President Trump's announced intention to withdraw from the Paris Agreement, there has been a significant deterioration in the effect of Paris Agreement commitments (NDCs) – by about 0.3°C. Following a US withdrawal, if all other governments fully implemented their Nationally Determined Contributions (NDCs or pledges) there would be a median global temperature increase of 3.2°C (3.16°C) above pre-industrial levels in 2100, compared to 2.8 C°(2.84°C) estimated in 2016." (https://climateactiontracker.org/documents/61/CAT_2017-11-15_ImprovementInWarmingOutlook_BriefingPaper.pdf)

⁹ Pledges were just made around the Paris Agreement in 2015, so it is not plausible that countries would have announced stricter pledges early in a counterfactual Clinton administration, i.e., the lack of other withdrawals is a true null effect.

Unfortunately, the international climate policy picture also points to this US election mattering relatively more than in 2016. While in 2016/2017 the Paris Agreement had just entered into force and policy changes were implemented across the world, the upcoming climate conference, COP 29, will begin only days after the US elections and negotiations are [currently overshadowed](#) by the election leaving parties [unwilling to commit](#) over uncertainty to what the US might contribute to international climate finance, the major issue at this year's conference.

With the deadline for updated Nationally Determined Contributions (NDCs) (the targets countries commit to) in [early 2025](#), and an open and intense conflict over international climate finance — an issue where the US would need to commit to finance the energy transition abroad, but would be unlikely to do so under a Trump Presidency eschewing international cooperation and climate action — the overall climate policy situation appears more volatile than it has in the recent past.

A preliminary view and what it implies about taking action

Based on this past track record, with the US's withdrawal from the Paris Agreement not causing a major cascade of reduced ambition, we could be somewhat optimistic that a second Trump Presidency *might* have limited international effects. However, as discussed, the situation appears significantly more fragile and potentially (negatively) affectable by a second Trump Presidency.

Our best guess is that it would have significant negative effects, possibly leading to a continued plateauing or even reversal of climate policy progress.

To give a sense of magnitudes, even only a 0.1 degree change in expected warming by 2100 would correspond to around 220 Gt of emissions¹⁰, about 5 years of current emissions. Such a change in expected end-of-century warming would be plausible to expect as a result of lowered global ambition, given the type of variation we see in the above chart.¹¹

Unfortunately, our best guess is also that they also appear quite philanthropically unaffected for three reasons:

¹⁰ This estimate is based on the IPCC Climate 2023 Synthesis Report, which states: “For every 1000 GtCO₂ emitted by human activity, global surface temperature rises by 0.45°C (best estimate, with a likely range from 0.27°C to 0.63°C).” See: https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf. Taking the best estimate: (0.1 degree * 1000 GtCO₂) / 0.45 degree ≈ 222 GtCO₂

¹¹ For example, the chart suggests a 0.4°C change in expected temperature based on the Paris Agreement pledges, i.e. a 0.1 degree change would correspond to a foregone 25% increase in ambition.

1. As alluded to above, the rejection of international cooperation and global climate finance appears to be an issue a Trump administration would be quite committed to, and one that Congressional Republicans are likely less engaged than in issues affecting domestic clean energy investment and jobs.
2. Many of the international effects, in particular other governments stepping back on climate action in response to the (perceived) inaction of the US, would rely on the broad perceptions of climate as a losing issue and, in addition, of a lack of global cooperation — signals that would exist by virtue of electoral victory and rhetoric even if domestic roll-back was limited or halted.
3. The effects would be globally diffused, not in any single jurisdiction.

We thus believe that the stakes here are high, but also hard to affect philanthropically.

Global III: Other factors

There are, of course, many other factors we could have discussed as having major implications for climate action despite not being primarily climate policies. For example, probably the most defined and least affectable part of the Trump agenda would be around [trade policy and tariffs](#), with significant additional tariffs globally and particularly levied on China not only delaying US decarbonization, but potentially having broader effects.

While we cannot discuss all of these mechanisms in detail, the existence of non-climate factors shaping climate outcomes is important to keep in mind to remain realistic about what climate policy and climate philanthropy can and cannot do. For example, the energy crisis has plausibly put increased target setting ambitions on hold and, indeed, as per the above chart we are already in a period of decreased ambition of commitments.¹²

Zooming out

Taking a step back from the detailed mechanisms and uncertainties, three points appear particularly crucial from the discussion of what is at stake in light of the 2024 elections:

- **(1)** While many effects are uncertain, it appears likely that the 2024 US elections will be one of the most consequential events for climate progress in the US and globally this decade. Depending on the outcome, the story of slow but clear progress over

¹² It is noteworthy, and one area where the above chart is less convincing, that many consequential climate policies have passed during the energy crisis -- in particular, the Inflation Reduction Act which seems likely to drive down global emissions. The “current policies” data from Climate Action Tracker is likely a better aggregation of the current effects of current policies and underplays potential long-term impacts.

the last couple of years could be disrupted, and there is a clear risk of domestic and global climate roll-backs.

- **(2)** In all scenarios, there will be possibilities for climate philanthropists to make large positive differences within that scenario's political conditions. While analyses that describe the stakes under extreme conditions — e.g., a full repeal of the Biden climate agenda — are useful to provide an order-of-magnitude estimate of how much certain policies matter, they should not be confused with being deterministic for a given election outcome. They approximate the stakes and levers, rather than corresponding to certain outcomes.
- **(3)** Given the size of the shift and its likelihood — at the time of this writing, the election is virtually tied — climate philanthropy should be prepared for a quite different domestic and geopolitical situation, with different players, issues, and strategies.

Should we just wait?

Taking into account the 2024 US elections and potential outcomes has been a defining aspect of our grantmaking over the past year and a half, both by investing more strongly into other jurisdictions providing similar benefits to global decarbonization (albeit of different magnitudes) as the US, Europe and Canada, as well as by investing in strengthening right-of-center climate civil society in the US.

These examples — changed philanthropic investment patterns in terms of geography (diversifying away from the US) and grantees (funding grantees right-of-center), motivated in part by expectable political changes — are the *kind* of changes we mean when discussing adapting to changing circumstances.

Of course, an obvious critique of such a strategy is that philanthropists could just wait until after the election, to avoid “wasting” resources in case that uncertain outcomes fail to materialize.

While this intuition seems strong¹³, when we examine the benefits and costs of waiting, we find that it seems clearly overshadowed by other considerations pushing against waiting, at least in the case of predictably close elections.

¹³ It might seem implausible that arguments for waiting are really made, but they are commonplace. For example, [Zack Coleman reports](#) from New York Climate Week (in September 2024) that even many countries and large companies — better resourced than most philanthropists — state that they have no capacity for scenario planning and that they are taking a wait-and-see approach. We have also experienced this argument in several conversations in philanthropic contexts.

Benefit of waiting: Revealing of additional information

It is noteworthy and somewhat surprising that between now and Election Day, *not* a lot of additional information is revealed. This is because the election is believed to be very close to even severely limiting the amount of justifiable¹⁴ surprise. In fact, this was even true a year ago.

At most, the expected cost-effectiveness of plausible¹⁵ philanthropic investments now could improve by a factor of 2, from a 50% chance of being valuable to a 100% of being valuable. This is for a philanthropic investment that has full effect under one election outcome and no effect under another (1, 0), something that seems a conservative, in the epistemic sense, extreme case for the argument of waiting, while most potential philanthropic investments will have *some* effects in all scenarios despite *relatively* better fit for some scenarios.

Importantly, even if one thought — as we did — in late 2023 that Biden would profit from the “regular” incumbency advantage of about a $\frac{2}{3}$ chance to win re-election, this would only change the factor to 3.

Note that this not only applies to the absolute cost-effectiveness of charities, but also to funding strategies. At most, waiting and then investing based on outcomes would provide an expected benefit of 3 (one year out, at 66:34) or 2 (at 50:50).

As we will discuss below, this is a small benefit compared both to the cost of waiting as well as to factors shaping relative impact of different charitable opportunities more broadly.

Costs of waiting I: Organizational preparedness and smooth scaling

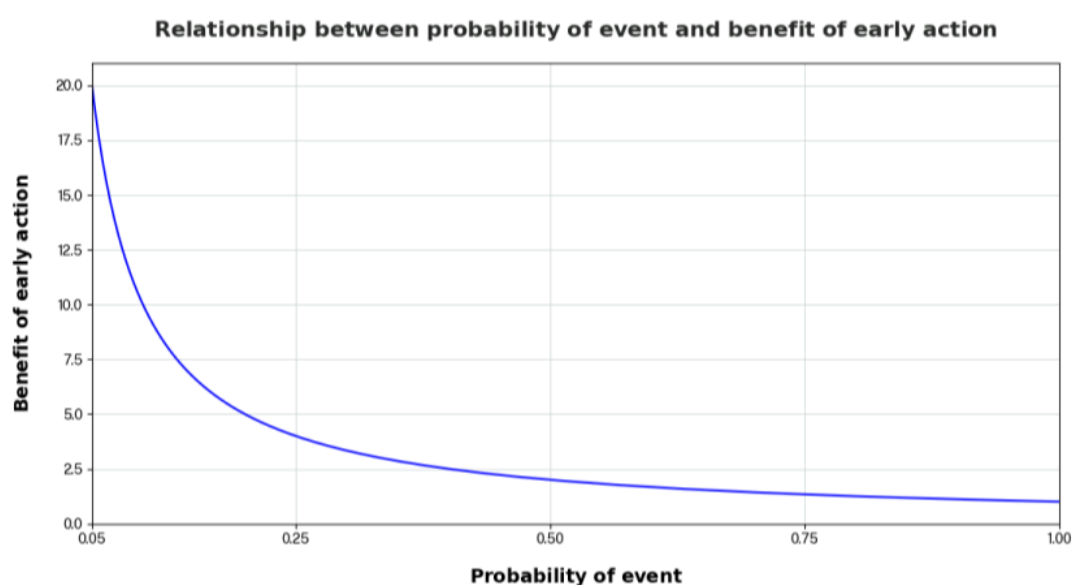
Many key inputs to scaling the impact of a given charity or even the field at large — such as talent acquisition, strategic planning, building networks with stakeholders, and executing long-term plans — (a) either have long lead times and/or (b) profit from certainty and predictability. This is the main reason why waiting can be very costly.

¹⁴ By “justifiable surprise” we mean surprise that is broadly shared across observers trying to predict future outcomes.

¹⁵ What this means is that one could think of hypothetical investments that are strongly good in one outcome and strongly bad (rather than merely ineffectual, i.e. negative instead of 0) in another, for those the benefit of weighting would be higher, but it is difficult to come up with examples. In any case, for such investments what is written here would not apply and the benefit from weighting would be higher.

Fields and charities cannot be scaled arbitrarily quickly once they are broadly seen as needed, which makes early investments more useful *also* by facilitating later scaling.¹⁶ While difficult to quantify precisely or in general terms – this will vary by opportunity – it seems likely that this consideration alone will often fully neutralize the benefits of waiting.

The following graph visualizes this by illustrating which benefit from preparedness – additional impact from acting earlier – would be needed to compensate for the uncertainty of an outcome potentially not occurring. While for low-probability events (say, a probability of 10%), a 10x multiplier from preparation would be needed to compensate, for a close election (say, 50:50), only a 2x multiplier from preparation is needed:



Many typical actions in small organizations and emerging fields are likely to meet a 2x multiplier within a single year of preparation, such as:

- (1) Onboarding and training new staff
- (2) Planning for how to use additional capacity well
- (3) Crowding in of additional funds by displaying momentum / trust from other donors
- (4) Incubating projects that can be expanded
- (5) Retaining talent

¹⁶ A crude analogy for this is “disaster philanthropy,” where funding in reaction to a natural disaster is abundant but where the long-term capacity and preparedness is [continually and systematically underprovided](#).

Thus, it seems uncontroversial to us that for cases such as those discussed here — close elections and supporting nascent fields — the benefits of earlier action (or, conversely the opportunity cost of waiting) clearly outweighs the uncertainty of outcomes and the benefits of additionally revealed information. (As a point of self-criticism: While we did start preparing a year in advance, we think we probably also underprepared and should have acted in light of the logic laid out here earlier and more fully).

While, we think, this clearly justifies acting a year or more in advance of a close election it does not necessarily justify additional action a couple of months before such an event (getting to a 2x multiplier is harder over 2 or 3 months than over 12). We now turn to some shorter-term dynamics, including some recent changes to relative urgency and policy windows.

Costs of waiting II: Missing Overton windows

As we have briefly discussed above, a lot of policy action *might* happen very quickly after the election. This was not *fully* predictable a year ago, given that under a second-term Biden scenario there likely would have been little political capital and appetite for additional climate action.

In particular, the following items will likely be on the table in late 2024 and early 2025:

- **Permitting and transmission reform:** As early as November 2024 in the “lame duck” session.
- **Other policies**
 - **Negotiations over the expiring Trump tax cuts:** Over the course of 2025.¹⁷
 - **Other climate policies:** Throughout 2025, such as introduction of new policies in a Harris scenario, or (partial) attempts at policy repeal under Trump, also further permitting reform efforts.

We discuss each in turn.

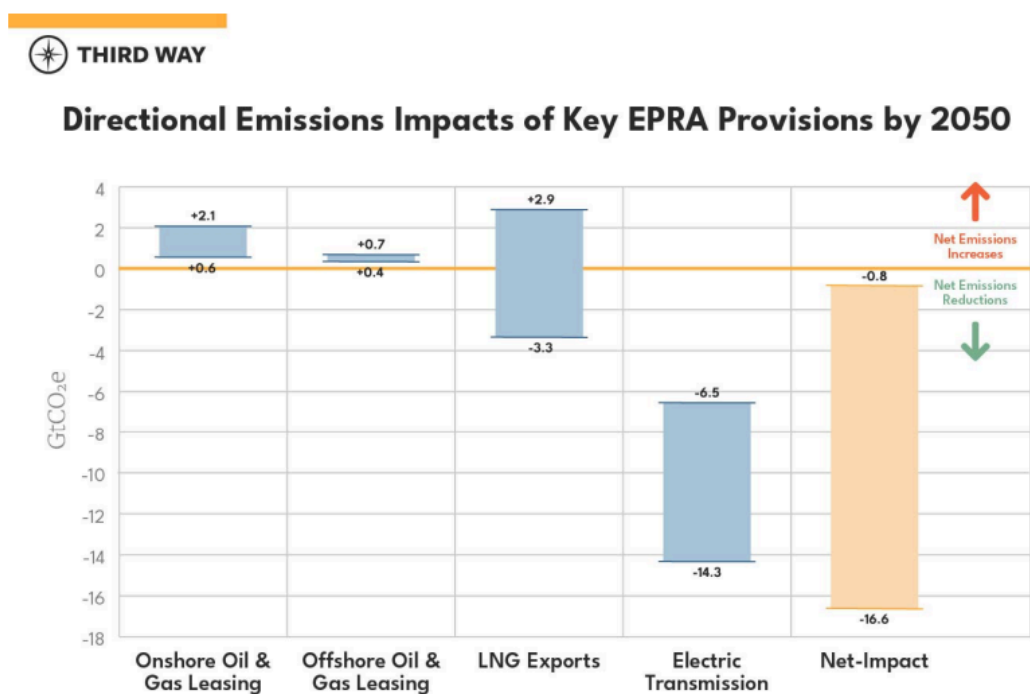
¹⁷ <https://www.politico.com/news/2024/08/27/trump-harris-tax-cuts-00175441>, with an expectation that the negotiations will be protracted over the course of the year, citing Rohit Kumar, former advisor of Mitch McConnell: “I remain optimistic an agreement can be reached [on the cuts expiring in 2025] but it will probably take until deep into December, if not early January 2026, to get there”

Permitting and Transmission Reform

[Permitting, transmission, and interconnection](#) are generally thought of as the most significant enabling levers to more climate progress in terms of policies that are potentially feasible in the near-term.

With the introduction of the Manchin-Barrasso permitting bill earlier this year, as a play to have a shot at permitting and transmission reform in the lame duck session, there is now a major climate policy opportunity in the near term (even before the new Congress is in session).

Consider the [following chart from ThirdWay](#), which aggregates the easily estimable impacts of this bill – the Energy and Permitting Reform Act of 2024:



While highly uncertain, passing the EPRA would result in an expected benefit (if all estimates are at their mean) of about **8.5 Gt over 25 years**, corresponding an about ~ 0.33Gt/y difference annualized, which would naively correspond to something like a 1/3 efficiency improvement on existing policies in a Harris scenario.¹⁸ This is a very significant opportunity, a 33% improvement on existing policy.

¹⁸ Note that the effects of permitting reform are contingent on existing policies (e.g. existing clean energy tax credits from the Inflation Reduction Act), so the benefits would likely be significantly lower in a scenario where existing climate policies were (partially) repealed.

As before, there are reasons to see these estimates as extremely uncertain beyond the displayed uncertainty. In principle, permitting and transmission reform can happen every year, so it is best thought of as a moving-forward in time of emissions saving benefits (e.g., an additional 1 Gt of emissions reductions over the next 3 years) rather than all-or-nothing benefit until 2050. This is the main argument for annualizing benefits and it applies more strongly here than for election outcomes, which are less continuous.

Of course, it is also possible that if this policy were not passed, a future renegotiated variant of permitting and transmission reform would be even more climate-friendly, making the passage of this policy counterfactually negative. While possible, this seems a very unlikely scenario *in expectation* for two reasons: (a) the benefits of this proposal tilt heavily towards emissions reductions compared to increases on mainline assumptions (by a factor of >10x, with the uncertainty ranging from about 1.2x in the worst case to 34x in the best case), and (b) this bill reflects a compromise in a Democratic-leaning distribution of political power¹⁹ so it is likely that the set of counterfactual bills would be worse for the climate rather than even better.²⁰

However, the most important limitation of such an estimate makes it likely that it is a significant underestimate: the main benefits considered here are only the transmission benefits, with no consideration of benefits that come from benefits to clean energy permitting itself²¹, because they are more challenging to model. However, given how strongly permitting currently [constrains clean energy deployment and innovation](#) and given how it is likely that eased permitting would preferentially affect clean versus dirty energy, we believe that the true impacts of this bill would be significantly larger, both in driving more near-term deployment in the US but also in increasing the speed and likelihood of clean energy innovations such as enhanced geothermal.

It seems likely to us that this bill would have an effect on the order of increasing the efficiency of existing policy by $\frac{1}{3}$ (on the lower end; note that the other bills also have unmodeled effects), up to a $\frac{2}{3}$ increase or more (i.e. implying that the benefit of permitting would be disproportionality unmodeled and its true relative importance would be larger than a 33% improvement).

Other policies

¹⁹ Democrats control the Presidency and the Senate, Republicans control the House.

²⁰ See, e.g. [here](#).

²¹ As the authors [write](#) “[...] EPRA's other provisions — such as those granting new categorical exclusions and reliability assessments — could also have upward or downward pressure on emissions.”

Many other policies may come up in the first year of the new administration, after the lame duck session. The expected timing of these policy windows further increases the cost of waiting to take action until after the election.

The most certain policy window in 2025 will be potential negotiations around the Trump tax cuts, which are set to expire at the end of 2025 and thus provide a clear policy window in which modifications of the Inflation Reduction Act's tax credits might occur. In other words, likely the most consequential climate policy fight of the next four years — certainly in the Trump scenario — is frontloaded and bound to be fought in 2025.²²

Other policy windows are less predictable. While it would be expected that an incoming Harris administration would have the most political capital in her first term, she has not announced major climate policies and it is unlikely that any of her climate policies would be of comparable significance to those passed in the 2021-2022 period. It seems likely that by far the most significant impact of a Harris administration in 2025 would be the maintenance / lack of repeal efforts of the current policy environment. In the case of a Trump scenario, it seems likely that he would seek to dismantle other climate policies in addition to the Inflation Reduction Act, but the timing is less clear.

Overall, the following picture emerges from this:

- (1) Permitting and transmission reform might come up as early as the lame duck, though the likelihood of this timing varies depending how far the power balance shifts compared to now.²³
- (2) In a Trump scenario, 2025 will likely be the most important year for future climate policies, given the expiration of the previous Trump tax cuts.
- (3) In a Harris scenario, it is less clear how large the policy window will be, because climate is unlikely to be a focus of the early administration.

While there is no “Biden moment” — [nothing comparable to the policy window that was opened for the incoming Biden administration](#) — policy action will likely be tilted again towards the early years of the electoral cycle, particularly in a Trump scenario. This again pushes against waiting and towards taking action early, albeit likely somewhat less so than in 2019/2020.

²² Listen [here](#) for an excellent deep dive into this and other issues.

²³ The more the election outcomes will differ from the current configuration, the less likely an agreement as the new dominating party will have an incentive to re-negotiate more favorable terms (thanks to Robinson Meyer for making this salient to me).

On balance

Even if one assumes that waiting has a 2-3x benefit (i.e., in the extreme case where all philanthropic investments are only effective under one election outcome), it appears clear that waiting is not a promising strategy in situations such as predictably close elections where relatively little information is revealed.

As we've seen, this is true for two reasons. First, the costs of waiting for organizational and field scaling significantly discount its benefit, likely pushing the benefit close to zero in many instances. Second, and less generally, the policy windows that follow very closely after the uncertainty is resolved – starting very shortly after the election in this case – put an additional premium on early action.

Is it all already priced in?

If philanthropy were an efficient market, one might expect that there is neither possibility nor need to additionally prepare for unfavorable – or, indeed, any – uncertain outcomes, such as election outcomes, unless one has access to privileged information or insights.

After all, everyone has access to the same information and forecasts, so in principle philanthropists could fully price things in. We would already be perfectly adjusted to all eventualities.

This logic holds in markets that are reasonably efficient. “*Beating the market*”, systematically achieving higher returns than the market at large, is generally seen as very unlikely and the best strategy is often to trust the information revealed in market prices.

While it is easy to caricaturize and ridicule this view – after all, there are almost no real markets that approximate the textbook ideal of perfectly efficient markets – it is still a useful starting point to understand under which conditions we should expect full pricing in and whether they are likely to hold in our case.

While ideally we would rely on direct data to answer these questions, this is unfortunately not possible as such detailed and current philanthropy data is generally not available.²⁴

For this reason, we have to rely on an argument derived from theory and indirect evidence.

²⁴ The best data on climate philanthropy, ClimateWorks' reports, are (a) lagged by a year, (b) have little granularity and (c) only cover foundations which is a small share of climate philanthropy (see below).

In particular, we should expect pricing in if the following conditions are met:

- **(1)** Relevant information is public.
- **(2)** The goal that actors optimize for is reasonably close to “minimizing the dangers of climate change.”
- **(3)** Actors are rational and optimize for making a “profit”, here funding the highest impact opportunities not yet funded, where being rational includes processing information.

Clearly **(1)** is met for the case of the US election, with an abundance of public information, forecasts, polling, and prediction markets. While these vary in precise probabilities, it would be difficult to rationally believe something that is far from “*this is a very close election, and both outcomes are quite plausible*”.²⁵

While it is clear that actors do not have the exact same understanding of **(2)** — “*what are we optimizing for?*” — it seems unlikely that differences here are dramatic with regards to actionable consequences. There is broad agreement on which outcomes and policies would be good for climate.²⁶

Rather, we think that the main reason to expect “*pricing in*” to be quite imperfect is **(3)** — in particular, that publicly available information is not taken into account sufficiently by relevant actors.

The reasons we believe this are broadly as follows:

- **(1) Individual donors dominate climate philanthropy:** About $\frac{2}{3}$ of global climate philanthropy²⁷ comes from individual donors, not foundations, so individual beliefs and behavior matters. It is likely that this pattern is even more pronounced in the US, given foundations’ more strategic global foci as well as outsized per capita charitable giving in the US.
- **(2) Climate donors lean Democrat:** It is safe to assume that almost all climate philanthropists lean Democratic, given how strongly partisan climate tends to be in the US context. While there are few polls about climate donors, there are plenty

²⁵ Maybe outcomes in the 40-60% range for either outcome (Presidential) are justifiable, this is roughly the variance in forecasts processing the same information we currently see.

²⁶ There probably is significance difference in importance assigned to different policies and outcomes and this will drive some patterns that look at “lack of pricing in” from various perspectives (e.g. there is probably a bias towards local short-term emissions mitigation that would make actions focused on the global long-run seem underfunded, not “priced in” from a global long-term angle), but this appears less significant a deviation from pricing in in the context of the *current* question.

²⁷ The share from individual donors ranges from 53.8% to 70.3%, according to data from ClimateWorks: <https://www.climateworks.org/report/funding-trends-2023/>

about what Democrats believe, so this gives us an approximation of what beliefs are likely typical for climate donors shaping climate philanthropy.

- **(3) Politically mediated beliefs:** Like all partisans, Democratic-leaning donors strongly overestimate the probability of their candidate winning. While this is intuitively obvious and not surprising, it is worth pointing out and surprising how strong these effects are.

At the time of writing, there are almost 24 Democrats who believe Harris will win for any Democrat that expects a Trump victory.²⁸ Indeed, only 3% of Democrat-leaning respondents say they expect Trump to win. This comes at a time where the race is virtually tied, so if Democrat-leaning voters took this information into account neutrally, there should be about as many Democrat-leaning voters believing Harris will win as there are that believe Trump will win. (Importantly, wealthier voters, which are both more likely to support Democrats as well as more likely to contribute to climate philanthropy, are also the income group most likely to overstate Harris's chances.²⁹)

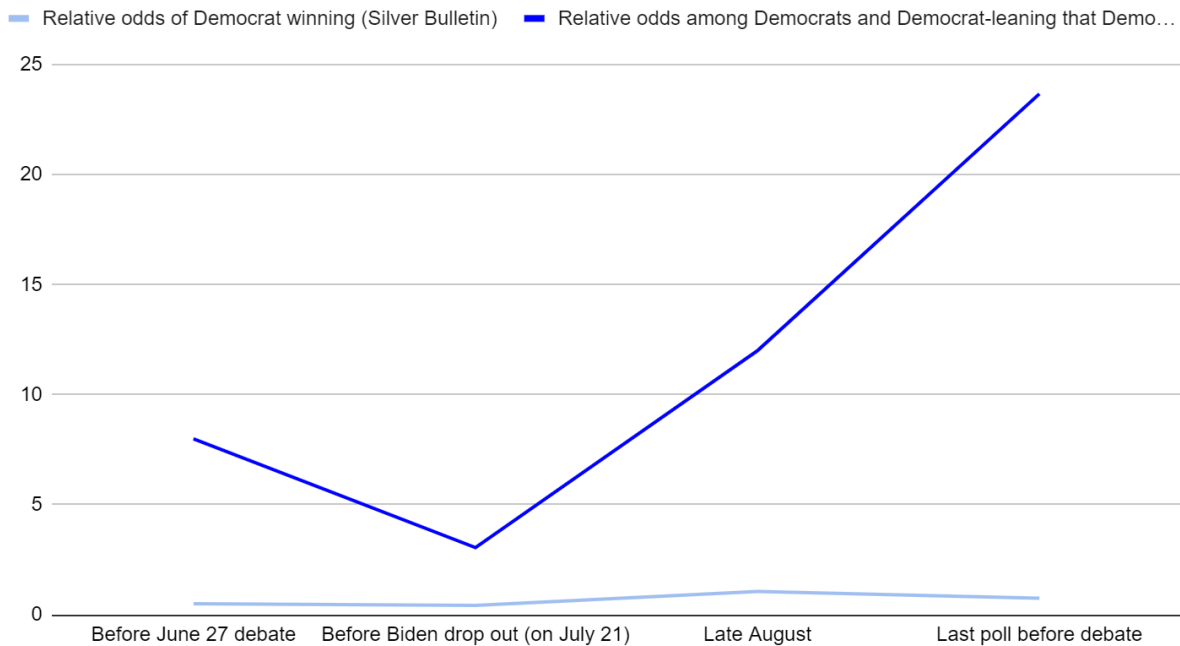
But, as we can see in the chart below, this is not the case. Comparing the election forecast from [Silver Bulletin](#) as a measure of implied odds and the ratio of Democrats believing the Democratic candidate for President will win (from [YouGov's/Economist](#) polling). There is a strong discrepancy emerging, a “vibe shift” where now almost no Democrat-leaning respondent says they expect Trump to win³⁰:

²⁸ Note that this does not imply they believe this at a 24:1 ratio (this is a ratio of respondents' binary stated beliefs, not odds of individuals' beliefs). But it is very different from the pattern we should expect if people tried to make accurate guesses based on public information, in which case the fact that most forecasts and analysts describe the race as tied or very close to tied which should lead to a roughly even split with people making calls at the margin. Thus, these data are strong evidence for politically shaped perceptions.

²⁹ To be clear, this is not based on cross-tabs (wealthy Democrats), but just by income; cross-tabs are not available and would have too much error.

³⁰ To be clear, this pattern is not unique to Democrats. In a situation where the race is virtually tied, 6 times as many Republicans believe that Trump will win compared to Republicans believing that he will lose. So, there is clearly a partisan dynamic to stated beliefs here and we should not be surprised that partisans do some amount of wishful thinking aligned with their preferences.

Election odds implied by election models and D partisans' stated beliefs



Data from Silver Bulletin and You Gov, sources [here](#).

If these stated beliefs were truly indicative of expectations guiding behavior, this would suggest a strong risk of underpreparedness and a lack of pricing in.

Before we conclude that there is indeed severe lack of pricing in, let's consider two caveats to this — reasons to expect this argument is wrong and there might be more pricing in happening in practice.

Caveat I: Do these stated beliefs predict giving decisions?

A natural question to ask in a situation like this — where stated beliefs are clearly inconsistent with the underlying reality and where this pattern matches typical psychological explanations — is whether these stated beliefs accurately predict giving decisions.

The following scenarios appear possible:

- **(1) Discrepancy between stated and action-guiding beliefs:** People state these beliefs for social desirability / other reasons, but act in ways that are more aligned

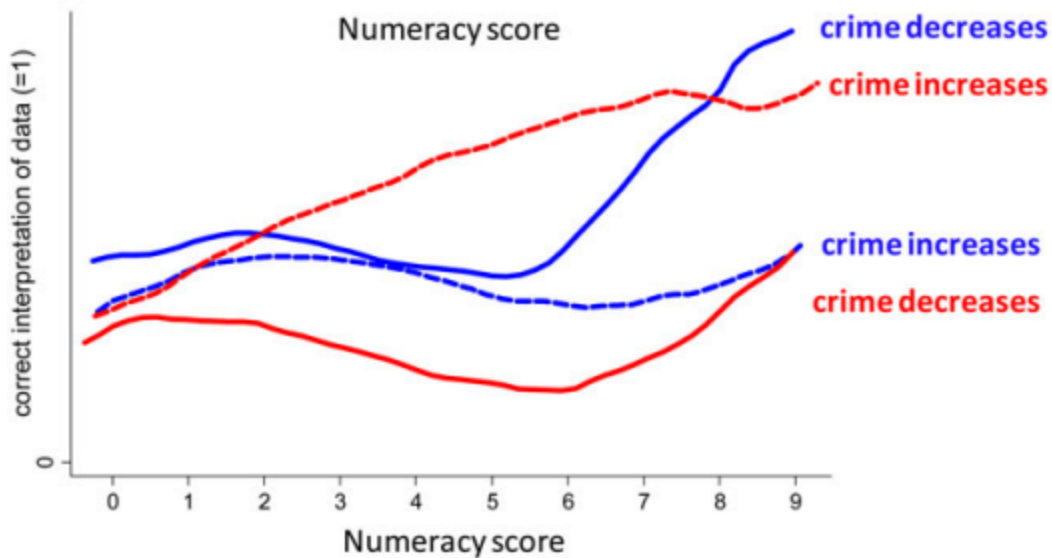
with the underlying reality → these data are a poor indicator of underpreparedness of giving.

- **(2) Stated beliefs are action-guiding beliefs:** People do indeed hold these beliefs and act accordingly → these data are a good indicator of underpreparedness of giving.
- **(3) Stated beliefs are predictive of charitable action even if not believed:** People do not really believe these beliefs, but they are expressive; however, charity is expressive in the same way → these data are a good indicator of underpreparedness of giving.

Scenarios (2) and (3) would both lead to a situation where these data are indeed indicative of systematic under-preparedness, whereas (1) would allow for the scenario where giving is more prepared than it appears., i.e. (1) would lead to discounting the above evidence that suggests that donors are not already priced in.

Overall, the literature on belief formation (but also on giving more specifically) suggests to us that there is strong reason to expect that stated beliefs will indeed be indicative of giving decisions.

To start with belief formation, [Kahan et al \(2017\)](#) provide fascinating evidence on the strength of politically motivated reasoning. When people are presented with quantitative information that contradicts their existing partisan beliefs, those with high numeracy (the ability to process quantitative information) do no better at accurately interpreting that data than those with low numeracy. For example, in a situation where the data indicated that gun control measures led to an increase in crime — a situation uncomfortable for Democrats favoring gun control — Democrat-leaning respondents of all numeracy levels did not do better than chance at interpreting the data. On the other hand, numeracy strongly improved their ability to correctly interpret data when the data supplied in the experimental condition (gun control reduces crime) matched their partisan preconceptions. This is powerful evidence for the presence of strong motivated reasoning (mechanism 2):



Of course, ultimately this evidence still does not rule out the possibility that people state beliefs that they ultimately do not hold.

However, even if people don't believe what they say they believe, it's still likely that the same motivations that affect people's survey responses also affect their philanthropic giving (scenario 3). Indeed, we have strong reasons to believe that stated beliefs should be connected to giving from a [review on the psychology of \(in\)effective altruism](#) that is worth quoting in detail (emphases ours):

- “In a survey of 3000 American donors [10], **only 33% said that they researched the charities they considered and only 9% reported giving based on evidence of relative effectiveness.** This contrasts starkly with people's behavior as consumers and investors, where people attend closely to product reviews and seek out financial advice at great expense [11].”
- “Character and Reputational Benefit. One powerful driver of prosocial behavior is reputational benefit [54–56]. **Giving to charity can signal good character to potential cooperation partners, but the effectiveness of one's donations may not influence the strength of that signal, as social rewarders pay little attention to effectiveness [57].** This may be because effectiveness has historically been difficult to track, which puts a reputational premium on prosocial actions that are well-defined and highly observable [57]. This favors visible personal sacrifice over social benefit [58] and **donations based on mutually salient emotional factors [59] rather than complex calculations [60].** Consistent with this, people whose donations are based on deliberation rather than empathy are viewed less positively [61]. Under prevailing norms, donors have relatively little reputational incentive to give effectively.”

Crucially, this characterization of philanthropic behavior as strongly driven by emotional responses, social cues and reputational concerns suggests that if people were driven to

misstate their true beliefs about election outcomes, similar dynamics would likely play out in giving as well. In that sense, stated beliefs are quite informative of likely actions (mechanism 3) even if it's indeterminate whether they are really believed.

In aggregate, while we believe that some donors will act more strategically, we should expect that politically motivated beliefs and identities are likely driving significant underinvestment.

Caveat II: Are there sufficient players acting more strategically?

Another natural question to ask is whether the behavior of the average individual donor is representative of how funding is actually being distributed. A large percentage of giving comes from foundations and high-net worth individuals with the potential capacity and motivation to act more strategically.

Could it be the case that foundations and a smaller set of strategic donors are more fully pricing in and “correcting the market?” In other words, could it be the case that despite the likelihood of individual giving not being strategic, there are enough funders (or rather: enough funding allocated by those funders) for this to not be material?

To *some* degree, that is clearly happening.

For example, we do know that [many of the largest foundations have been investing](#) into the Ecoright, making it at least *possible* that they modulate giving sufficiently via forward-looking assessments of political risk and opportunities (though, as we will discuss more in the next section, the grant amounts are very small compared to foundations' budgets).

So, the question is not: “Is this happening at all?” But rather: “Is it happening to a degree that would suggest actual full pricing in of potential outcomes?”

It is difficult to answer this question confidently with publicly available information. We do, however, have some relevant data to estimate a likely range and provide an upper bound. For example, [Candid's survey](#), discussed more in the next section, indicated that 12% of foundations enacted major changes in response to the 2016 election over the following two years. This was a *reaction* to an observed event rather than pricing in ahead of time a potential event.

It seems very likely to us that many more actors would react afterwards, rather than pricing in ahead of time, for a couple of reasons:

- **(1)** Reacting avoids acting under uncertainty and has no risk of being perceived as a mistake in hindsight; thus, it carries lower reputational risk and psychological cost (uncertainty aversion).
- **(2)** Reacting does not require forecasting.
- **(3)** Reacting is easier to justify in contexts where motivated reasoning and politically mediated beliefs make anticipatory action risky to argue for.

Somewhat crudely, if only 12% of foundations react to an event that is perceived as surprising and highly consequential to many, we should be quite surprised if the more demanding strategy of pricing in is executed by a significantly larger set of actors.

There are, of course, also some arguments to expect more pricing in than reacting:

- **(4)** One of the reasons cited by foundations for not reacting to the election in the Candid survey was long-term planning, so it is at least conceivable that some actors priced in likely changes ahead of time and then felt no need to react after the election.³¹

It could also be the case that the Candid data underplays reactive action:

- **(5)** Maybe the Candid data is too restrictive, as several of the respondents noted that it was not the priorities of the foundations (what the 12% expresses) but the activities of the same set of grantees that changed, with the 12% possibly understating the change on the ground.
- **(6)** The Candid data is for philanthropists across areas and it was possibly rational for only 12% of philanthropists across areas to respond to the surprise of the Trump presidency, as not all areas philanthropists care about were strongly affected.
- **(7)** The Candid data is about decision makers, not weighted by funding allocated. It could, of course, be the case that decision-makers with more funding are systematically more reactive and likely to price in, making this data understate the amount of philanthropic funding that might be used for pricing in.

It thus remains quite difficult to estimate accurately the amount of pricing in that is happening. However, it seems quite unlikely that pricing in is happening on a massive scale. Even if the amount of foundations pricing in ahead of time were 3x the amount of those acting reactively – i.e., if arguments (4)-(7) were collectively 3x as important as (1)-(3) (probably an upper limit) – this would still imply that only about 1/8 of total climate philanthropy would be available for pricing in future developments.

³¹ To give a hypothetical example. A foundation could, in 2014, note that it is very unlikely that the same party wins the Presidency three times in a row and start investing in right-of-center climate groups in anticipation of a Republican Presidency and then not react after the 2016 election.

On balance

While the area of pricing in is inherently difficult to study – answering it comprehensively would require a much larger effort – the basic picture that emerges can be summarized as follows:

1. Individual giving, which dominates climate philanthropy, is unlikely to price in future developments, both for reasons of politically mediated cognition as well as the fact that most donors have multiple motivations for giving to charity, many of which are deeply personal and naturally aligned with their (political) identities.
2. Foundations are likely to act somewhat more strategically than individual donors. However the scope of pricing in is likely also more limited than what one would expect when applying analogies from how market actors and private investors behave.

Overall, it seems quite unlikely to us that philanthropy at large is adequately pricing in future potential outcomes.

Will it automatically be corrected for?

While it might be the case that philanthropists do not price in likely outcomes sufficiently and wait too much (the prior two sections), it could still be the case that this is not much of a problem because – once an outcome occurs – there will be such a strong corrective reaction that philanthropy is fully adjusting (albeit inefficiently so).

To look at whether philanthropists will simply quickly adjust to a political outcome, it makes sense to examine what happened after Trump's election in 2016, a result that was widely seen as surprising and that spurred a host of civil society reactions, including what became known as “rage philanthropy.”

We will first review what happened then and then make some informed guesses from how this might apply to the current situation, examining salient differences and commonalities.

How philanthropists reacted to the 2016 election

Given the parallels between the 2016 election and the upcoming 2024 election, it is worth tracing what happened and how significant it was for climate philanthropy. Given the bifurcated nature of individual and foundation giving, we discuss each in turn.

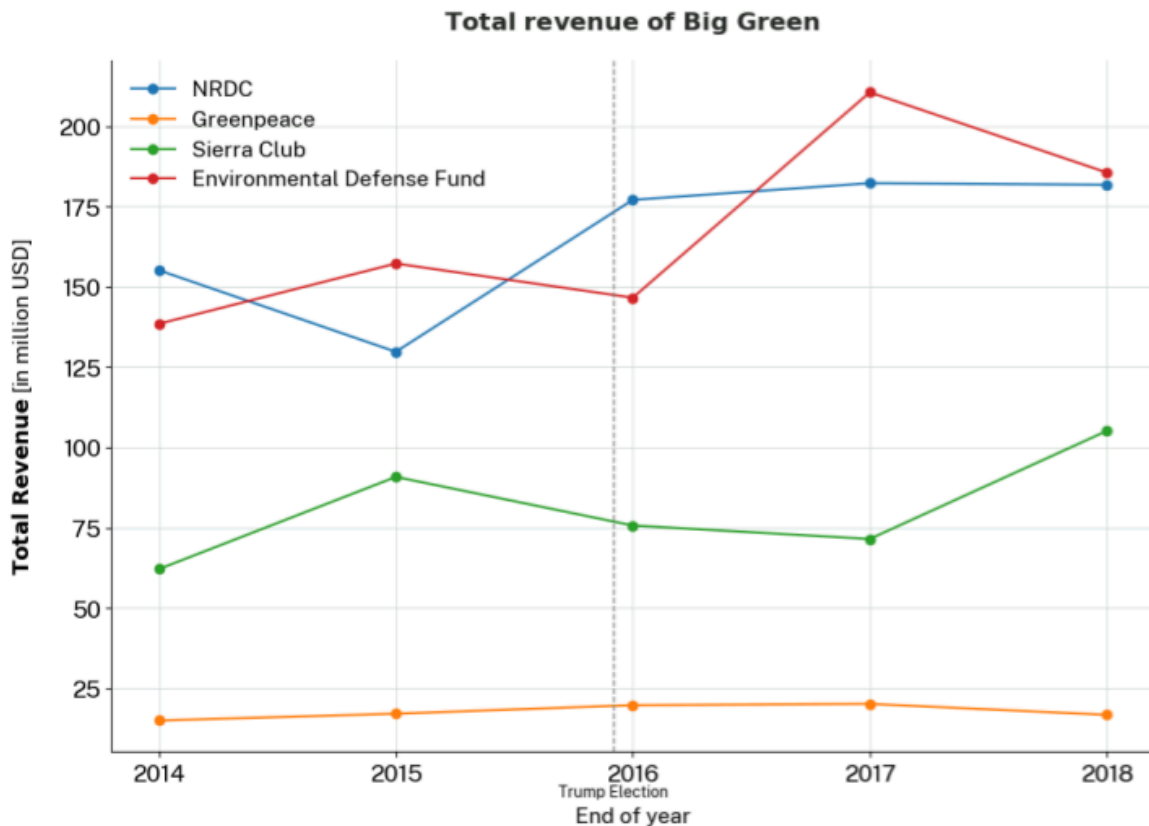
Individual giving and Big Green

For “*Big Green*”, likely the largest beneficiary of a broad public increase in attention to climate and of related giving by individuals, there was indeed a surge of funding after the 2016 election, albeit less so for causes associated more strongly with resistance to Trump (civil rights, abortion).³² Note that because the election happened in early November, at the beginning of Giving Season, it is plausible to see elevated levels in both 2016 and/or 2017³³:



³² Planned Parenthood also receives a lot of public funding, which is likely the reason for the decline in 2017.

³³ The data here is 2014-normalized 990 data.



Breaking it down by organization, the Big Green organization profiting the most was the Environmental Defense Fund (EDF), which saw a 44% increase from 2016 to 2017. This was the most significant single-year change among the organizations analyzed, while other changes were relatively small. Interestingly, EDF is also known to be the most bipartisan of the Big Green groups.

Looking at the normalized graph of the Big Green compared to the American Civil Liberties Union (ACLU) and Planned Parenthood, we see a clear "Trump effect" for the ACLU, where the increase starts in 2016 and appears to be around a 60% year-on-year increase. While there are interesting media stories about rapid funding surges for charities, this growth is mostly short-term and ultimately more moderate, albeit still very significant, on the year-on-year level. The net changes for the Big Green range from USD 1.77 million (Greenpeace) to USD 47.11 million (Environmental Defense Fund). ACLU and Planned Parenthood stand out with the highest net changes, at USD 90.18 million and USD 111.38 million, respectively.

While climate and environment were clearly among the top causes profiting from donors' responses to Trump's election, they were also clearly not the primary cause. The surge of funding was more modest than for other causes, such as abortion or civil rights, which were generally seen as most affected.

Increased giving by foundations

We also have evidence that foundation interest in climate increased as a response to the 2016 election. According to the most relevant evidence on this question — a [survey by Candid](#) — 12% of large foundations made significant changes in reaction to the 2016 election. About 10% of those who made changes (1.4% of the total) increased attention to “environment”, including climate change, making it one of the top five causes mentioned in terms of shifting priorities. While this number intuitively seems low, it is important to take into account that “environment” was initially only [about 2.8% of philanthropy at the time](#) in terms of funding level, making a 1.4% gain in attention by foundations potentially significant.

Given that this data on increased interest only covers foundations (not individual giving) and that increased interest is not indicative of sustained funding at high levels, this should not be interpreted as a 50% increase in overall funding, but rather than an increase that is likely at most in the 10% range.³⁴

Adjusted priorities of foundations

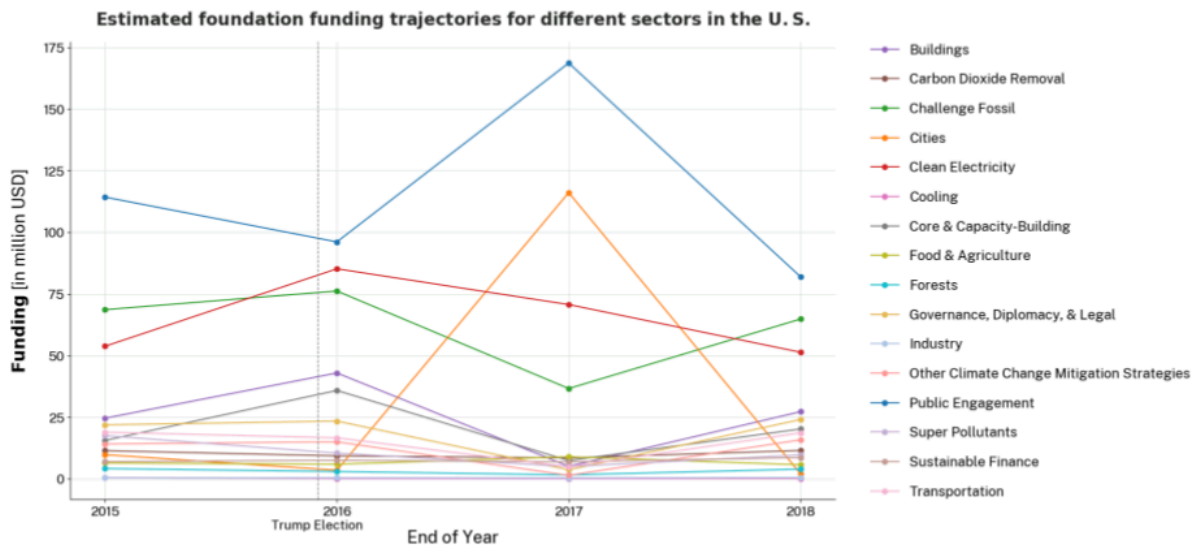
The estimated funding trajectories for different sectors in the US are based on [ClimateWorks](#) data and our modeling approach that uses historical trends to model yearly climate foundation funding for various sector-region combinations.³⁵

³⁴ Foundations are 1/3 of climate philanthropy (50/3) and temporarily increased interest is not the same as sustained funding programs (further discounting).

³⁵ We will clarify details in upcoming publications on funding additionality, but broadly the method to estimate these trajectories from ClimateWorks works like this: The estimated funding trajectories for different sectors in the US are based on data from ClimateWorks and our analysis. Our trajectory selection process is an iterative and data-driven approach to generating and refining yearly funding projections for each sector and region combination. It begins by loading historical funding data from 2015 to 2022 for both sectors and regions, which serves as the foundation for comparison. For each combination of sector and region, potential funding trajectories are generated over multiple rounds. Each round uses progressively narrower tolerance windows — ranges that define the acceptable deviations from historical funding patterns. These tolerance windows start broad and gradually become more restrictive with each round to fine-tune the projected trajectories.

In each round, a set of potential funding trajectories is generated, to find at least 100 valid trajectories. Each trajectory is evaluated against two main criteria: correlation and tolerance limits. Correlation measures how closely the generated trajectory follows historical trends at three levels: the sector level, the regional level and general trend data. The correlation bounds are calculated using correlation coefficients and standard errors and these bounds narrow as the rounds progress. A trajectory is only considered valid if its correlation falls within the acceptable range for all three levels.

In addition to correlation, the trajectories must also fit within the tolerance windows. The tolerance window defines the acceptable range of deviation for the projected funding values compared to historical averages. The windows for tolerance are applied to both sector and region-specific



While these estimates are uncertain, the salient patterns appear consistent with qualitative accounts of philanthropy’s reaction to Trump’s election. In particular, the following changes are noteworthy:

- Funding for “Public Engagement”, focused on “will-building, mobilization, and engagement efforts,” surged by around 75% between 2016 and 2017, consistent with the perception that building and maintaining support for climate action was more important in light of a hostile administration.
- Funding for “Cities” exhibited the most dramatic single-year increase of 550% (from USD 13 million USD in 2016 to an estimated USD 86.24 million in 2017). This category includes “development of city-based leadership on climate”, i.e., the strong push towards sub-national climate action and the [“We are still in”](#) campaign in reaction to Trump’s federal withdrawal from the Paris Agreement.
- Many of the more “technical” strategies — e.g., engaging on industrial decarbonization (“Industry”) — decreased from 2016 to 2017, likely reflecting the perception that the building of broad climate action support and the shifting to sub-national levels were more pressing than detailed technical work, with less of a policy window for moving forward.

averages and these limits become progressively tighter in each round, allowing for less deviation as the process moves forward. This ensures that the final projection does not deviate too far from historical patterns but allows some flexibility, especially in early rounds.

Effects on right-of-center climate philanthropy

One question we were interested in understanding in depth was whether the 2016 election led to a surge in funding for climate groups right-of-center, those that would seem most likely to have the ability to appeal to Republicans on climate action. We had conflicting intuitions about which of two mechanisms might be dominant in this case:

- A. There are at least two reasons **why one could have expected a rise in Ecoright funding** after the 2016 election:
- **Interest group analogies:** After all, we do see the dynamic of interest groups aligning with both parties and with winning parties, in particular, so expecting something similar in philanthropy appears natural.
 - **Visible signal of ascendant right-of-center populism:** Furthermore, together with Brexit, the election of Donald Trump was a clear signal that right-of-center populism was on the rise, so we might expect an increase in funding of right-of-center climate groups as a strategic response.
- B. There are also reasons to expect the opposite, stability or even a decline in Ecoright funding:
- **Intensified polarization and rage giving:** On many accounts of the funding surge after the election, they were highly driven by rage and partisanship, reducing the likelihood to expect a funding surge of the Ecoright.
 - **No (perceived) tractability of engaging right-of-center:** The perception and/or reality that supporting climate groups right-of-center is futile.

Unfortunately, it is difficult to fully answer this question with comprehensive data for two reasons: (1) there were only very few Ecoright organizations in 2016 (a small N), and (2) many of those organizations were quite new and in an early phase of organizational development.

From the data we were able to trace and from conversations and written responses, the picture that emerged, however, was broadly as follows:

- **(1) Continuing trend-lines without discontinuity:** Those organizations that were new and growing continued their growth trends without discontinuity; this is similarly true for organizations that were stable before and after the election.

- **(2) Some organizations had increased difficulty fundraising:** One organization told us that their fundraising collapsed after the election and that they were already planning carefully to manage fundraising risks related to the 2024 election.

The sample here is very small, but there was clearly no funding surge with right-of-center climate groups after the election of a Republican President compared to the funding surges with some of the Big Green groups, but rather a harsher fundraising environment.

Many [large foundations have been granting](#) to Ecoright organizations, though — compared to their budgets — these are minimal contributions. For example, Inside Philanthropy writes about Hewlett that “These sums — particularly when considered on an annual basis — are basically rounding errors in Hewlett’s nearly \$300 million environmental program, but they do show its breadth when it comes to political ideology.” This pattern was mirrored by other large foundations. None of the large foundations has been making a big bet on the Ecoright and there is no clear time trend of increasing contributions, with the biggest historical funder, Arnold Ventures (not a large foundation), withdrawing from part of the work.

It should be noted, however, that the Ecoright ultimately did grow significantly during the Trump Presidency, in particular from 2018 onwards. So, while there wasn’t a direct increase in funding after the 2016 election, the data is at least consistent with some growth, albeit not on the same magnitude (the Ecoright today is at a level of USD 30M/y whereas the growth for EDF year on year between 2016 and 2017 alone was about USD 60M).

What should we expect this time?

There are, of course, several salient differences between 2016 and 2024 that might affect what we should expect this time in terms of the philanthropic response if Trump were to win re-election:

- **No surprise:** Compared to 2016, when a Trump victory was estimated at most around 25% likelihood and many forecasters and analysts assigned a much lower probability, a Trump victory in 2024 should be much less surprising based on forecasting, polls, and prior experience (albeit see the above section on “pricing in”).
- **Different relative issue saliences:** As in 2016, abortion, civil rights and immigration are likely higher salience issues than climate. Indeed, given the overturning of *Roe v. Wade*, abortion has likely gained in relative salience since the last presidential election. This would be a reason to expect, relatively speaking, lower giving by individuals to climate in reaction to a Trump victory.
- **Climate philanthropy has grown significantly since 2016:** Based on [ClimateWorks](#) data, climate philanthropy by foundations has more than tripled since 2016 (from

USD 1.05B in 2016 to USD 3.7B in 2022) and individual giving has strongly increased as well³⁶, strongly increasing the number of funders who will be considering making additional donations.

- **A different kind of signal:** A re-election of Trump would be a clear signal that the movement and positions he relies on are here to stay and to reckon with in designing philanthropic strategy and, more broadly, climate action at large. This would be a reason to expect a stronger philanthropic response in the medium term.

Overall, based on the higher predictability of a Trump victory and the lower relative issue salience of climate, we expect a lower relative share to climate giving in direct response to a Trump victory. However, given *how* strongly climate philanthropy has grown since 2016, we still expect the reaction to be larger in absolute terms given that fundraising appeals by climate non-profits would reach a much wider audience than in 2016 by default.

In synthesis

Examining the philanthropic response to Trump's 2016 election victory provides a nuanced picture of how climate philanthropy might react to a similar outcome in 2024. While there was indeed an influx into climate philanthropy following Trump's 2016 election, the response was more measured and short-term than dramatic headlines might suggest.

Major environmental organizations saw a surge in funding, with the Environmental Defense Fund experiencing the largest increase. However, this surge for climate causes was notably more modest compared to issues like civil rights and abortion rights.

Foundations already working on climate did adjust their priorities, notably increasing funding for public engagement and city-level climate action, reflecting a strategic pivot in response to the new political landscape. Only a small fraction of large foundations made significant changes in reaction to the 2016 election, with environment and climate change receiving increased attention, but not dramatically so.

Interestingly, and perhaps counter-intuitively, right-of-center climate philanthropy did not see a clear funding surge after the 2016 election. Some organizations even reported increased fundraising difficulties. While many large foundations have made grants to Ecoright organizations, these contributions remain minimal compared to their overall budgets, suggesting a hesitance to fully embrace this strategy.

³⁶ Data for individual giving are more uncertain, but taking the mean estimates from ClimateWorks for total climate philanthropy in 2019 (USD 7B) to 2022 (~USD 10.5B) clearly indicates growth of non-foundation giving as well.

Looking ahead to 2024, several factors indicate that the philanthropic response might differ from 2016. A Trump victory would be less surprising this time, potentially dampening the immediate reactive response. Climate may have lower relative issue salience compared to topics like abortion rights, which could further temper climate-specific reactions. However, the overall size of climate philanthropy has grown significantly since 2016, providing a larger base for potential increases.

What can we do when wanting to take action?

As we've explored, the stakes of the 2024 US election for climate progress are high, with potential impacts that reverberate far beyond domestic policies. Yet, within each potential political scenario, there remains significant variability and opportunity for impact. This underscores a crucial point: while the election outcome will shape the landscape of climate action, it does not deterministically dictate all future progress. Yet, we should also expect that – as climate philanthropy community broadly – we are probably underinvesting in outcomes that are both quite likely and consequential.

Given this context, the question naturally arises: how can climate philanthropists most effectively prepare for and respond to the range of possible outcomes?

We discuss three strategies that present different approaches to incorporate the uncertainty and hedge against the risk (in preparation) or as reactions.

First, making US elections matter less by increasing the bipartisan support for climate action (coalitional diversification). Second, investing philanthropically outside the US, in regions that are not affected by US elections or, ideally, become more attractive at the same time the US picture becomes more challenging (geographical diversification). These first two strategies are applications of [robust diversification](#). The third strategy we explore – coalitional diversification outside the US – is, in a sense, combining the first two, asking whether broadening the climate coalition could be similarly promising in other jurisdictions that are more philanthropically neglected but also less decisive for global decarbonization.

We should be clear that these strategies are focused on preparing and reacting to particular developments, not a complete set of strategies by which we or others are engaging on climate.

Aside: Why we are not focusing on influencing the election

Before talking about different ways to take action in light of uncertain and realized election outcomes, it is worth quickly addressing the obvious question – why are we not seeking to shift election outcomes?

The answer to this is simple – changing election outcomes is not a philanthropic contribution, but a political one, and not something we provide advice on or use our funds towards.

Slightly more substantively, [we also believe](#) that the amounts of money and efforts targeted at influencing the election dwarf what is invested in climate philanthropy at large and in preparedness for different outcomes specifically by so many orders of magnitude that it is unlikely that dollars spent on elections can compete on cost-effectiveness grounds with actions to prepare for different outcomes.

Coalitional diversification in the US

One strategy we've been pursuing for the past year and a half involves coalition diversification in the US: supporting climate civil society groups that are politically right-of-center (the Ecoright) and reducing the partisan polarization on climate.

We believe this to be a promising strategy for three reasons:

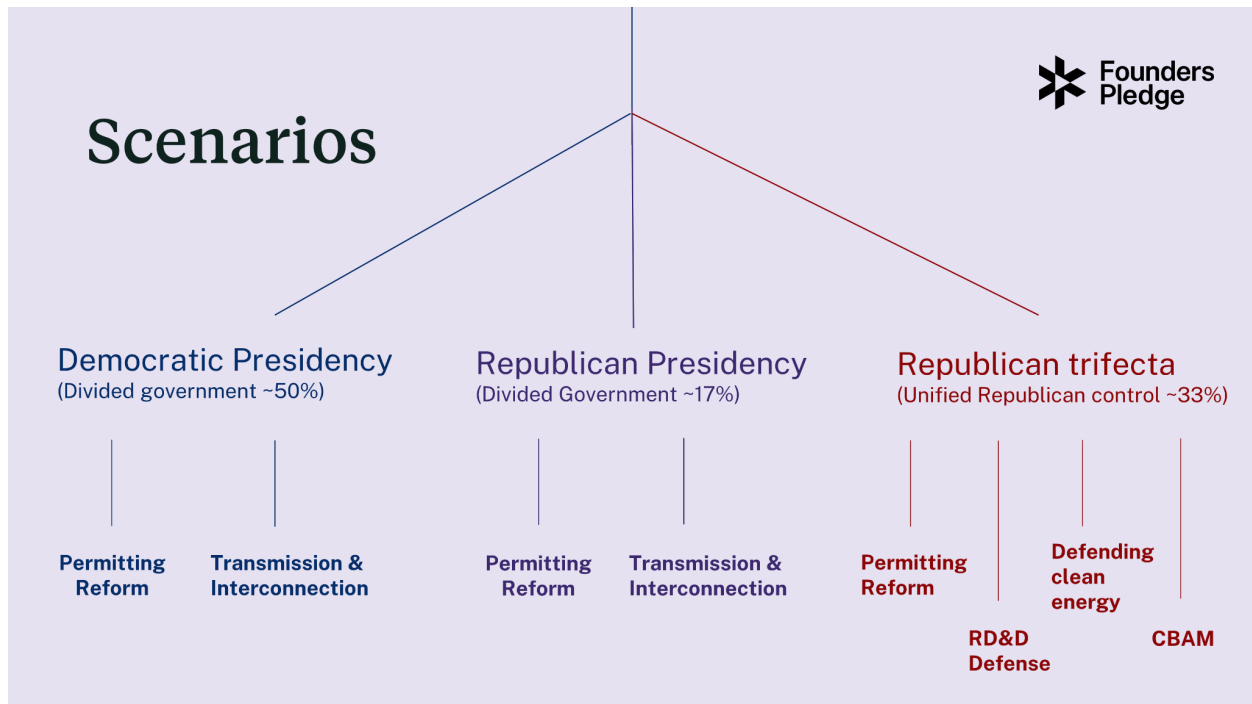
- **(1) Direct focus on Republican constituencies and policymakers:** The Ecoright are the primary groups that directly focus on ways to positively affect climate policy in a Republican-leaning scenario, yet all scenarios involve Republican legislators and officials as key decision makers. As we discussed in the above sections, while philanthropists would likely strongly fund progressive-leaning Big Green groups as a reaction to a Republican-leaning scenario, it is less clear that right-of-center climate groups would also experience funding increases given the strong partisan valence of climate giving.
- **(2) Potential for a large marginal impact:** The Ecoright is significantly [less well-funded](#) than left-of-center climate groups, with only about USD 30M/y of total funding. This strongly increases the expected impact of additional grants, as they unlock early work and, unlike in other areas of climate philanthropy, many low-hanging fruits have not been picked.
- **(3) Hedging and long-term robustness:** Supporting the Ecoright is useful not just as a hedge – preparing for Republican-leaning scenarios – but also for building robust long-run bipartisan support. Irrespective of particular elections outcomes,

decreasing the salience of future elections for climate is a necessary condition for securing long-term progress.

We examine each of these reasons in more detail below.

First, under any scenario but increasingly so under Trump victory, a large part of future climate progress will depend on Congressional Republicans. We saw this situation under the first Trump administration in 2016, when Republican Senators were [key](#) to protecting the US energy innovation system. Already, some Congressional Republicans have been [taking action](#) to protect provisions of the Inflation Reduction Act that might be threatened by a second Trump presidency.

The below chart from our earlier blog, while outdated in its probabilities, illustrates the key point – that there are important avenues for bipartisan climate wins in all scenarios:



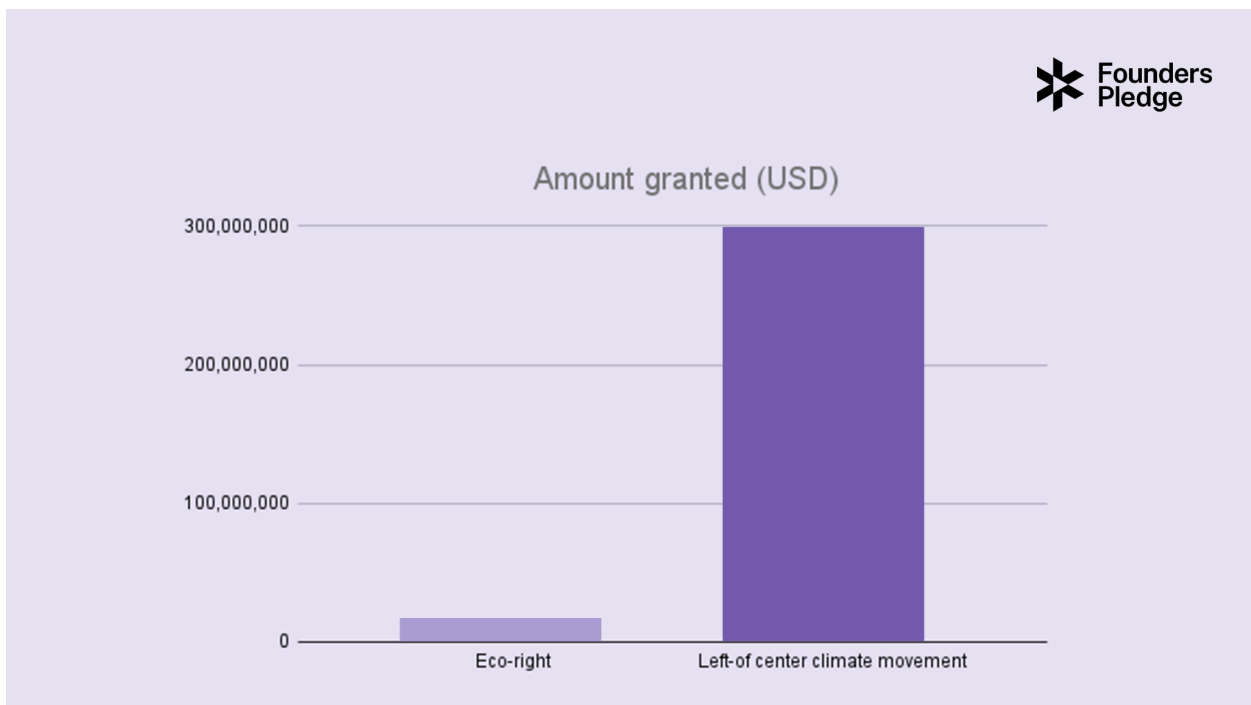
In particular, while climate action is often branded as a left-of-center issue, there are now many policy issues that overlap with “natural” Republican priorities (it is worth noting that this is, to a degree, historically contingent, e.g. the importance of permitting reform discussed above is greatly elevated by the passage of the Biden climate agenda):

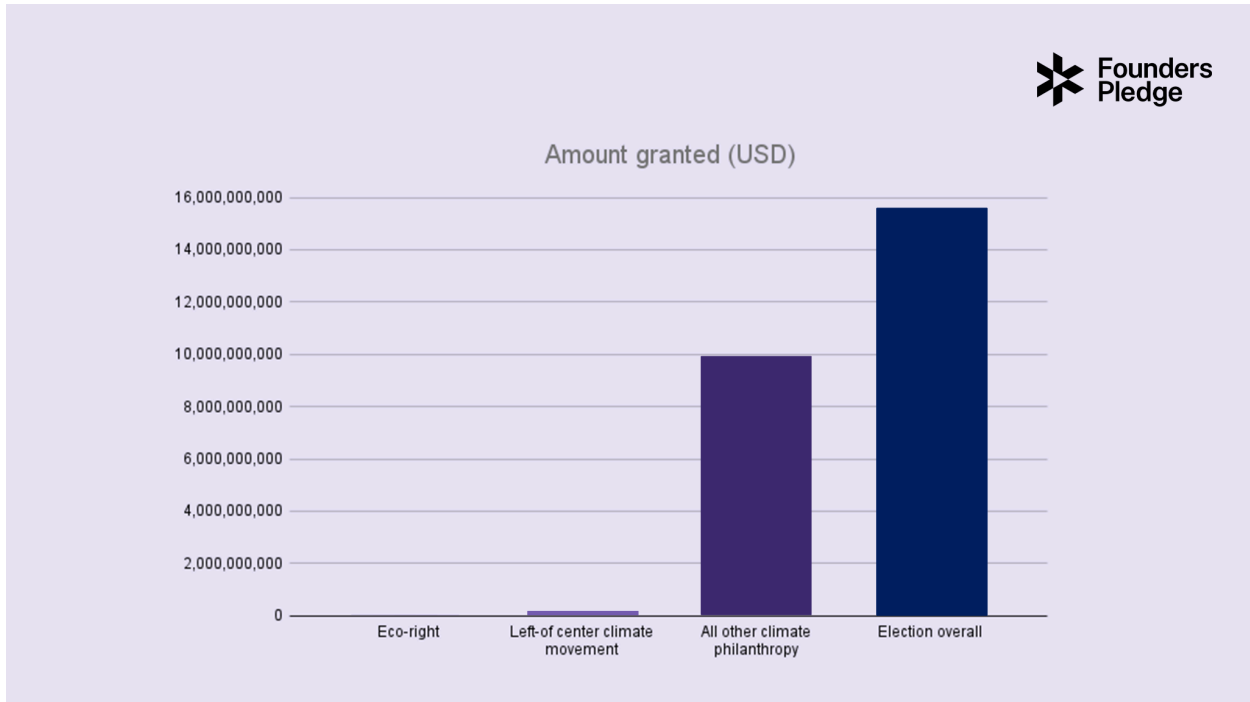
- [Permitting and transmission](#): streamlining the permitting process for ensuring affordable and reliable energy, which aligns with the Republican priority of reducing administrative burden.

- [Innovation policy](#): defending energy innovation budgets, which aligns with the Republican priority of ensuring American competitiveness in a global economy and science and energy dominance.
- [Carbon border adjustment mechanism](#) (CBAM): levying a fee on imports based on their GHG emissions during production, which aligns with the Republican priority of making domestic industries more competitive and reducing unfair trade practices.

Second, environmental funders have significantly under-invested in right-of-center climate action, meaning we can make a larger impact on the margins by funding the Ecoright. Total funding for the Ecoright is currently only [\\$30 million](#), compared to over \$300 million in funding for climate groups on the political left.

We illustrate this asymmetry in the charts below, where we compare funding for right- and left-of-center climate organizations, in comparison with climate philanthropy at large and overall election funding. (In the second chart, the Ecoright is not fully to scale because we couldn't see it otherwise.)





Finally, coalition diversification is useful not just as a hedge – [increasing preparedness for worlds where it matters most](#) –, but also, and at least equally importantly, as a long-term strategy regardless of who wins the 2024 election. Climate is a multi-decadal problem, and the US will continue to have a highly bipartisan political system where unified control of the government by either party is rare and where uncertainty about election outcomes depresses the efficacy of existing policies.

Thus, overcoming the asymmetric civil society development on climate, to ensure more bipartisan support for future climate policies, could be a key strategy in increasing the robustness of the US climate effort.

Our work on coalition diversification

After we identified coalition diversification as a key strategy, we began supporting DEPLOY/US last November. DEPLOY/US is a non-partisan nonprofit with a bipartisan team and board. They are a strategic regranteeing and field building organization focused on scaling the impact of the entire civil society ecosystem working right-of-center on climate change.

Their strategy empowers the Ecoright field with the funding, infrastructure, and coordination to (more detail ins in our [write-up](#) here):

- Engage key constituencies to educate lawmakers, demonstrate diverse support for climate leadership, and help lawmakers and staff put wise ideas to use.
- Shape conservative media narratives about climate change.
- Fill data gaps and exercise thought-leadership that informs and motivates policy making.

Limitations to this approach

As promising as this approach is, it is important to note what this cannot do.

In the best case, we expect that a stronger Ecoright field could make meaningful headway towards enabling greater bipartisan climate policy progress building on positive momentum from the changing demographics of climate support and the widely distributed economic benefits of current climate policies. As discussed above, given the closeness of decision-making majorities and the significant leverage of US climate policies, even small changes could be extraordinarily valuable. It should be noted that this best case is a *bet*, a strategy that we think is worth pursuing ambitiously and that has not been pursued at scale for the wrong reasons (see, for example, our discussion on Ecoright funding above, but also our [write-up](#) on DEPLOY/US), but success cannot be guaranteed. In the framework laid out in our “Why Care?” section, this bet mostly addresses domestic policies and their global effects (“Global I”).

However, we find it unlikely that a Trump victory would not still have major negative implications for *global* climate policy. Coalition diversification within the US would do little to affect the global signaling effect of a Trump victory, given Trump’s image as a leader hostile toward climate action and his opposition to international climate policy and the US contributing to global climate finance (“Global II”).

Additionally, the negative effects of Trump’s other policies (e.g., trade policy; “Global III”) would remain unaffected as well.

Indeed, it is the presence of these global effects that make one obvious reaction – geographical diversification – less robust than it might otherwise seem and that provides an argument for coalitional diversification outside the US as well. We discuss both strategies in the following sections.

Geographical diversification

One obvious response to a darkened picture of US climate progress is geographical diversification – investing philanthropically in other regions where progress is easier to

achieve. Indeed, we have already discussed a variant of one such response above, with climate philanthropy pushing sub-national action as a response to Trump's 2016 victory.³⁷

With regards to our own grantmaking, this would likely mean increasing our grantmaking in regions that provide a similar type of contribution to global climate progress as the US — namely, policy and technological leadership — such as the UK, Canada, the EU, and other OECD jurisdictions.

However, while this approach is extremely intuitive, there are open questions as to whether (or to what degree) geographical diversification provides an effective hedge against US political outcomes in the case of climate philanthropy.³⁸

The reason for skepticism is that — as we have discussed above — US political outcomes have strong impacts on other jurisdictions, impacts that potentially affect other jurisdictions similarly (or, in extreme cases, even more strongly).

In other words, other regions are not statistically independent from US political developments, but correlated. Depending on the size and strength of the correlation, it could be the case that the relative attractiveness of investing the next dollar in different regions does not change, despite the US becoming — in absolute terms — less promising to invest in.

Somewhat informally, if investing philanthropically in the US becomes less attractive, this is not sufficient to cause other regions to become relatively more attractive.³⁹

To make this more concrete and come to an initial view, let's consider the following potential⁴⁰ examples of *partial* influences of US political developments on other geographies:

³⁷ This is within the same country, but geographical diversification in the sense of moving away from the federal level of decision-making in response to a situation perceived as less fruitful.

³⁸ Note, here, that this does not mean geographical diversification can be justified on other grounds (such as uncertainty about where engagement is most promising). The question interrogated here is whether geographical diversification provides a hedge against unfavorable political developments in the US.

³⁹ What one would need for geographical hedging as a response to *definitely* work would be the following conditions: (a) non-linear damage (or conversely, decreasing returns to additional abatement akin to declining marginal utility from additional monetary returns in financial investing; this condition is met) and (b) statistical independence (robustness) or negative correlation (hedging) of other regions' attractiveness compared to US developments. As long as we cannot rule out a positive correlation of regions' attractiveness to US developments (also becoming less attractive), we cannot establish that geographical diversification is actually an effective hedging strategy.

⁴⁰ These examples are meant to make the intuitions more tangible, they are not necessarily fully correct or the most important, but are meant to convey plausible mechanisms.

Influence	Description	Potential Example
Positive ⁴¹ stronger	Changes in non-US jurisdictions as a result of US political changes are actually stronger, making the US relatively more attractive.	Increased US LNG exports affect carbon lock-in outside the US more strongly than in the US.
Positive equal	Changes in US and non-US jurisdictions are of similar magnitude.	Slowed cleantech innovation reduces future deployment on a similar level globally.
Positive weaker	Changes in non-US jurisdictions are in the same direction, but less pronounced.	Climate policy rollback in US ‘inspires’ other jurisdictions, but is less pronounced.
None	Changes in the US have no impact outside the US.	–
Negative	Changes in non-US jurisdictions are counteracting US political developments.	As the US attracts less cleantech investments, other regions attract more.

Of course, for understanding how philanthropic investment in any one region changes in relative attractiveness to the US, what matters are net effects: how the most relevant influences “cash out” on net. To illustrate, if the first example in the table above – Europe’s increased LNG dependence as a result of more permissive US policy – were by far the dominant effect, then this would mean that Europe would become comparatively less attractive for philanthropic investment than the US. Conversely, and more likely, if effects in other jurisdictions were positively correlated with the US but somewhat weakened on net, this would make them relatively more attractive.

With this conceptual apparatus in hand, what are the likely dominant influences that could shape whether geographical diversification is a promising strategy in this case?

We list a couple of the influences we expect to be salient in the respective categories below:

⁴¹ Note that “positive” and “negative” here are used in the conventional sense of talking about correlations, with “positive” indicating the same direction of movement, whereas “negative” implies opposite direction. This is not meant to valence the changes, which are negative from the perspective of climate progress.

Influence	Description
Positive stronger	Changes in non-US jurisdictions as a result of US political changes are actually stronger, making the US relatively more attractive.
	Increased lock-in risk from more US fossil exports: Other jurisdictions might be locked into fossil dependence more in case of larger US exports.
	Less international climate finance commitments: Lower levels of US-provided international climate finance reduce incentives and capacity for emissions reductions in emerging economies.
Positive equal	Changes in US and non-US jurisdictions are of similar magnitude
	Lower cleantech innovation: All countries will be similarly affected by lower cleantech innovation over the medium term (see differentiation on adoption below).
	Lower international pressure for increased ambition: All countries will face similarly weaker international pressure to commit to more ambitious targets and policies.
Positive weaker	Changes in non-US jurisdictions are in the same direction, but less pronounced
	Cleantech adoption deceleration: While rollback of deployment incentives will have global repercussions, effects are likely strongest in the US itself.
	Anti climate policy backlash: Effect will be strongest in the US and likely moderated / weaker in most other jurisdictions.
Negative	Changes in non-US jurisdictions are counteracting US political developments
	Investment shifts: If the US becomes less attractive for clean tech investment, other regions will potentially absorb more clean tech investment.
	Counter-reactions: Some momentum to signal commitment to global climate progress despite US withdrawal

Ultimately, of course, what matters is the net effect:

Net Effect	Description	Does geographical diversification work as a hedging strategy?
Positive ⁴² stronger	Changes in non-US jurisdictions as a result of US political changes are actually stronger, making the US relatively more attractive.	No
Positive equal	Changes in US and non-US jurisdictions are of similar magnitude	No
Positive weaker	Changes in non-US jurisdictions are in the same direction, but less pronounced	Partially , outside-US opportunities will become relatively more attractive and some diversification is warranted.
None	Changes in the US have no impact outside the US	Yes (robustness)
Negative	Changes in non-US jurisdictions are counteracting US political developments	Yes (hedging) , robust diversification

Our initial view is that we should expect the net effect to most likely be “positive weaker” in *most* cases, that we should expect a net effect making geographical diversification more attractive. This is principally for two reasons: (a) Many domestic effects will be somewhat weaker globally (i.e. “positively weaker” will be the most typical category of effects), (b) but also the different effects (negative, positive stronger, etc.) will likely net out as a positive weaker net effect.

Given that, we do not expect this to be a massive net effect shifting geographical priorities in general, with a back-of-the-envelope calculation suggesting only a 11% change in relative

⁴² Note that “positive” and “negative” here are used in the conventional sense of talking about correlations, with “positive” indicating the same direction of movement and “negative” indicating the opposite direction. This is not meant to valence the changes, which are negative from the perspective of climate progress.

attractiveness of non-US regions now and 33% in a Trump scenario.⁴³ Of course, this is an average effect and the opportunity for impact would consist in finding regions that are negatively correlated with US climate policy developments.

Coalitional diversification globally

Irrespective of the US elections outcomes, climate policy is already at risk of backsliding in many regions. Most notably given its historic leadership, climate has been significantly weakened as an issue in the European Union after the 2024 European Parliamentary Elections, which moved politics to the (populist) right, with vote shares of populist right wing parties surging while Green parties lost significant vote share.

As discussed above, a Trump victory would likely strengthen this trend – giving additional support to anti-climate policy stances in existing political conflicts and increasing the risks of further backsliding. Indeed, it seems likely that this effect would be *more* pronounced than under the first Trump administration given that climate politics has become more contested in many settings.

This raises the obvious question of whether coalitional diversification also becomes more important globally, as the US is not the only jurisdiction – albeit an extreme case – where much of the climate community and its philanthropic supporters are aligned with one party.

We believe that it is very likely the case that climate philanthropy *at large* should invest more into right-of-center efforts, given the historical progressive leaning of climate philanthropy, which makes underinvestment likely. While we are aware of some efforts to address this problem, they are nascent and small compared to their importance.

Given limited resources, the crucial question for us, however, is how geographically expanding right-of-center climate philanthropy compares to expanding the effort in the US. We believe this requires trading off a variety of factors to come to a comparative view of expectable relative impact:

- **(1) Importance of jurisdiction for global decarbonization:** How important is the jurisdiction based on its emissions trajectory, but also – and often more crucially – its ability to affect global emissions via policy leadership, clean-tech innovation, and other indirect mechanisms?

⁴³ For example, if you believed a Trump scenario would make climate progress twice as hard in the US (reduce effectiveness by 2x), but would also make progress 50% harder in the average non-US jurisdictions (reduce effectiveness by 1.5x), due to global systemic effects, at 50:50 odds, this would only correspond to a 1.11 multiplier towards diversification now and a 1.33 multiplier towards diversification away from the US in the case of a Trump victory.

- **(2) Importance of right-of-center groups for climate policy progress:** This question breaks down into a variety of sub-questions both about (a) the political power of right-of-center groups, (b) the polarization on climate, (c) the degree to which there are “right-coded” policy ideas that could make a large difference on climate, but also structural characteristics of the political system such as (d) concentration of power, (e) the number of veto players and ubiquity of policies requiring broad support, (f) the ease of policy reversals, and other factors.
- **(3) Neglectedness:** This breaks into an empirical and a methodological question, (a) the degree of under-resourcing of right-of-center climate groups compared to other jurisdictions, but also (b) the methodological question to which degree this matters.⁴⁴
- **(4) Ability to make progress:** How much progress can actually be made, are there plausible groups and advocates that can be supported and that have a path to impact?

Viewing the US through this framework, a clearly mixed picture emerges:

Clearly, the US is of outsized importance for global decarbonization and almost all climate policy progress (and lack of reversal) will require *some* bipartisan support while climate overall is extraordinarily polarized. Furthermore, some of the most significant additional policy opportunities (in particular, permitting reform) are “right-coded”. This makes the US a promising bet for right-of-center targeted climate philanthropy.

On the other hand, given the general well-fundedness of US climate philanthropy, the right-of-center effort is also less neglected than in other jurisdictions (about USD 30M/year are spent on the Ecoright).

It is these and similar considerations we plan to evaluate in the future and we are likely to commission prioritization work in this area to enable us and other climate philanthropists to better understand which regions to prioritize.

⁴⁴ While expectable impact is often modeled as declining logarithmically with additional funding – implying that field A funded at 10x compared to field B should only profit 1/10th as much from an additional dollar as field B, it is unclear whether this assumption of declining marginal returns holds for fields that are far from saturation and that have a movement-building characteristic.

Conclusion

In this report, we have tried to answer three broad questions: **(1)** What is at stake for climate progress in the 2024 US elections? (a lot), **(2)** How have and will climate philanthropists prepare and react to different outcomes and does this suggest we are already optimally prepared? (no), and **(3)** Given the likely underpreparedness, what are strategies we have pursued and can expand in anticipation and/or reaction to different scenarios? (strategies involving robust diversification).

Regarding question **(1)**, we found that the 2024 US election presents a significant juncture for climate progress both domestically and globally, both because of the significance of recent policy progress as well as the increased potential for global climate policy backlash. However, our analysis also underscores that within each political scenario, there remains significant variability and opportunity for impact. Not all is lost or won with different election outcomes, but preparing to be effective under different scenarios is of the utmost importance.

Addressing question **(2)**, we believe it is very likely that climate philanthropy is collectively underprepared for some outcomes, in particular a second Trump Presidency. This is so for several reasons, from the cognitive biases driving individuals to under-appreciate the likelihood of outcomes perceived as undesirable, to the slow-movingness of foundations. While a second Trump Presidency would clearly lead to strong philanthropic reactions, it seems unlikely — from what can be observed — that pricing in has occurred at scale. Indeed, most of the evidence is more consistent with a view of philanthropic giving *at large* being reactive rather than anticipatory. Of course, that does not mean that there are no strategic philanthropists pursuing anticipatory strategies and investing in preparedness, but rather that such preparation is underprovided compared to its importance and thus provides an avenue for increased impact for strategic philanthropists.

What have we done and what more can we do then to reduce underpreparedness? In seeking to answer question **(3)**, we laid out three strategies that we believe could be promising:

- 1. Coalitional diversification in the US:** Supporting right-of-center climate groups (the Ecoright) offers a promising approach to building bipartisan support for climate action. This strategy hedges against unfavorable election outcomes while also contributing to long-term policy robustness.
- 2. Geographical diversification:** Investing in climate progress outside the US can provide some insulation against US political volatility. However, the effectiveness of this strategy is limited by the correlated nature of climate progress across jurisdictions.

3. Global coalitional diversification: Expanding support for right-of-center climate efforts globally may become increasingly important, particularly if a Trump victory emboldens anti-climate policy stances internationally.

While we have been pursuing strategies (1) and (2) for the past eighteen months and have made this the overarching focus of our grantmaking this year, we also believe that we have underappreciated the importance of long-term preparedness. Indeed, in writing this report we have become more convinced of the value of strong preparatory actions and, in particular, the degree to which waiting for the resolution of uncertain outcomes such as elections – while intuitive – is a poor strategy. Less than two months out from the election, we do not know much more about the relative odds of different scenarios than a year ago, yet – from all we can tell from talking to grantees, funders, and analyzing the public data – there is and has been fairly limited preparatory action.

We thus hope that the arguments laid out in this report will help other funders who are thinking through these issues, and that – while this report is superficially about a specific point in time – some of the arguments and findings laid out in this report will be useful beyond this moment in thinking through the benefits and costs of waiting, the degree to which philanthropy does not approximate an efficient market and thus does not price in publicly available information, and the types of philanthropic strategies that can increase robustness in the face of uncertainty.