CLIMATE CHANGE AND POST-COVID ECONOMY

Hawai'i Budget & Policy Center
May 13, 2020
HBPC’s work

■ Equity and opportunity for all
■ Fact-based research
■ Policy action
Economic system consequences

- Environmental degradation
- Income and wealth inequity
- Tax and budget policies matter
Hawai'i wage disparities, 1980-2018

Inflation-adjusted to 2018 dollars

- Low-Wage: $0.98
- Middle-Wage: $2.17
- High-Wage: $12.13
Job growth and loss, 2007-2018

Low-wage: 29%
Median-wage: -4%
High-wage: -28%
Salaried vs hourly work

- Full-time salary: 45%
- Full-time hourly: 11%
- Part-time: 41%
- Unemployed: 3%

Legend:
- Full-time salary
- Full-time hourly
- Part-time
- Unemployed
Wage inequity by race

<table>
<thead>
<tr>
<th>Race</th>
<th>2008</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>117%</td>
<td>123%</td>
</tr>
<tr>
<td>Asian</td>
<td>98%</td>
<td>96%</td>
</tr>
<tr>
<td>Native Hawaiian</td>
<td>89%</td>
<td>82%</td>
</tr>
<tr>
<td>Other/Mixed</td>
<td>80%</td>
<td>91%</td>
</tr>
</tbody>
</table>
Funding UH education

*Inflation-adjusted to 2018 dollars*

<table>
<thead>
<tr>
<th>Year</th>
<th>General Funds/Student</th>
<th>Tuition/Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2008</td>
<td>$9,627</td>
<td>$6,326</td>
</tr>
<tr>
<td>FY2009</td>
<td>$9,317</td>
<td>$6,326</td>
</tr>
<tr>
<td>FY2010</td>
<td>$9,317</td>
<td>$6,326</td>
</tr>
<tr>
<td>FY2011</td>
<td>$9,317</td>
<td>$6,326</td>
</tr>
<tr>
<td>FY2012</td>
<td>$9,317</td>
<td>$6,326</td>
</tr>
<tr>
<td>FY2017</td>
<td>$9,317</td>
<td>$11,290</td>
</tr>
<tr>
<td>FY2018</td>
<td>$9,317</td>
<td>$11,290</td>
</tr>
</tbody>
</table>

Legend:
- **Blue** General Funds/Student
- **Green** Tuition/Student
Cost of living vs wage change, 1980-2018

- **Rent and Food**: Inflation-adjusted to 2018 dollars
- **High-income wage**: $25,230
- **Median-income wage**: $4,514
- **Low-income wage**: $2,038

*Inflation-adjusted to 2018 dollars*
Who pays how much in taxes?

- Lowest 20%
- Second 20%
- Middle 20%
- Fourth 20%
- Next 15%
- Next 4%
- Top 1%

- Sales & Excise Taxes
- Property Taxes, including rental
- Income Taxes
Financial health in Hawai‘i, 2020

- Healthy: 54%
- Coping: 31%
- Vulnerable: 15%
Share of US wealth, 1989 and 2016

- Top 10%: 67% (1989), 77% (2016)
- Next 40%: 30% (1989), 22% (2016)
- Bottom 50%: 3% (1989), 1% (2016)
Public policy matters

■ Federal tax cuts for the wealthy and corporations

■ Public spending:
  - *Environment*
  - *Mass Transit*
  - *Housing*
  - *Education and training programs*
  - *Health and human services*
Immediate economic help

■ Public spending
  - Recovery from Great Recession
    ■ For each federal $1 spent, economic value was:
      - $1.71 increase in food stamps (SNAP)
      - $1.64 federally-financed work-share programs
      - $1.55 extended unemployment benefits
      - $1.53 increase in defense spending
      - $1.44 increase in infrastructure spending
      - $1.38 increase in child tax credits
      - $1.34 general aid to state governments
Invest in climate infrastructure now

- Stimulus value
- Cheap borrowing
- Work opportunities
  - *Capital investments*
  - *Civilian conservation corps*
Create a better future

- Sustainable environment
- Build housing, mass transit, other high-value capital projects that improve Hawai'i for the future
- Ensure equal access to IT infrastructure and devices
- Offer education and skills training
- Help workers by expanding pre-K and childcare,
- Help hourly workers - paid leave, wage predictability, retirement savings
- Protect and expand sustainable agriculture