TCR 2025 Workshop

"Climate Justice and Economic Equity: Understanding the Link Between Financial and Climate Vulnerability"

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The goal of this track is to explore the intersections of financial vulnerability and climate vulnerability, examining how economic disparities exacerbate the impacts of climate change and identifying individual- business- and policy-level strategies for building resilience in affected communities.

Climate change disproportionately affects financially vulnerable consumers–people who are susceptible to harm due to limited or uncertain access to financial resources–by amplifying health risks, exacerbating economic vulnerabilities, and increasing climate-induced displacements. Financially vulnerable consumers have fewer resources to adapt to and recover from the adverse effects of climate change. Sustainable consumer behaviors often include consumption of products or services that have long-term financial or health benefits, through saving energy, reducing housing maintenance costs, or improving health outcomes, for example, but generally require initial investments and expenses that can be prohibitive for those with limited financial resources. Some examples of how financial vulnerability leads to climate vulnerability include:

- **Health disparities**: financially vulnerable consumers have limited access to healthcare and higher incidences of pre-existing health conditions, which can intensify the health impacts of climate-related events, such as heat waves, air and water pollution, and natural disasters (e.g., floods and storms).
- **Employment risks**: financially vulnerable consumers are more likely to work jobs that have climate-related health risks or lack health insurance benefits (e.g., agriculture, construction, forestry, emergency responders).
- **Limited mobility:** financially vulnerable consumers lack the means to relocate to safer areas if their homes become vulnerable to climate change-driven extreme weather (e.g., extreme heat, flooding, wildfires).
- **Housing limitations:** financially vulnerable consumers lack the resources to equip their homes to deal with extreme weather, to make their homes more energy efficient to meet green building standards, or to afford rising insurance premiums due to extreme weather risks.
- **Financial barriers to sustainable living solutions:** financially vulnerable consumers cannot afford to purchase sustainable products and services that provide long-term financial or health benefits (renewable energy, electric vehicles, energy efficient appliances, organic or local food, water-efficient fixtures, low-flow toilets, rainwater harvesting systems, etc.).
- **Energy Access**: financially vulnerable consumers have limited access to clean energy technologies (e.g., solar panels, efficient appliances), which can restrict their ability to transition to renewable energy sources and reduce reliance on fossil fuels.

These links between financial and climate vulnerability are highlighted by the United Nation's 17 integrated Sustainable Development Goals, which emphasize these critical issues. In particular, the importance of mitigating climate change is recognized in Goal 13, Climate Action, and the importance of reducing inequalities and poverty is recognized in Goal 1, No Poverty, and Goal 10, Reduced Inequalities.

In sum, climate change exacerbates existing vulnerabilities, disproportionately affecting financially disadvantaged populations. Mitigating policies and business solutions are crucial to protect these communities and build resilience against climate impacts. This track will explore such solutions at the individual, business, and policy levels.

Examples of potential solutions the track can explore include:

- **Community-Based Adaptation** (sustainable agriculture, disaster preparedness, and water management).
- **Livelihood Diversification** (encourage livelihood diversification beyond climate-sensitive sectors; develop training programs that help people acquire new skills and explore alternative income sources).
- **Circular Economy Models** (reusing, recycling, and reducing waste).
- **Education** (promote climate literacy and awareness among vulnerable communities, ensure accessible information on climate risks, adaptation, and disaster preparedness).
- **Social Safety Nets** (governments and NGOs can provide targeted support during climate-related emergencies).
- **Climate-responsive Financial Product Innovation** (innovative financial products that mitigate climate-related risks, such as microloans for climate adaptation, insurance against climate risks, and savings accounts for resilience).
- **Financial Inclusion** (facilitate access to affordable credit and insurance for climate-related risks and recovery, such as alternative methods for assessing creditworthiness)
- **Supply Chain Resilience** (diversifying sources, assessing climate risks, and supporting supplier adaptation efforts).
- **Green Technologies Adoption Programs** (enable vulnerable consumers to access energy-efficient appliances, renewable energy).
- **Green Choice Programs** (provide incentives and financing options for green choices).
- **Collaboration and Advocacy** (partner with governments, NGOs, and other stakeholders to create supportive policies and programs)
- **Climate-Resilient Infrastructure** (invest in climate-resilient infrastructure; e.g., flood-resistant housing, early warning systems)

Post-Conference Plan

The aim of this workshop is to begin the work to develop a conceptual paper that covers the intersection of economic inequality and environmental sustainability, which has not been sufficiently explored in marketing to date. The long-term goal is for individual co-author sub-teams from the workshop to work on subsequent empirical work based on the conceptual model resulting from the initial paper. Once we select track participants, we will share a reading list for track participants and assign pre-conference preparation tasks.

Co-chair Bios

Jingshi (Joyce) Liu is an Assistant Professor in Marketing at the Bayes Business School, City, University of London. Her research interests include consumer wellbeing, consumer behavior under income inequality, and sustainable consumption. Her research has been published in internationally recognized academic journals, including *Journal of Marketing Research, Journal of Consumer Psychology, Journal of Business Research, Psychology and Marketing*, and *PLOS One*. Joyce joined Bayes Business School's Faculty of Management in 2020. She holds a Ph.D. in marketing from Hong Kong University of Science and Technology.

Erick M. Mas is an Assistant Professor of Marketing at the Kelley School of Business, Indiana University Bloomington. Prior to Indiana University, he was a Postdoctoral Fellow at Vanderbilt University. Erick has a PhD in Marketing from the University of North Texas, an MBA from Barry University, and a BS in Marketing from the University of Puerto Rico in Mayagüez. Erick's research uses consumer psychology to draw strategic consumer insights centered around the influence of social class and political ideology on marketplace behaviors.