

MAR 07 2025

SENATE RESOLUTION

REQUESTING THE UNIVERSITY OF HAWAII ECONOMIC RESEARCH
ORGANIZATION TO CONDUCT A STUDY OF THE CEO-TO-WORKER PAY
RATIO IN THE STATE.

1 WHEREAS, according to the Economic Policy Institute (EPI),
2 compensation of the top chief executive officers (CEOs) has
3 skyrocketed 1,209 percent from 1978 to 2023, while the typical
4 worker's pay has risen only 15.3 percent; and

5
6 WHEREAS, research from the Associated Press and other
7 sources found that the ratio of CEO pay to typical worker pay
8 was twenty- or thirty-to-one in the 1960s and 1970s and has
9 widened to two hundred sixty-eight-to-one for S&P 500 Index
10 companies in 2023, about which the American Federation of Labor
11 and Congress of Industrial Organizations remarked "it would take
12 more than five career lifetimes for workers to earn what CEOs
13 receive in just one year; and

14
15 WHEREAS, local news outlets have reported in recent years
16 on significant increases to executive pay at companies based in
17 the State, with some executives being paid several million
18 dollars per year, including some increases that occurred during
19 and shortly after the COVID-19 pandemic when these companies'
20 workers were laid off, their hours reduced, and some positions
21 were terminated; and

22
23 WHEREAS, according to the EPI's report "Reining in CEO
24 compensation and curbing the rise of inequality", excessive CEO
25 pay exacerbates inequality, is not linked to increasing CEO
26 productivity, and highlights that the labor market is broken for
27 the typical worker; and

28
29 WHEREAS, the unbalanced CEO-worker pay ratio reflects
30 income that is not available for broader growth for other
31 workers, with the EPI finding that wages for the bottom ninety
32 percent of workers would be twenty-five percent higher had wage
33 inequality not increased between 1979 and 2021, and that the
34 rise in wage inequality is due to the redistribution of wages
35 from the bottom ninety percent of workers; and



1
2 WHEREAS, legislation to address this pay disparity has been
3 introduced in United States Congress, such as the Curtailing
4 Executive Overcompensation Act in 2023 and the Tax Excessive CEO
5 Pay Act in 2024; and

6
7 WHEREAS, tax penalties and incentives, enhanced shareholder
8 authority, greater public transparency, and re-assessment of
9 special tax privileges granted under state law to certain
10 companies may be helpful in restraining CEO pay and narrowing
11 the ratio of CEO-to-worker pay; now, therefore,

12
13 BE IT RESOLVED by the Senate of the Thirty-third
14 Legislature of the State of Hawaii, Regular Session of 2025,
15 that the University of Hawaii Economic Research Organization
16 (UHERO) is requested to conduct a study of the CEO-to-worker pay
17 ratio in the State; and

18
19 BE IT FURTHER RESOLVED that the study is requested to:

- 20
21 (1) Determine the ratio of CEO and company executive pay
22 to typical worker pay for companies operating in the
23 State, preferably by industry;
24
25 (2) Assess the impact of the various pay ratios on the
26 State's economy; and
27
28 (3) Identify and evaluate options for the State to reduce
29 the ratio of CEO pay to typical worker pay for
30 companies operating in the State, including options
31 specific to companies that are classified by the State
32 as a nonprofit and companies that are regulated by the
33 Public Utilities Commission; and
34

35 BE IT FURTHER RESOLVED that UHERO is requested to submit a
36 report of its findings and recommendations, including any
37 proposed legislation, to the Legislature no later than forty
38 days prior to the convening of the regular session of 2026; and
39

40 BE IT FURTHER RESOLVED that certified copies of this
41 Resolution be transmitted to the Director of Business, Economic
42 Development, and Tourism; Executive Director of the University



1 of Hawaii Economic Research Organization; Insurance
2 Commissioner; and Chairperson of the Public Utilities
3 Commission.
4
5
6

OFFERED BY:



