

# SF Fed Holds Climate Change Conference

By Don Sutherland

As a growing reminder that the issue of climate change is no longer largely confined to scientific journals and conferences, the San Francisco Federal Reserve held a conference devoted to climate change on Friday, November 8, 2019.

In laying the context for the conference, San Francisco Federal Reserve President Mary C. Daly [explained](#):

*Why is the San Francisco Fed hosting a climate conference?*

*...The answer is simple. It's essential to achieving our mission.*

*The Federal Reserve's job is to promote a healthy, stable economy. This requires us to consider current and future risks – whether we have a direct influence on them or not. Climate change is one of those risks...*

*Extreme weather events like hurricanes, floods, and wildfires destroy property and disrupt essential services like health care and education. But they also impact how people buy things. Without power, electronic payment methods – debit cards, credit cards, and mobile services like Apple Pay – don't work. So you need cash for everything...*

*Higher sea levels, heavier rainfalls, drier conditions, and the associated fallout can cause catastrophic losses to property and casualty insurers – especially if the majority of their clients are geographically concentrated in the affected region. In 2018 alone, it's estimated that damages from severe weather in the United States cost insurers upwards of \$50 billion...*

*Finally, climate change can also influence our third function: conducting monetary policy to achieve our congressionally-mandated goals of full employment and price stability.*

*Early research suggests that increased warming has already started to reduce average output growth in the United States. And future growth may be curtailed even further as temperatures rise. Several of the papers on the program today outline other ways in which the micro- and macro-economic environments may be impacted by climate change. While more work needs to be done to clearly understand these effects, there's little doubt that we need to recognize, examine, and prepare for these risks in order to fulfill our core responsibilities.*