Money: Explaining Carbon Offsets

By Paul Tolme

Growing concern about climate change has fueled a boom in sales of carbon offsets, which allow consumers to support clean-energy or reforestation projects that, at least in theory, remove as many greenhouse gases from the atmosphere as the donor contributes. While some cheer this growing market, others question whether consumers get what they pay for. Carbon offsets are unregulated in the United States. “The majority of offset retailers have good intentions, but it’s still a market where you have to do your homework,” says Katherine Hamilton of Ecosystem Marketplace.

Smart shoppers should look for offsets certified and audited by third-party organizations. These include the Gold Standard; Environmental Resources Trust; the Voluntary Carbon Standard, and the Climate, Community and Biodiversity Alliance. Buyers should also consult carbon-offset buyers’ guides published by the Tufts Climate Initiative (tufts.edu/tie/tci/), Clean Air–Cool Planet (cleanair-coolplanet.org) and the Environmental Defense Fund (edf.org).