

America Doesn't Have to Choose Between the Economy and the Climate

by [Helen Mountford](#) [1] and [Joel Jaeger](#) [2] - March 06, 2017

This post is part of WRI's blog series, [The Trump Administration](#) [3]. The series analyzes policies and actions by the administration and their implications for climate change, energy, economics and more.



Solar panels at Curtis H. Stanton Energy Center. Photo by OUC Reliable One/Wikimedia Commons

New EPA Secretary Scott Pruitt recently said “I believe that we as a nation can be both pro-energy and jobs, and pro-environment. We don't have to choose between the two.” While we don't always see eye to eye with Mr. Pruitt, on this one we have common ground.

For many years, we've heard that economic growth and environmental protection are in conflict. However, there is growing and compelling evidence that this simply is not the case: A strong economy and a healthy environment are not only complementary, but each depends on the other.

The Economic Case for Climate Action

The negative economic impacts of environmental damage are becoming clearer. Risky Business, a project founded by Mike Bloomberg, Hank Paulson and Tom Steyer, has mapped the [potential costs](#) [4] of climate change, finding that states like Missouri and Illinois risk up to a 70 percent decline in average annual crop yields by the end of the century due to rising temperatures. Billions of dollars of property in states like [Florida](#) [5] and [California](#) [6] will likely be underwater by midcentury. And it is not just climate change that poses a cost to our economy and our communities. Nationwide, the health impacts of [air](#)

[pollution](#) [7] are estimated to be equivalent to 4 percent of GDP each year. By acting now, we can avoid increasing costs down the road.

But it's not just about preventing risks. Climate action can actively benefit the economy, according to new work from the [New Climate Economy](#) [8]. The key drivers of economic growth – resource efficiency, infrastructure investment and innovation – can be harnessed to reduce greenhouse gas emissions. It's a logical connection: a more efficient economy is a more productive economy, and a more efficient economy also emits less carbon.

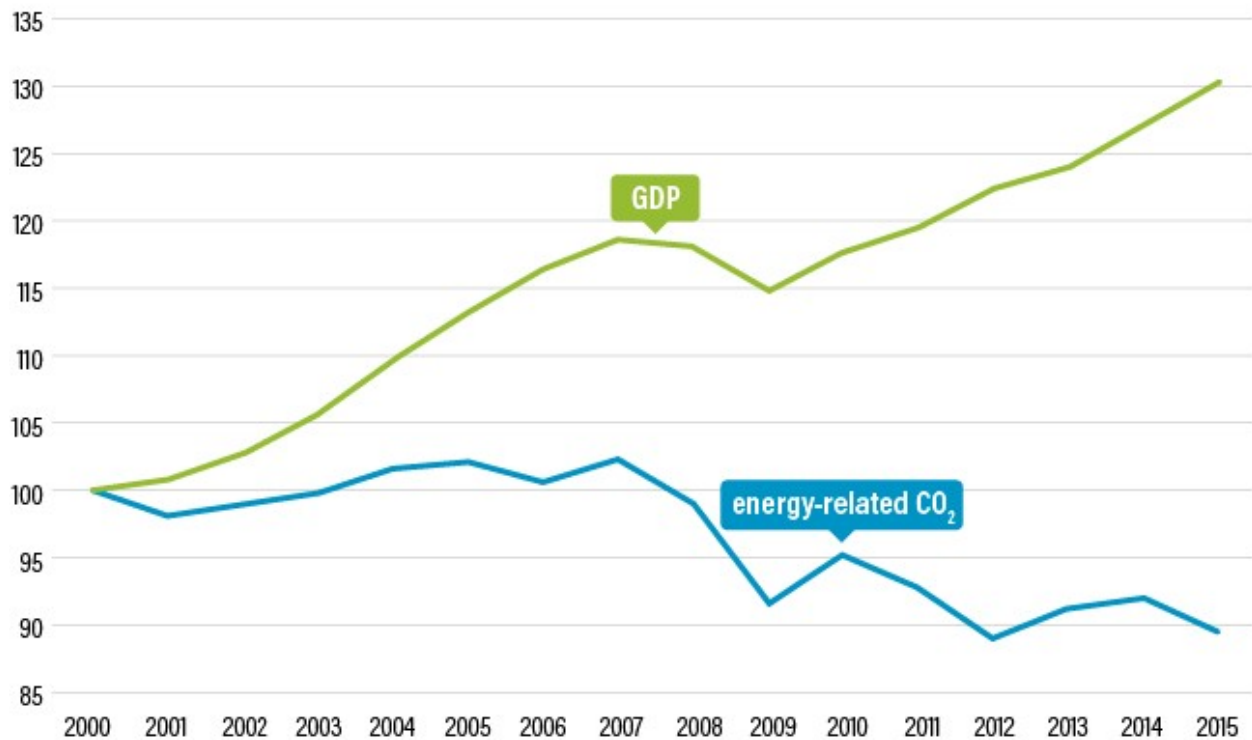
The economic case for climate action is only becoming stronger as time goes on and the costs of clean energy and other technologies continue to drop. Since 2008, the [cost](#) [9] of utility-scale solar energy in the United States has fallen 64 percent and the cost of wind energy has fallen 41 percent, making them increasingly cost-competitive with traditional fossil fuel power, even without subsidies. Even without considering the air pollution and climate benefits, clean energy makes economic sense.

The US Is Decoupling Economic Growth from Carbon Emissions

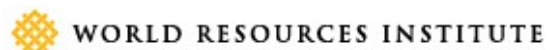
Many U.S. states are already proving that it is possible to have a strong economy and a strong environment. Thirty-three states and the District of Columbia expanded their economies while reducing energy-related carbon emissions from 2000 to 2014, according to [Brookings](#) [10]. This includes red states like Kentucky, Alaska and Georgia, as well as blue states like California, New York and Massachusetts. This is an economic issue, not a political one.

As a whole, from 2000 to 2015, the United States grew its GDP by 30 percent while reducing its energy-related emissions by 10 percent.

U.S. Decoupling: Change in Real GDP and CO₂ Emissions Since 2000 (indexed to 100 in 2000)



Source: EIA's "Monthly Energy Review" and BEA's "Real GDP"



[11]

Source: [Brookings](#) [10]

Clean Energy Employs Many Americans

Read the WRI Fact Sheet on the growth of clean energy jobs in the United States [here](#) [12].

Beyond economic growth, climate action can also have positive impacts on employment. Solar and wind are among the most dynamic industries in the nation. In 2016, the solar industry created [one out of every 50 new jobs](#) [13] in the United States. Wind turbine technicians are expected to be the [fastest-growing occupation](#) [14] over the next 10 years.

According to the U.S. [Department of Energy](#) [15], there are already 374,000 American jobs in solar energy, 102,000 in wind energy and more than 2.2 million related to energy efficiency. For comparison,

160,000 Americans work in coal. The solar and wind jobs are spread out from coast to coast, including concentrations in the Midwest and Southwest.

Where are Clean Energy Jobs Located?



Top 10 States for Wind Jobs



Top 10 States for Solar Jobs



Top 10 States for Energy Efficiency Jobs



Source: State Charts from the Department of Energy's 2017 National Energy and Employment Report



[16]

Source: WRI/DOE [17]

Boosting investment in sustainable infrastructure would create even more jobs, as well as close the massive infrastructure deficit in the United States. Risky Business has found that [investing in a clean](#)

[energy transition](#) [18] would create roughly 460,000 additional construction jobs by 2030. The number of coal mining and oil- and gas-related jobs would decline by more than 130,000 by 2030, but the net effect on U.S. employment would be positive.

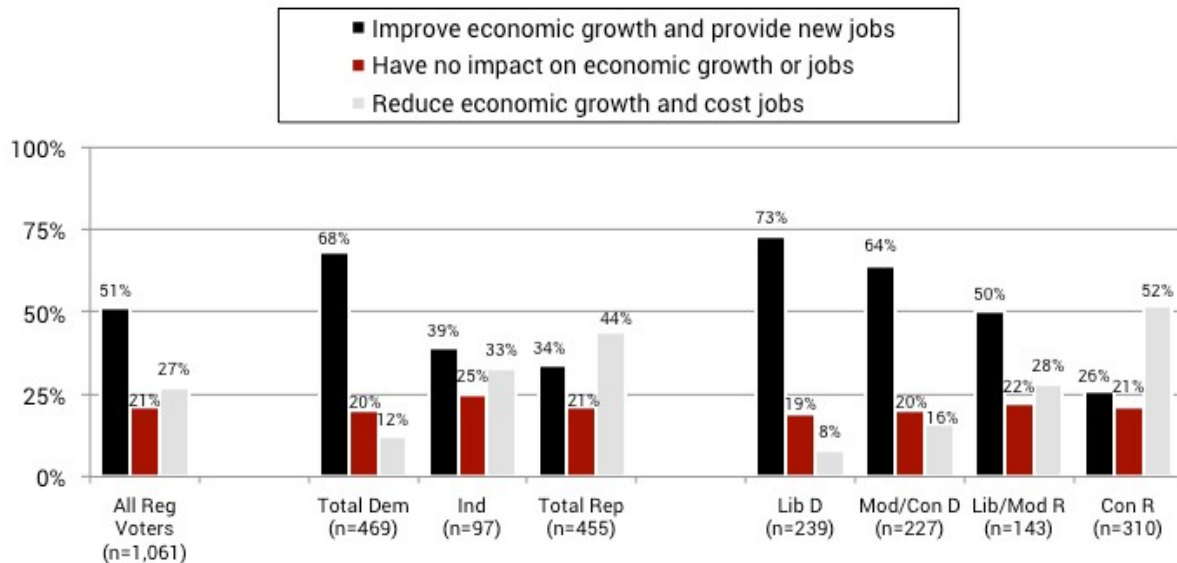
Of course, for those Americans who do lose their jobs through the energy transition, the net job gains are little consolation, especially if they take place in other communities or states. The critical role of government is not to hold back the transition when it brings jobs and growth, but instead to manage it carefully. A just transition will be essential as economic activity shifts, with strong support for displaced workers, affected communities and low-income households through retraining and economic diversification. While it may be tempting to try to prop up the ailing coal industry, in the end it is only a very expensive way to delay the inevitable transition. Market forces have made it clear that coal just isn't coming back. It's better to diversify local economies away from coal while providing assistance to local communities during the transition, ensuring they remain vibrant for decades to come, not just for a few more years.

American Voters Are Embracing the Low-Carbon Economy

More and more Americans understand the advantages of the new climate economy. In [a poll](#) [19] taken after the 2016 election, half of registered voters said that a transition from fossil fuels to clean energy will improve economic growth and provide new jobs. Only about one in four think it will reduce economic growth and cost jobs.

Most Registered Voters Think Transitioning From Fossil Fuels to Clean Energy Will Improve Economic Growth and Create Jobs

-Only conservative Republicans think it will reduce growth and cost jobs-



Please indicate which of these statements comes closest to your own views-even if it is not exactly right:
 "Overall, government policies intended to transition away from fossil fuels (coal, oil, natural gas) and toward clean energy (solar, wind) will..."

Base: Registered American Voters 18+. November 2016.



[20]

Source: [Yale](#) [19]

American voters understand that the assumptions we used to make about the economy vs. the environment no longer hold. In fact, we can't achieve long-term sustainable progress on one without the other. Policymakers, businesses and investors should listen to these voices and make decisions that will help America move toward a clean, strong economy. The costs of inaction on climate are rising, while the economic benefits of action have never been clearer. From GDP to jobs, our economy and communities will be stronger with a healthy environment.

Source URL: <http://www.wri.org/blog/2017/03/america-doesnt-have-choose-between-economy-and-climate>

Links

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- [2] <http://www.wri.org/profile/joel-jaeger>
- [3] <https://www.wri.org/blog-series/trump-administration>

- [4] <http://riskybusiness.org/report/national/>
- [5] <http://riskybusiness.org/report/national/#region-southeast>
- [6] <http://riskybusiness.org/report/from-boom-to-bust-climate-risk-in-the-golden-state/>
- [7] <http://newclimateeconomy.report/2014/overview/#section-1179-content-1187>
- [8] <http://newclimateeconomy.report/>
- [9] <http://energy.gov/articles/6-charts-will-make-you-optimistic-about-america-s-clean-energy-future>
- [10] <https://www.brookings.edu/research/growth-carbon-and-trump-state-progress-and-drift-on-economic-growth-and-emissions-decoupling/>
- [11] http://www.wri.org/sites/default/files/uploads/2017_Blog-Economy-Clim-02.png
- [12] http://www.wri.org/sites/default/files/Clean_Energy_Fact_Sheet_final.pdf
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