SHELDON WHITEHOUSE
U.S. Senator *for* Rhode Island

Recent Climate Warnings

- **Dr. Mark Carney** testified before the Senate Budget Committee, "At the global level, estimates suggest that, over the balance of this century, *climate change could reduce the level of global GDP per capita by 10-20%* without efforts to limit warming, the equivalent of a decade of no economic growth."
- **Fed Chair Powell** testified before the Senate Banking Committee that in 10-15 years, *it will be impossible to get insurance or a mortgage* in certain coastal and fire-prone regions of the country.
- **The Economist magazine**, in an issue titled ''The Next Housing Disaster,' warned that "if the size of the risk suddenly sinks in, and borrowers and lenders alike realize the collateral underpinning so many transactions is not worth as much as a they thought, a wave of repricing will reverberate through financial markets … *Climate change, in short, could prompt the next global property crash."*
- **Eric Andersen, U.S. President of Aon,** testified before the Senate Budget Committee, "Climate risk is a global, systemic risk… Just as the US economy was overexposed to mortgage risk in 2008, *the economy today is over exposed to climate risk."*

- A board member for **Allianz** warned that the world is fast approaching temperature levels where insurers will no longer be able to offer coverage for many climate risks. At 3C of warming, *"the financial sector as we know it ceases to function. And with it, capitalism as we know it ceases to be viable."*
- **Dr. Sean Becketti, former Chief Economist for Freddie Mac,** testified before the Senate Budget Committee about property losses from sea level rise and increased coastal flooding: "You look at the Housing Crisis of 2007/8, it was a long time before property values came back, but they did come back. But this is a different type of dynamic where property values are probably physically not able to come back. And so this is equity that's lost forever. It's extremely difficult to estimate [total losses] nationally – *I'm not sure I have enough zeros to do it.*"
- A report from the **Mortgage Bankers Association**, the industry's largest and most powerful lobbying group, determined that "chronic physical risk associated with climate change may also *exceed the capacity of insurance and government assistance to sustain some areas.*"
- A **First Street** report warned that climate change could *erase $1.4 trillion in U.S. real estate value by 2055* due to insurance pressures and shifting consumer demand from the highest-risk places.

- The **Financial Stability Board** warned of cascading harms: from rising climate risk, to increased premiums and reduced coverage, to market withdrawal and insurance coverage gaps, to second-round effects, like *mortgage crises and bank insolvency*.
- The **Commodity Futures Trading Commission** warned that *climate change poses systemic risks to the U.S. economy* and is expected to affect multiple sectors, geographies, and assets simultaneously and within a short timeframe, undermining the U.S. financial system and to its ability to sustain our economy.
- **Dr. Benjamin Keys, Professor of Finance at the Wharton School,** testified before the Senate Budget Committee, "climate risk is better described by the title of the latest Oscar winner: It's "Everything, Everywhere, All at Once." Climate change is simultaneously inducing heightened risk of flood, storm damage, chronic inundation, drought, excessive heat, and wildfires… [T]here is no avoiding the fact that the increasing risk of large, global loss events will mean *higher costs for consumers*."

- **Dr. Bob Litterman, former Chief Risk Management Officer for Goldman Sachs**, testified before the Senate Budget Committee, "A sudden revision of market perceptions about climate risk could lead to a disorderly repricing of assets, which could in turn have cascading effects on portfolios and balance sheets and therefore *systemic implications for financial stability.*"
- **Malcolm Turnbull, former conservative Prime Minister of Australia**, testified before the Senate Budget Committee, "our *economic outlook would suffer* if we did not start moving away from an emissions heavy economy."
- **Dr. Bill Frist, former Republican Senate Majority Leader**, testified before the Senate Budget Committee, "*Climate change is an economic issue.* It affects individuals, families, and businesses of all sizes. The fallout from climate change – from increased droughts and flooding to hotter temperatures and rising sea levels – costs the United States billions of dollars every year."