



October 2022

Bank of England Youth Forum
Climate Change Report



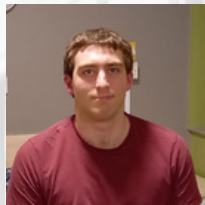
Prepared For:
The Bank of England



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1. Introduction

Climate change continues to have significant consequences for the economic security of the United Kingdom. As the Bank of England plays a leading role in the country's monetary stability, it stands to reason that the Bank is responsible (or will be seen as responsible) for playing a pivotal role in tackling climate change.

The Bank of England's Youth Forum Climate Change Subgroup comprises a diverse group of young volunteers from across the country. The group has, from its foundation, sought to start a conversation among young people about their views and expectations of climate change policy at the Bank of England, helping to ensure that the input of young people continues to inform future measures the Bank implements, which otherwise would not have been possible due to the generally limited amount of youth participation in the Bank of England's policymaking process.

The Climate Change Subgroup planned and executed a project that spanned nearly one year to gather information about young people's views on climate change and the Bank's responsibility in dealing with this issue. Our project included launching a national survey with carefully selected questions on the pressing problems of climate change and environmental activism, meeting with the Bank of England's expert advisers to discuss the Bank's current and pending projects, and taking to social media to expand our understanding of general and popular opinion on climate change. This report documents our research and includes a list of recommendations for the Bank's reference.

1.1 Aims and Objectives

The Climate Change Subgroup's project primarily geared itself toward young people who have opinions about the environment – we endeavoured to learn about the various perspectives that young people have on the handling of climate change by those institutions considered 'responsible' (e.g. this could refer to the Government, international groups such as the United Nations, well-known organisations such as Greenpeace, or even local councils).

Our attention focused less on the urgency of the 'Climate Change' question and more on the topic's relevance to young people. Once we understood how widespread the concern about climate change was, it placed us in a better position to know how much information young people in the United Kingdom have about climate change. Overall, we wanted to gather information regarding who and what young people believe is causing climate change and young people's attitudes towards potential policies that work toward a more sustainable future. Finally, we wanted to ascertain the degree to which young people might view mitigating the effects of climate change as a personal responsibility rather than a collective one.

This information is potentially crucial to the Bank of England as the data we have collected in our national survey and social media campaign reflect the attitudes of young people today and their view of the Bank as a leading figure in tackling the issue of climate change.

The work undertaken by the Climate Change Subgroup suggests that young people's vague understanding of the kind of work the Bank does shape their attitudes toward the Bank of England and its role in tackling climate change. The research outlined in this report intends to bridge the gap between young people and the Bank by representing the opinions of young people on a topic that affects everyone, and this is why we have compiled a list of recommendations for the Bank of England to consider so that young people have their voices and ideas heard. We hope to make a compelling case that by cultivating open forums for discussion with young people, the Bank of England can only benefit from partnering with young people to tackle climate change.

2. The National Survey

A national survey was launched in 2022 to capture the views of young people. Our Subgroup contributed five climate change-related questions to the survey. This section will provide critical insights into the responses received to these questions.

74.6% of the young people surveyed indicate the Bank has some if not a major responsibility in helping to combat climate change, Figure 1.

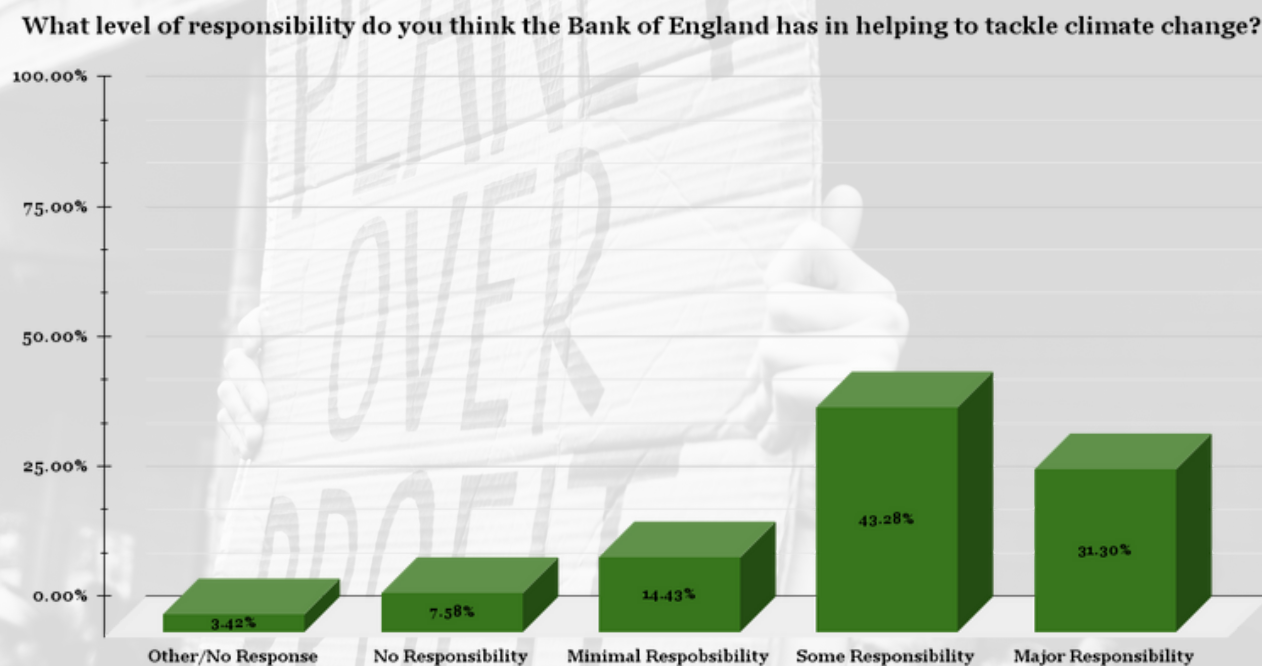


Figure 1 - Young People's View on the Bank's Responsibility in Tackling Climate Change

78.5% of respondents also believe that climate change policy at the Bank of England should prioritise the public, Figure 2.

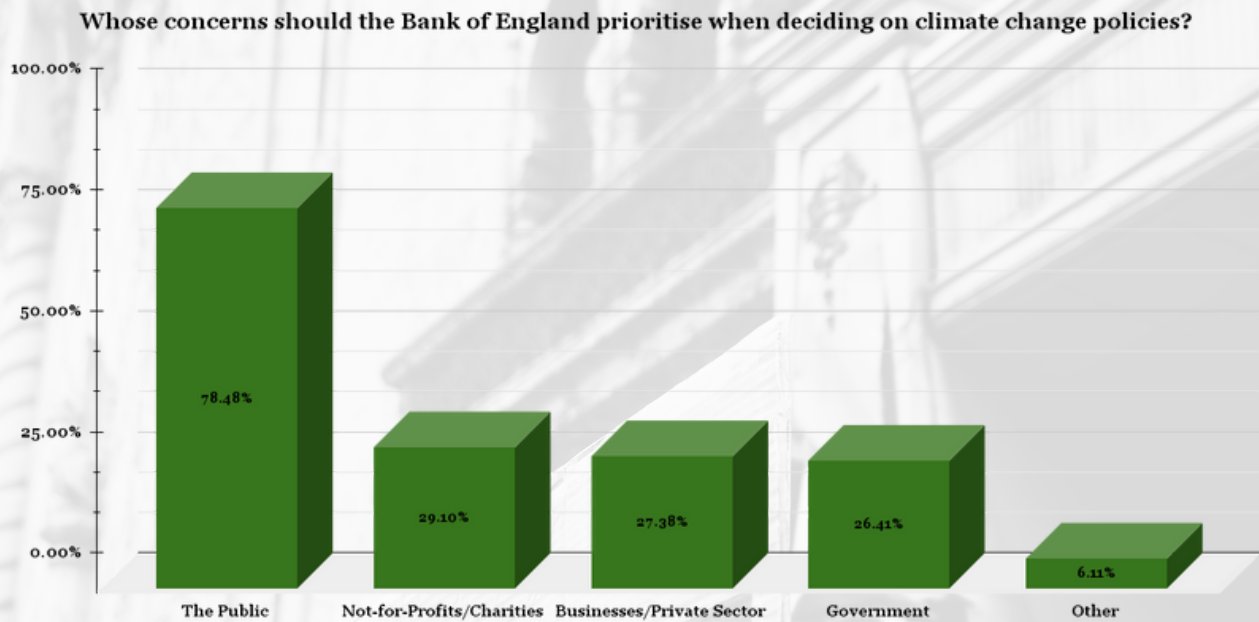


Figure 2 - Young People's View on Who the Bank of England Should Prioritise When Deciding Climate Policy

Question: ‘Do you think climate change is best addressed through laws and policies, collective social action, or individuals making greener choices?’

Two key themes can be extracted from the qualitative responses to this question.
Business as responsible

There was an overwhelming reference to businesses and their role in the climate change challenge. Around 31 responses mentioned “companies”, 21 “corporation[s]”, and 8 “business”. A notable sentiment in the responses is how businesses are responsible for much of the effects of climate change and as a result, laws and policies ought to be directed towards industry.

- “I think corporate entities need to make the changes rather than individuals”.
- “More action against the 1% who are causing most of the emissions (see personal private plane usage Vs commercial flights)”.
- “Definitely NOT individuals, mostly policies to force companies to have less polluting practices. Corporations are responsible for far greater emissions than any personal choices so it's laughable that they try to shift the blame onto the individual (eg Shell's carbon footprint innovation). If a company cannot be profitable without planetary destruction that it should not be viable. I want a habitable planet for my generation and those of the future.”

- “Best addressed through laws and policies. It's good for individuals to think about their consumption but it's a drop in the ocean compared to the kinds of emissions that corporations produce.”
- “Mandatory reform of policies and laws to punish companies for not reducing their emissions ...”
- “Laws and policies on a global level. The private sector will never voluntarily make sufficient change and national law will make the U.K. less competitive.”
- “Legislation is essential - individuals making greener choices make no difference when corporations have a significantly larger footprint”.

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- “Laws and policies on a global level. The private sector will never voluntarily make sufficient change and national law will make the U.K. less competitive.”
- “Legislation is essential - individuals making greener choices make no difference when corporations have a significantly larger footprint”.
- “All of the above, but mostly through policy to keep organisations to account”.
- “Laws and Policies. Ultimately if we rely on a system of Capitalism, it is the responsibility of legislation to guide companies who merely seek to maximise shareholder wealth.”
- “Laws and policies surrounding bigger companies that create the most pollution.”
- “This is best done through laws and policies, although individuals should be making greener choices to help combat climate this alone won't have as much impact as forcing large corporations to do their part and holding them accountable”.
- “All of the above. But actions must start from the top. Institutions, especially those with power, must lead by example.”
- “Laws and policies and collective action. There's only so much individuals can do and companies create the largest problem.”
- “We need laws, policies, the individual and I'd argue more!”
- “Laws and policies, Companies need to be held accountable for the harm they're doing to our planet.”
- “It needs to be addressed in law. We have tried for years and individual changes are minute compared to business decisions.”
- “Laws and policies force companies to act. Consumers cannot be continued to be blamed for climate change when most of it is created by companies.”
- “Laws and policies that create severe consequences to organisations that fail to comply. Individuals cannot make a difference. It is large institutions that contribute the most to climate change.”

The clear emphasis on the role of the business community in the responses may be seen to suggest why many responded to this question in favour of law and policies, as opposed to collective or individual action.

There were some comments on individual and collective action, however:

- “Laws and policies – as this will change the behaviour of individuals on a larger, more noticable scale”.
- “I think it’s a combination of everyone. Individuals can make better environmental choices but the government should also take measures such as laws.”
- “Mainly laws and policies but also individual trying to reduce their carbon footprint.”
- “Laws and policies are the most effective and will have the greatest impact, but collective social action and individuals making greener choices are all part of making the planet greener, we can’t just have governments making laws and polices to protect us we must accept some responsibility ourselves”
- “Collective social action as a means to force laws and policies”.
- “Collective social action currently, but the government still aren’t listening”.
- “It’s not addressed well in laws and policies, but social action and individuals making better choices is definitely best addressed with different members of public communicating with each other”.

Generally, however, there was a lot of support for laws and policies.

- “Laws and policies, these simply would have the greatest impact”.
- “Laws and policies as they set the tone for society as a whole”.
- “Laws and policies as individual choices are ineffective on a large scale.”
- “Laws and policies as change needs to be wide-scale.”
- “Laws to control the market impact”.

There was an awareness demonstrated of the role of finance in the climate arena.

- “regulations are needed as current “green investments” are less green than they appear and regulations to ensure that green investments such as carbon credits that actually got to real carbon capture instead of for example putting money into preserving a forest that was already protected thus not actually doing anything positive for the environment.”
- “Both really. Policies force change, however most are rather unaffordable. E.g. Red diesel ban or 25% green energy 'tax'. Policy has to benefit the population.”
- “Laws and policies, individuals don't have enough money or knowledge to make better choices in most cases, collective action as well as laws and policies.” “Policies- there is no incentive for most individuals to make their lives intolerably hard (because let's face it, green lifestyle is built for the middle class) and therefore most people simply cannot afford to care” “Negative externalities (ie. climate change) should be priced in to the goods/services we consume, the rest will follow.”
- “I think climate change can only be addressed through long term investment in the renewable energy sector, boosting innovation to create new technologies that produce electricity efficiently and are reliable. It is unrealistic to just stop using fossil fuels and forcing everyone into using electric vehicles, the technology just isn't there yet, majority of electric cars don't have enough mileage on one charge and also take far too long to recharge. The infrastructure also isn't there in terms of charging points. I am against protesting groups such as Insulate Britain who do nothing but disrupt the economy and ordinary working people from getting to work etc.”
- “Laws and policies and investments by banks etc. To improve accessibility of some climate friendly things”.

This awareness of investment and finance is important. It suggests that young people know that capital deployment is a key lever in the move towards a more sustainable future. A lack of tolerance for ‘words over action’ was also implied through references to ‘greenwashing’.

“The BoE does nothing and all companies only green-wash”.

“No, the free market is best placed to create cheaper, greener choices over the long run. Green washing does not help. The Fiat monetary system is also to blame for climate change.”

“Green washing does not help.”

The following responses demonstrate a lack of interest or that sufficient action was being taken:

“I don't care for politics and stuff like this”.

“I think we're already doing a lot to combat climate change”.

Question: ‘Are you aware of the actions the Bank of England has taken to address climate change? If Yes, what actions are you aware of?’

If No, should the Bank offer more information about their climate change actions to young people?’

76% of respondents indicate no awareness of any actions the Bank of England has taken to mitigate the effects of climate change (Figure 3).

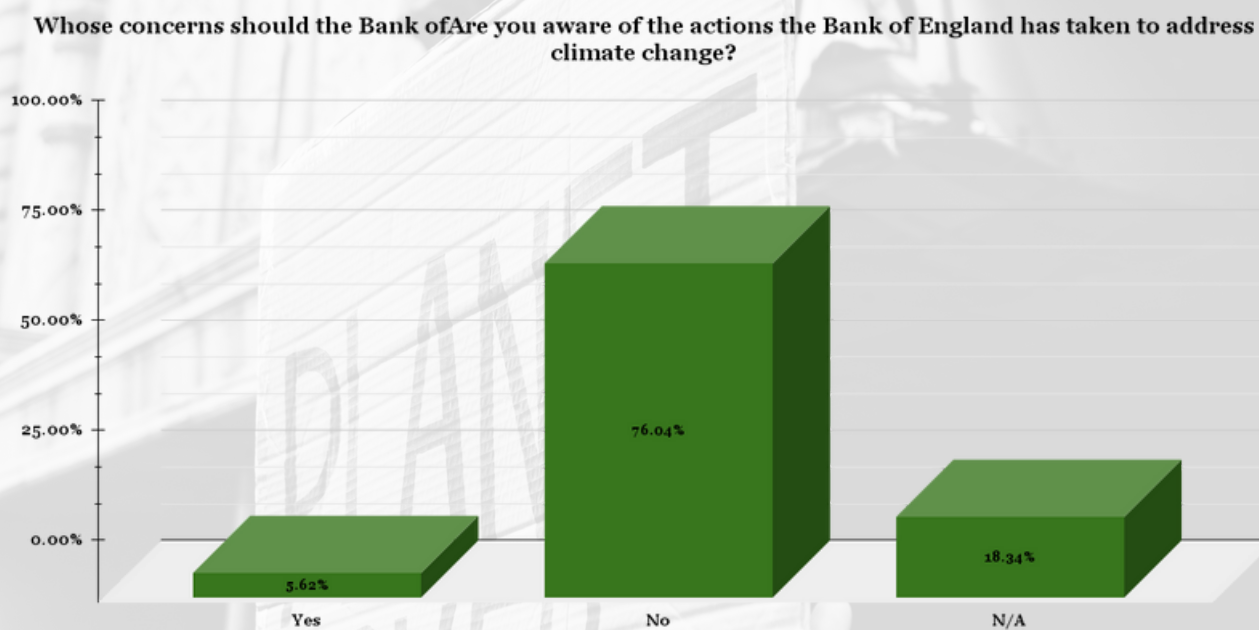


Figure 3 - Young People's Awareness of The Bank of England's Climate Change Policies

From the qualitative responses to this question, two key themes can also be identified.

Theme 1: A general lack of awareness of the Bank's work in this area

Generally, many respondents suggested that they had a lack of awareness of the work of the bank in the area of climate change.

Around 35 responses contained the phrase “not aware”. This may also be seen to explain some of the comments made regarding the bank's work.

- “the bank are generating a massive carbon footprint and operate as one of the largest companies in the world so they should be making an effort to educate and change their systems”.
- “yes they should let us become more aware of their part to play”.
- “I imagine it forms part of the PRAs duties, but that’s all I know.”
- “No idea what you’re doing about climate change, not sure what I expect you to do either.”
- “I suppose it depends on what actions have actually been taken. If it is actually something notable then it wouldn't hurt to make people more aware of it. I'm still a bit unsure what exactly a bank can do climate-wise.”
- “Government transparency is always good.”

This may be linked to a general lack of understanding of the bank’s work more broadly. One respondent stated, for example, that they “don’t really know what they can do to help”. It may also be due to a lack of research.

At least three respondents said that they had not sought out information about what the bank is doing in the climate change space:

- “I probably haven't seen it because I haven't seeked it out.”
- “haven't tried seeking this information”.
- “I haven't looked into it”.
- “I haven't actively searched for them”.

But this notion cannot be depended on too strongly, as other respondents said that they did not have an awareness despite their line of work:

- “I work at a bank and have not heard anything about what you're doing”.
- “Not a clue, even as someone who follows CB policy quite closely, and neither do I think a CB should play a role in influencing one way or another (eg by incl/excl oil/gas stock from corporate bond purchases to inject liquidity into the system)”.

There was some evidence of an awareness of the bank's work in response to climate change.

- “Some of the work - issuance of green bonds. Work with NGFS-INSPIRE Not aware of everything though”.
- “I’m aware of the BoE’s green bonds and various attempts to move, as the UK’s central bank, in a direction away from the fossil fuel industries.”
- “Not aware of anything specific, but do recall, the ex governor, Mark Carney, talking about the need for action.”
- “I am aware the bank is trying to be net zero by 2050, I am not aware of how, but as long as climate targets are met I don’t feel I need to be any more aware of how it is achieved”.
- “The BoE has made several pledges to help combat climate change and carries out a climate change stress test.”
- “Greener bank notes and aforementioned new cryptocurrency”.

Theme 2: A need for information

Many of the respondents were in favour of more information being provided on the bank's work in the area of climate change. In particular, there was much discussion surrounding the accessibility of such information. It is notable that around 15 respondents mentioned 'young people' in their responses.

- “more widespread”
- “they should publish their actions and how they have helped”
- “young people want to know someone in power cares that when we get to their age the climate is going to be extreme.”
- “They should offer more information on their impact through social media and other sources of media that young adults use.”
- “If I’m not mistaken the Bank of England is working on a digital pound which would be greener than the current system in place. This should be made more clear to the public.”

- 
- “the Bank should ensure that they spread more information about their actions and targets to ensure that the public can keep them accountable and ensure that measures are not just tokenistic”.
 - “the changes that they are making should be publicised more especially on platforms young people use regularly”.
 - “more information on what actions young people can take”.
 - “if relevant”.
 - “make everyone aware of what you are currently doing and what you are going to do in the future”.
 - “about their actions to tackle climate change.”
 - Some respondents went further and commented on the more extensive role the bank should have in informing the public.
 - “they should offer more guidance as we can’t help if we don’t know what to do”.
 - “they should be making an effort to educate and change their systems”.
 - “they should offer opportunities for young people to make changes for their world.”
 - “it should be more advertised so young people can see action and relieve anxiety”.
 - “we like to know who our allies are for when we are trying to build momentum for change”.
 - “definitely should offer information but also think about involving young people in their actions.”
 - “I think that they should because It will allow people to think differently and become aware of more solutions”.
 - “should inform better with news and make finance compulsory in school”.
 - “Yes, re: ESG and disclosures. Those are positive steps but not enough. We need higher taxes on fossil fuel emitters, as well as incentives that enable us to green our electrical grid and decrease our reliance on other nations.”

- “they should educate people more.”
- “more information would be beneficial, especially if they want to start developing a digital currency”.
- “Bank of England should share not just with young people but people in general what they're doing to combat climate change, it might encourage other corporations to do more too.”

The lack of information can be seen to inform how respondents view the extent of the bank’s work in the climate change area.

- “I can only assume they are insignificant as to not appear in news. They should do more, action speaks louder than words”.
- “they should offer more information to everyone because I don't think I know anyone of any age who knows.”
- “ignorance isn't bliss in this situation”.
- “The BoE has made several pledges to help combat climate change and carries out a climate change stress test. However I don't think this is communicated effectively to the public.”
- “they should offer more information. However, please back this information with sources and data of the impacts the policies are having.”
- “no media related to that has reached me . What the bank has or hasn't done or should do doesn't feel like a major topic in the media to me”.

Although, at least two respondents referred to ‘greenwashing-like’ behaviour in their comments, and there was emphasis on the importance of action over information in some answers:

- “they should as long as its not greenwashing”.
- “as long as the information is available when searched for, then I don't care for corporations going all "Look at us! Look how green we are!". It feels false and manipulative.”
- “No. Spend that energy addressing to experts so they can discuss and improve upon the decision made by BOE therefore a proper calculated action can be made to actually improve upon climate change.”

- “No, it should offer more if its actually making a difference”.
- “though offering more information is less important than taking more action”.
- “I feel it’s not as important telling young people what you’re doing but more important to actually take action and encouraging others to take action.”
- “more information wouldn’t be a bad thing but I’d rather that money and energy be invested into more work on climate change. then maybe people would end up hearing about it anyway”.
- “there should be an expectation that those in positions of power should be addressing climate change on the same level of importance as other parts of their job. Showing off the work they do should be irrelevant”.
- **Some respondents, however, were more conservative in their responses.**
- “BoE should be focusing their attention on explaining economic risks of climate change. As much as I would love ESG investing to be effective... it isn’t, so let’s not overemphasise the benefits of it.”
- “Just control inflation”.
- “the bank should primarily focus on economics issues”.
- “If I’m not mistaken the Bank of England is working on a digital pound which would be greener than the current system in place. This should be made more clear to the public.”
- “BoE should be focusing their attention on explaining economic risks of climate change. As much as I would love ESG investing to be effective... it isn’t, so let’s not overemphasise the benefits of it.”
- “I also believe that the responsibility for action lies more with the government and parliament.”
- “Whatever they say they do probably makes little difference in the grand scheme of things. If they aren’t heavily investing in carbon capture the technology then they are just trying to apply a plaster to a gaping wound.”
- “Not the banks job. It should prioritise being a financial institute over any environmental image concern”.
- “They are a bank. They don't need to virtue signal about climate change”

“the Bank of England is a minute part of a global problem”.

“not something the bank should do. The bank of England is a financial institution that should be more concerned about the rampant inflation in this country, rather than posturing about climate change issues.”

There appears to be a mixed understanding of the Bank’s work in the area of climate space, and it is possible that the engagement levels vary due to a lack of interest and/or awareness of the bank’s work more generally.

Question: How much would you be willing to make changes to how you live and work to reduce the impact of climate change? (Results in Figure 4).

45% of respondents make it clear they are willing to make some changes to how they work and live to reduce the effects of climate change on the planet.

However, it remains interesting that only 23.5% of young respondents suggest a willingness to make substantial changes to reduce their climate impact.

More critically, the results indicate that as many as 28.1% of young people surveyed show little to no inclination to make more environmentally conscious working and lifestyle decisions.

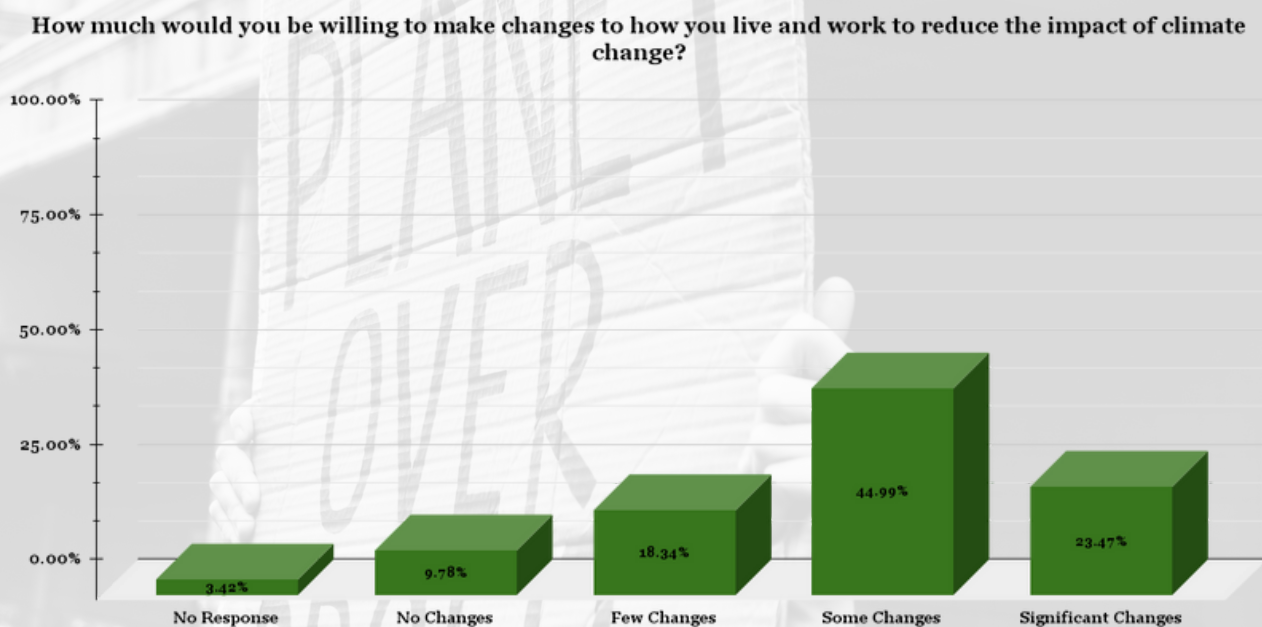


Figure 4 - Young People's Willingness to Make Changes to How They Live and Work to Combat Climate Change

Despite framing the questions in the same way, Bell et al. (2021), on behalf of the Pew Research Center, reveal a greater willingness among young people to make environmentally conscious working and lifestyle habits, which contrasts with the main results of the Youth Forum’s national survey.

Across the surveyed UK public in Bell et al.'s study, only 15% show little to no motivation to make work and life changes that would reduce the effects of climate change.

Moreover, 43% indicate a willingness for substantial life and work changes to alleviate climate change, and 41% remain ready to make at least some changes to reduce climate change impacts.

While both surveys aim to capture the sentiment of the UK public toward personal climate action, starkly different findings emerge. Typically, the young show a predisposition to acting favourably for the environment making the Youth Forum's results even more surprising (Lee et al., 2020; Bell et al., 2021). Understanding what drives the divergence between the two studies presents a logical research avenue:

1 - Affordability:

The cost-of-living crisis continues to dominate the 2022 UK economic landscape; inescapably, this may play a role in individuals' willingness to make personal changes to their living and working habits.

Several comments in the survey refer to the expenses associated with switching to more sustainable methods as not feasible or desirable.

Watkiss et al. (2016) interestingly refer to climate change-linked inflation where shifting ecosystems affect agriculture, placing pressure on global food supply and raising the prices most significantly for those on the lowest incomes.

However, these costs will perceivably materialise in several spheres of everyday costs, including insurance (flood protection) and energy use (heating or cooling homes).

Ironically, these costs may further prevent individuals from making work and life changes that reduce the effects of climate change.

2. Private-Sector Responsibility:

The emphasis on businesses acting and policies to hold them accountable remains a recurring theme throughout the survey responses.

A rather lukewarm approach to personal action emerges in the qualitative free responses, alongside the quantitative analysis of lifestyle choices.

Due to the private sector's environmentally damaging practices, several young people comment that the responsibility for change lies significantly with the firms. This perspective held by young people may explain the lower enthusiasm to engage in personal changes to lifestyle and working habits in our results.

3. Loss Aversion Bias:

Economic actors strongly favour established energy technology, fossil-based fuels, these act as a salient reference point. Thus, agents perceive the substantial upfront costs of renewable energy and insulation as a loss and future energy savings generated as a gain.

Agents' relatively low valuation of 'green' energy-efficient technologies generates a reluctance to invest (Heutel, 2019; Knobloch et al., 2019). Loss aversion persists even in the face of climate disaster, which is consistent with the findings of Pope and Schwitzer (2011).

Status Quo Bias identified by behavioural economists may also play a crucial role in young people's reluctance to change how they live and work. (Kahnemen et al., 1999).

4. Feasibility:

An individual's career, the infrastructure available across the UK, and the individual's personal circumstances may prevent them from adopting more environmentally conscious working and lifestyle habits.

Question: 'If you answered B, C or D for the previous question ['How much would you be willing to make changes to how you live and work to reduce the impact of climate change?'] please list some potential changes that you would be willing to make:'

Three key themes can be drawn from the responses to this question.

- **A willingness to change**

There was an abundance of responses to this question which outlined the actions that respondents would be willing to take to address climate change. These ranged from dietary changes to transportation.

Fifteen respondents included the terms 'vegan' or 'veganism', whilst 26 responses "cycling" and 34 "walk" or "walking". Five responses also contained the terms "fast fashion".

“Going vegetarian”, “[g]oing vegan”, “eating less meat”, “eating sustainable food” and “eating locally sourced meat dairy and eggs over plant foods that require lots transportation”.

“Using less plastic, wasting less”, “reducing energy usage”, “[a]void fast fashion”, “electric alternatives”, “not using businesses or banks that don’t actively try to improve their carbon footprints”, “Plastic Free”, “Paper cups/cutlery”, “lower consumption of materials”, “composting”, “growing more of my own food”, “sourcing more food locally”, “looking for biodegradable options”, and so on.

“walking more”, “not flying”, “Use or electric vehicles”, “carpooling”, and “take public transport”.

Some respondents also showed a willingness to make financial decisions based on sustainability factors.

“investing in more green companies”.

“Investing in green energy (solar, wind, hydro)”.

“Investing money in green startups or green energy companies.”

“savings in eco accounts”.

“Change my car from a diesel to electric (If I could afford it), buy organic, locally sourced ingredients (if I could afford it)”.

“Carbon credits/limits on activities, frequent flyer taxes”.

Some respondents showed great enthusiasm towards making more sustainable lifestyle changes.

- “Literally anything”
- “ALL ! We only have on planet we need to protect it !”
- “I try and make as many conscious decisions as I can”.
- “I would be willing to make changes including how I travel, what I eat, and where I travel with regard to leisure time.”
- ”I need the world to change. You know the changes I’d make”.
- “Anything you want me to.”

- “Fundamental changes to economic system I am part of and work within. Extreme changes towards a more just and sustainable world”.

Obstacles to Change

Specific obstacles that respondents felt they faced in pursuing a more sustainable lifestyle can also be identified.

First Obstacle: Employment

Whilst not explicitly stated as an obstacle, it could be inferred that some respondents would be willing to make career choices based on sustainability factors. Six respondents mentioned “working from home”, “work from home” or “[W]fh” or “WHF”,

- “when able to work from home do so, limit long journeys”.
- “working remotely instead of in the office”.
- “cycle to work”.
- “The changes I am willing and actively making is to find a closer job, so I don't burn as much fuel and particulates into the atmosphere”.
- “No longer commuting to work”.
- “my job”.
- “Make career choices and business decisions with sustainability in mind.”
- “Could probably find a job with lower environmental impact/greater social impact”.
- “Visiting work only some days either by walking or public transport”.

Second Obstacle: Accessibility

Affordability is referred to in nine responses, whilst four state the term “expensive” and seven “cheaper”. Accessibility of transportation, for example, was also mentioned.

- “if I have accessibility to make these changes then i definitely would”.

- “Veganism if it was made more accessible Electric cars if they were cheaper or cycling if roads were made safer for cyclists”.
- “Electric car if it was cheaper”.
- “I will when I can afford too its too expensive to go greener than i am”.
- “I would be willing to chose a more climate conscious bank, if it didn’t cost me. I’d be willing to use more public transport if train systems were better and more accessible.”
- “I’d like to use more efficient, longer lasting appliances but cost is a prohibitive factor.”
- “Eat more vegan food when they become cheaper and better tasting”.
- “Switch to more renewable energy sources if pricing is reasonable”.
- “When I have a house, I am willing to suffer the upfront costs for insulation and solar panels. If the infrastructure existed and was affordable I would rely solely on public transport.”
- “I don't mind switching to more sustainable options when it's not too inconvenient or expensive to do so.”
- “I’d like an electric car (but can’t afford and not enough chargers).”

On Transport:

- "Don't currently have a car but am considering getting one. I would be willing to wait a few years saving up and pay more for an electric car rather than a petrol or diesel one, though those are still not very affordable to the vast majority of people.
- I would be even happier to mainly travel by public transport instead, but the buses in my area are horrendous (never show up and are expensive) and trains are basically the same. That doesn't leave me a lot of options.”
- “Anything for a financial incentive. Increased use of recycled goods. change in diet. Use of public transport if infrastructure was invested in.”
- “I'd happily make many changes such as using public transport etc etc, however financially I cannot afford. It costs double to use public transport than it does to drive. Which is rather backwards.....”

- “Change my car from a diesel to electric (If I could afford it), buy organic, locally sourced ingredients (if I could afford it)”.
- “Would be interested in switching to an electric vehicle if prices were more attainable”.
- “Hybrid or electric car if it gets cheaper”.

Although it is important to know that some respondents were willing to pay more in order to make more sustainable lifestyle choices:

- “Paying more for carbon. Having a carbon tax. Having a carbon border adjustment scheme. Paying more for meat, Paying more for travel on buses and cars, Paying more for clothes, Paying more for electricity and gas, Paying more for prawns and beef. I will pay more.”
- “My spending habits can change to support the good companies and boycott the bad.”
- “Happy to pay slightly more in taxes if they were funding a genuine difference in the battle against climate change.”
- “Carbon credits/limits on activities, frequent flyer taxes”.

3rd Obstacle: Convenience

Convenience and reasonableness were other factors that can be identified in some of the responses.

- “Dependent on life impact would be willing to try out things that could help.”
- “I don't mind switching to more sustainable options when it's not too inconvenient or expensive to do so.”
- “using public transport where accessible and convenient”.
- “Things that don't cause major inconveniences or lifestyle changes”.
- “cycle/take public transport everywhere (which I'm lucky to be able to do due to local infrastructure, the same cannot be said of elsewhere).”
- “electric cars if there are sufficient charging points/car charging does not take too long”.

“I’d like to take public transport more (but it would take nearly 2 hours to get to work instead of 40 mins driving).”

Fourth Obstacle: A lack of individual power

Finally, there was again reference to the responsibility of business, alongside some responses which suggested the respondents did not know what changes they could make or that they did not think they needed to make any changes.

- “I would be happy to change if everyone else does as well. I would find it unfair and disproportionate if only certain classes had to change or commercial and industry sectors remained the same.”
- “But ultimately, the corporations who use vast amounts more energy than I could dream of need to change, not me.”
- “Ensure that businesses do most of the reduction as they make up most of the damage done, via any means required.”
- “real change needs to be done by forcing companies to do better. They create more pollution in a year than I will in my lifetime”.
- “Individual change won't make a difference. It's the large corporations that do most harm.”
- “I don’t run a coal plant or release vase amounts of green house gases into the environment. It isn’t a problem I can fix, it’s a corporate problem.”
- “Changes should be made top down, businesses you be incentivised in making "green" choices, why will leading to better consumer practices”.
- “It’s up to government and businesses to make change”.
- “I am going to make no difference individually. Only legislation and large companies can make a difference. People say “if everyone had that attitude” but I am not everyone and can only control myself”.

Further responses on individual power:

- “No clue what changes you can make”.
- “What kind of changes would they be? Difficult to know when you have 0 knowledge on the sector”.

- “many other things that I cannot think of as I am not educated enough in the field.”
- “None”.
- “I don’t need to adjust the way I live, I am already very environmentally”.

Overall, the responses to the climate change-related questions in the national survey provide invaluable insight into the views of young people on climate change.

3. Social Media Campaign

The national survey results suggested that young people want to know more about what the Bank of England has done so far to tackle climate change.

The survey also highlighted a need for more information and resources to be distributed among young people about how corporations and brands can tackle climate change.

Given the urgency of the climate crisis, we made the decision to run a social media campaign on climate change.

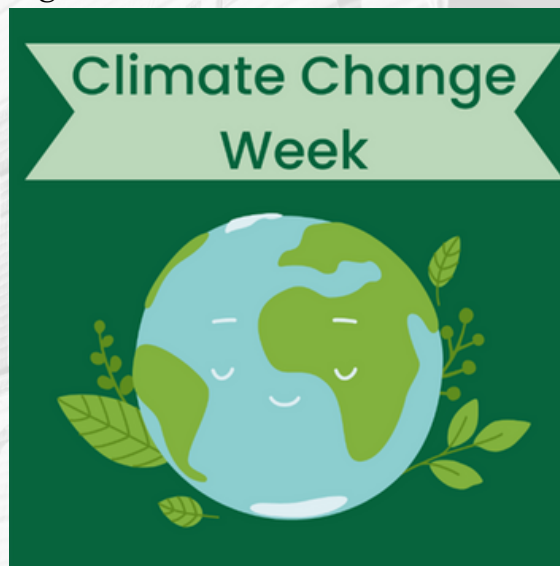


Figure 5: Climate Change Week

Aims of the Campaign:

- To educate young people on the effects of climate change.
- To inform young people about the role of institutions and the wider role of businesses in tackling climate change.
- To inspire young people to take action by making more environmentally friendly choices.

The Campaign

We kicked off climate change week with a brief introduction to climate change, answering common questions about climate change like what is it, what causes it and how it affects us (Figure 6).

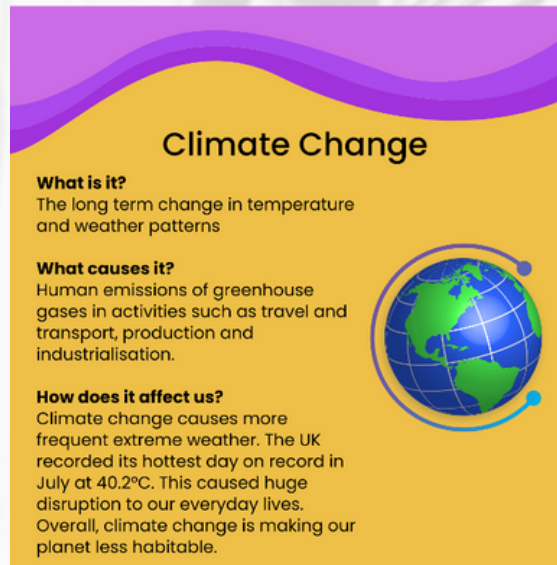


Figure 6: Introduction to Climate Change

Figure 6 provided our audience with the basic knowledge and context for the rest of our campaign.

The results of the survey informed the direction of the social media campaign.

A critical theme influencing the campaign was young people's willingness to change personal behaviours to reduce their environmental impact.

The survey results found that some young people are willing to change to make more sustainable choices but do not know where to start or what to change.



Figure 7: Reducing Our Impact

Thus, on the second day, we produced an infographic accompanied by a list of actionable points that young people could implement to be more sustainable, including avoiding fast fashion, reducing meat consumption and travelling responsibly (Figure 7).

One of the themes extracted from the qualitative results of the survey was a consensus among young people that businesses are responsible for tackling climate change. Thus, we dedicated a day to investigating the role of companies in climate change. We employed statistics and analysed the sustainability efforts of a well-known tech company, Apple (Figure 8).



To inspire young people to make changes, we wanted to highlight the efforts of the Youth Forum to be more environmentally friendly.

The Youth Forum established an Environmental Committee to identify areas where changes could be made to reduce the carbon emissions of the Forum's in-person meeting in London.

Figure 8: Corporate Responsibility

An infographic was designed explaining the Forum Pledge, which the Environmental Committee created (Figure 9).

The caption also expanded on the key areas of improvement identified by the environmental committee for the Forum to implement sustainable choices, e.g. catering, travelling, work activities, energy and resource use.



Figure 9: The Forum Pledge

One of the themes extracted from the qualitative results of the survey was a consensus among young people that businesses are responsible for tackling climate change. Thus, we dedicated a day to investigating the role of companies in climate change. We employed statistics and analysed the sustainability efforts of a well-known tech company, Apple (*Figure 8*).

Results of the Social Media Campaign:

Throughout the week, we also utilised other features of social media platforms such as Instagram stories, quizzes and polls.

To engage and interact with young people and gain further insight into their views, we asked them about their opinions on relevant topics like the impact of inflation on making environmentally friendly choices.

The social media campaign had over 7000 impressions across all platforms.

From the survey, we gathered that most young people believe that the Bank of England has at least some responsibility in helping tackle climate change.

We also noted a lack of awareness of the Bank's current and previous climate change initiatives.

In response to this, we directed young people toward the relevant web pages on the Bank of England's website by linking them to the social media campaign.

4. Central Bank Research

4.1 The US Federal Reserve

The Federal Reserve's financial stability monitoring framework is flexible enough to incorporate many key elements of climate-related risks broadly. Second, although we believe climate change increases financial stability risks, more research and analysis are needed to fully integrate these risks into financial stability monitoring, including substantial improvements in data and models. Third, domestic and international transparency efforts around climate-related financial exposures may help clarify the nature and scope of financial stability risks related to climate change. (*The Federal Reserve Website*)

Despite being the most influential central bank in the world, the Fed has long lagged behind its peers in getting a grip on those risks. Over the past year, however, the Fed has ramped up pressure on big banks to scan their portfolios for climate change risks. It could be in a position to run a formal scenario analysis and release broad findings to the public in 2022, according to seven industry executives with direct knowledge of the discussions who declined to be named. (*Reuters*)

The U.S. Federal Reserve has asked lenders to start providing information on the measures they are taking to mitigate climate change-related risks to their balance sheets (Reuters)

“Climate change poses significant challenges for the global economy and the financial system. The public rightly expects us to work to ensure the financial system is resilient to climate-related financial risks. We appreciate the magnitude of the challenges ahead of us, and the Federal Reserve is committed to doing our part.” (Jerome Powell, 2021)

4.2 The Bank of France

The Bank of France has ordered French banks to begin ‘stress-testing’. The ‘stress-testing’ aims to determine how well banks can cope with climate disasters under their current methods and seeks to improve and change those banks that will fail a climate catastrophe under their current practices.

With 50% of their exposures in France and another 25% in other European countries, the pilot finds that French financial institutions are relatively less affected by transition risks than if their exposures had been concentrated in different geographical areas. However, the exercise also shows considerable impacts on specific sectors and geographical regions. In particular, the cost of credit risk for the seven most sensitive sectors could triple, with the possibility that such an evolution may even be understated because none of the scenarios up to 2050 considers an economic recession. The outcomes for physical risks are somewhat similar. While the country as a whole is relatively spared, 48 specific types of climate events (droughts and floods in mainland France and cyclones in the French Caribbean) could see the cost of claims (and therefore of insurance premiums) rise by a factor of five or six in specific regions by 2050. (Financial Stability Institute)

4.3 The Bank of Japan

The Bank of Japan (BOJ) launched a consultation on a potential market functioning survey on climate change activities. The BOJ aims to assess the functioning of Japanese financial markets in relation to climate change, identify challenges for future developments, and share the survey results with relevant stakeholders. The BOJ seeks to cover market participants, such as issuers, investors, financial institutions, and rating agencies in Japan. The comment period on the consultation ended on January the 31st, 2021. The BOJ sought comments on the survey topics, the survey frequency, and the scope of survey respondents. (Moody’s)

The Japanese central bank also committed to launching a special lending facility designed to help banks act against climate change. It is a surprise move underlining the rising concerns among central bankers about the financial risks posed by global warming.

- The Bank of Japan (BoJ) said in a release that the scheme would “provide funds to financial institutions for investment or loans that they make to address climate change issues based on their own decisions” by the end of the year. Climate change “could exert an extremely large impact on developments in economic activity and prices as well as financial conditions from a medium- to long-term perspective,” it added.
- The Bank of Japan is the first major central bank to devise a lending facility specifically focused on climate change. (Market Watch)
- The Bank of Japan (BoJ) unveiled a new strategy to expand funding for activities engaged in this ongoing fight. The scheme aims to support those Japanese financial institutions that extend funding to energy-transition projects via green loans and bonds, sustainability-linked loans and bonds with performance targets related to climate-change efforts and transition finance. “The Bank of Japan has been actively communicating with financial institutions and engaging in international discussions. In addition, the Bank has set up an internal network, the Climate Coordination Hub, to enhance bank-wide initiatives on climate change.”
- The scheme is expected to be launched later this year and will last until 2030. During this time, the BoJ’s governor, Haruhiko Kuroda, anticipates that “learning by doing” will be the preferred approach the central bank takes to help companies and banks make the necessary transition towards realising a green future. “Waiting until specific guidelines and ideas are fixed will only delay our response to the urgent global challenge of dealing with climate change,” Kuroda said. “In responding to climate change, it’s best to kick off with steps that are deemed important, then modify them as needed. The key is to take the approach of ‘learning by doing’.”
- The BoJ will also offer one-year, zero-interest loans to financial institutions for their loans and investments in products such as green bonds to tackle climate change, with rollovers being allowed unlimited times. The scheme is expected to be in place until at least March 2031. And the central bank has additionally confirmed that it will soon begin to buy green bonds using its foreign reserves. (International Banker)

Research covering the climate change actions of the European Central Bank and the People's Bank of China is covered in the following linked **research supplement**.

5. Recommendations

Based on the information gathered from the national survey and social media campaign, our subgroup has compiled a list of recommendations for consideration by the Bank of England.

Recommendation 1 – Putting Pressure on Business

The Bank has influence over the world of business, particularly financial institutions. It should inform the business community of their perceived responsibility for climate change by the younger generations.

The risk of not responding to the needs of future generations (and prospective customers of such entities) may even pose a systemic risk (beyond that which climate change poses independently of this).

As such, the Bank should exercise its regulatory powers to ensure that financial institutions are conducting their activities in an environmentally responsible way which aligns with a net-zero trajectory.

This may involve imposing higher capital requirements on entities with greater exposure to fossil fuel investments, for example.

It may also involve drawing on the information above to show how sustainability factors may drive future generations' career choices.

Recommendation 2 – Doing More to Educate the Public

Linked to information on the Bank's climate change policies, 76% of respondents currently have no awareness of the Bank's actions on climate change, but many remain supportive of the Bank delivering information. However, the information should not just cover what the Bank is doing in a way to gain favour with young people and the general UK public, a 'greenwashing' blitz. Instead, respondents highlight the need for the Bank not just to state its actions but deliver an in-depth analysis of how its policies help alleviate climate change's global threat. Importantly, it should not only involve sharing information about what the Bank is doing in this area but also entail a communicative approach in which advice and information are shared with the public on what individuals can do to combat climate change and how they may prepare themselves financially to make more sustainable choices.

Particularly for the younger generations, it is essential that the Bank makes its information accessible and readily available on key social media platforms. It may also be helpful for the Bank to focus its educational work in schools and use this as an opportunity to increase understanding about its role more generally.

Recommendation 3 – Research and Collaboration on Affordability and Accessibility

A clear trend that emerges from the responses is that many respondents feel they face financial and/or practical obstacles in making sustainable lifestyle choices.

The Bank's role in managing inflation and financial stability is relevant here. It should research how climate change may impact the cost of living for citizens and what actions it can take to make a sustainable lifestyle accessible to all.

The Bank should collaborate with citizens and businesses to facilitate this work.

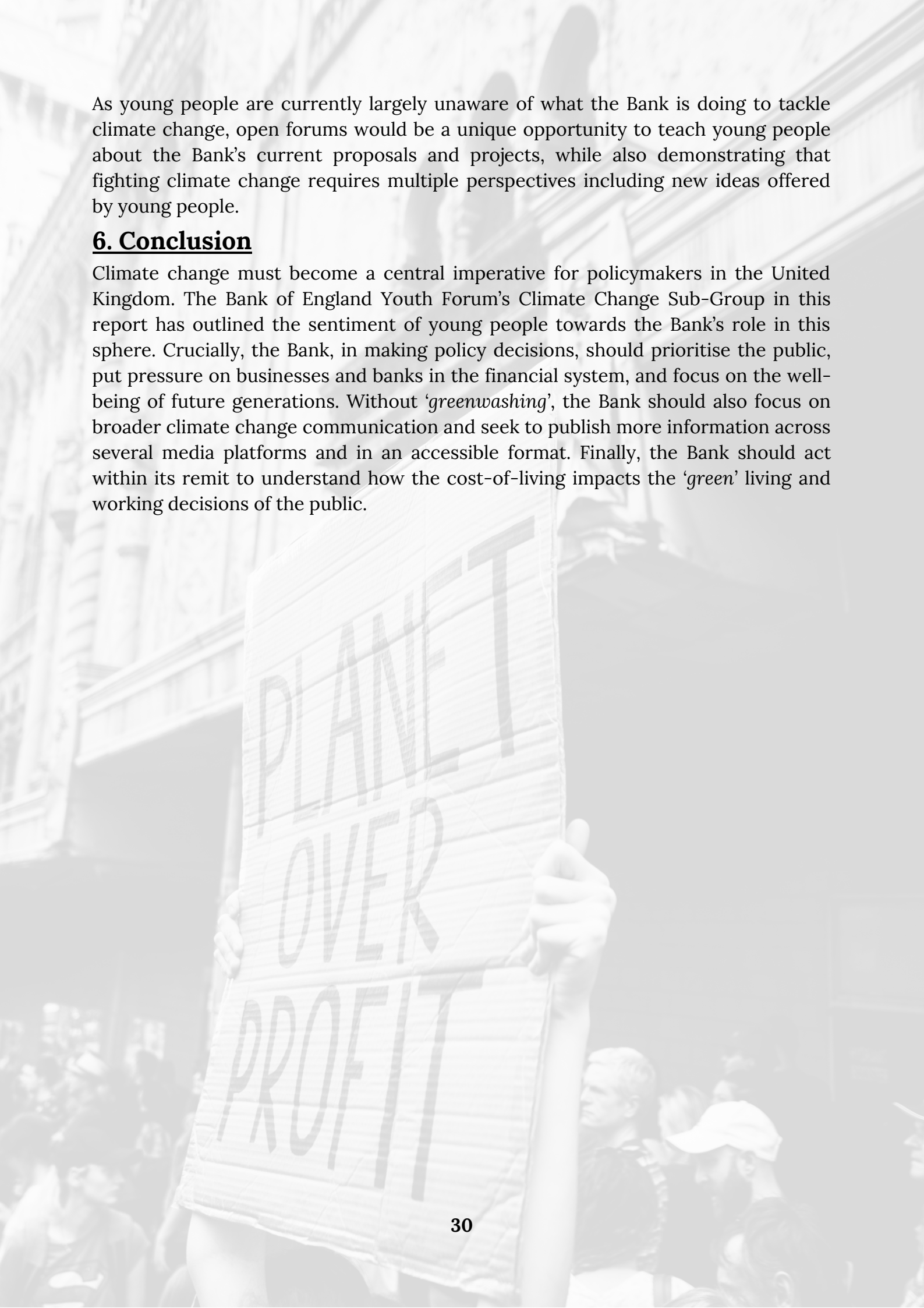
Recommendation 4 - Monitoring Climate Change-Linked Inflation

The Bank of England needs to appreciate climate change-linked inflation more deeply, which aligns appropriately with its mandate. The CPI and current measures do not seem fit for purpose in this sense. A climate-specific measure may help in guiding monetary policy at the Bank. If not managed appropriately, climate-linked inflation will disproportionately impact those in society with the lowest incomes and those in poverty (Watkiss et al., 2016). Notably, several respondents believe climate change is beyond the scope of the Bank's mandate; however, these issues highlight why the Bank's involvement is essential to benefit future generations.

Recommendation 5 - Ensure Future Open Forums With Young People

The Bank of England should offer more opportunities for young people to collaborate with them on practical projects. For example, the Bank can:

- Host open days with universities, colleges and schools with the specific theme of 'Climate Change' and 'Sustainability' and offer young people the opportunity to give their input on the current state of climate change & share ideas on how to reduce its impact.
- Host webinars or informative panels about how the Bank implements sustainable practices in their day-to-day work to give young people a clearer idea of how concerns about climate change play out in the financial industry.
- Offer competitions between schools nationwide to see which student/school can come up with the best climate change proposals, and a few staff members from the Bank can host a debate-style open forum among the finalists to see who can argue for the most prudent financially-sound climate change proposals. This will further enhance the Bank's brand and reputation for being proactive about climate change and the Bank's openness to hearing new ideas.

A grayscale photograph of a protest. In the foreground, a person's hands hold a large sign made of corrugated cardboard. The sign has the words "PLANET OVER PROFIT" written in large, bold, capital letters. The background is slightly out of focus, showing a crowd of people and the architectural details of a building with classical columns and arches.

As young people are currently largely unaware of what the Bank is doing to tackle climate change, open forums would be a unique opportunity to teach young people about the Bank’s current proposals and projects, while also demonstrating that fighting climate change requires multiple perspectives including new ideas offered by young people.

6. Conclusion

Climate change must become a central imperative for policymakers in the United Kingdom. The Bank of England Youth Forum’s Climate Change Sub-Group in this report has outlined the sentiment of young people towards the Bank’s role in this sphere. Crucially, the Bank, in making policy decisions, should prioritise the public, put pressure on businesses and banks in the financial system, and focus on the well-being of future generations. Without ‘greenwashing’, the Bank should also focus on broader climate change communication and seek to publish more information across several media platforms and in an accessible format. Finally, the Bank should act within its remit to understand how the cost-of-living impacts the ‘green’ living and working decisions of the public.

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