

MAR 07 2025

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# SENATE RESOLUTION

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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



# S.R. NO. 112

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.  
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OFFERED BY:

*Karl Rhoad*

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