

Centerline Report Details Dangers of Partisanship in ESG Policymaking

Findings Show Placating to Uniformed Policy Positions Results in Reduced Competition, Heightened Legislative Confusion & Restrained Economic Growth

WASHINGTON – As the debate over Environmental, Social, and Governance (ESG) standards intensifies, Centerline Liberties released <u>a new report</u> detailing the dangers of partisanship in ESG policy making. James Dozier, President of Centerline Liberties, today issued a statement on the report's findings, warning that the increasingly polarized positions taken by partisans undermine the effectiveness of these initiatives and create unnecessary economic risks.

"The consequences of unnecessary partisanship is clear: instead of fostering a balanced, pragmatic approach to ESG, we are witnessing a pendulum swing that creates regulatory confusion and economic uncertainty. At Centerline Liberties, we believe the solution lies in depoliticizing ESG policymaking and fostering a collaborative approach across the aisle to prioritize policies that are flexible, evidence based, and grounded in the realities of our diverse economy. Only then can we create a sustainable future that balances economic growth with social responsibility. Extreme partisanship in ESG policy making serves no one," said **Centerline Liberties President James Dozier**.

The report, authored by Centerline Liberties Senior Policy Advisor Tim Doyle, an attorney and expert on ESG, identifies numerous consequences of partisan ESG legislation, including diminished economic growth, patchwork regulations, policymaker confusion, burdensome compliance costs and state divestments of banks and asset managers. Additionally, the report outlines how anti-ESG legislation reduces competition and adversely affects markets, the economy, and consumers.

"Uniformed and politically driven ESG-related laws undermine the competitive nature of the financial markets and limit investment opportunities all while potentially driving up costs. Through close examination of how several states across the country have implemented ESG policies, it is evident that there are unintended consequences not only for consumers but also for the broader economy. The path forward should reflect a more nuanced understanding of how ESG factors impact financial decisions and a renewed commitment from lawmakers to avoid overly politicized and rigid legislation," said **Centerline Liberties Senior Policy Advisor Tim Doyle**.

The report finds that efforts to prioritize political, social, or ideological agendas over common sense policies not only harms consumers but also leads to unnecessarily complex and potentially counterproductive legislative solutions. Partisans from both sides of the aisle have prioritized politics ahead of good policy making decisions. Hyper-politicized policies can lead to unintended consequences that may lead to further economic harm to individuals and the economy.

"The ESG fight continues to escalate in Washington and in many state capitals and too often it's taxpayers who are being caught in the middle. As this report highlights, policymakers need to more carefully consider how their ESG-related proposals will impact the bottom line — whether that means driving up the cost of government contracts or reducing the value of pension plans. We have seen far too many legislators — on both sides of the debate — lose sight of the fiscal impact of their actions," said **National Taxpayers Union Executive Vice President Brandon Arnold**.

"This report does a fantastic job explaining how America now finds itself at a crossroads over ESG policies at both the federal and state levels. Tim thoroughly lays out why decision-makers should avoid politicization, empower markets, and provide clarity without excessive prescription. Failing to do so will result in unintended consequences that will harm investors, retirees, and the health of the economy," said **C3 Solutions Vice President of Public Policy Nick Loris**.

"This much-needed report confirms what has been evident to observers for some time – partisan ESG-related bills from both sides of the aisle hurt taxpayers. Private individuals and organizations should be free to invest their money however they see fit, for whatever reasons they desire. Public funds should prioritize returns for taxpayers regardless of the political leanings of the groups in which they would invest. Further, investors desperately need certainty. Subjecting financial regulations to a game of partisan ping pong will only further stifle investment and growth across the nation. This report ensures that policymakers have no more excuses to continue to pursue destructive partisan legislation. The effects are clear," said **Taxpayers Protection Alliance Director of Policy Dan Savickas.**

The report concludes with notable advice for policymakers.

State legislatures should prudently analyze their existing laws to ensure that any unintended consequences are mitigated when responding to a highly politicized issue like ESG. This process starts with having a thorough understanding of ESG and how it is being used in relation to the problem the legislature is trying to resolve. In the end, a state's citizens and pension beneficiaries win when the political rhetoric of ESG, either always being good or always being bad, is replaced with sound business and investment judgment.

To read "ESG: Politics Over Policy and the Consequences" in its entirety, visit this link.

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Centerline Liberties is a nonprofit focused on advancing policy solutions capable of defending core constitutional liberties, preserving a free market economy, and limiting the role of government in Americans' everyday lives.