

MAR 07 2025

# SENATE CONCURRENT 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



1 inequality not increased between 1979 and 2021, and that the  
2 rise in wage inequality is due to the redistribution of wages  
3 from the bottom ninety percent of workers; and  
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5 WHEREAS, legislation to address this pay disparity has been  
6 introduced in United States Congress, such as the Curtailing  
7 Executive Overcompensation Act in 2023 and the Tax Excessive CEO  
8 Pay Act in 2024; and  
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10 WHEREAS, tax penalties and incentives, enhanced shareholder  
11 authority, greater public transparency, and re-assessment of  
12 special tax privileges granted under state law to certain  
13 companies may be helpful in restraining CEO pay and narrowing  
14 the ratio of CEO-to-worker pay; now, therefore,  
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16 BE IT RESOLVED by the Senate of the Thirty-third  
17 Legislature of the State of Hawaii, Regular Session of 2025, the  
18 House of Representatives concurring, that the University of  
19 Hawaii Economic Research Organization (UHERO) is requested to  
20 conduct a study of the CEO-to-worker pay ratio in the State; and  
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22 BE IT FURTHER RESOLVED that the study is requested to:  
23

- 24 (1) Determine the ratio of CEO and company executive pay  
25 to typical worker pay for companies operating in the  
26 State, preferably by industry;  
27
- 28 (2) Assess the impact of the various pay ratios on the  
29 State's economy; and  
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- 31 (3) Identify and evaluate options for the State to reduce  
32 the ratio of CEO pay to typical worker pay for  
33 companies operating in the State, including options  
34 specific to companies that are classified by the State  
35 as a nonprofit and companies that are regulated by the  
36 Public Utilities Commission; and  
37

38 BE IT FURTHER RESOLVED that UHERO is requested to submit a  
39 report of its findings and recommendations, including any  
40 proposed legislation, to the Legislature no later than forty  
41 days prior to the convening of the regular session of 2026; and  
42



1 BE IT FURTHER RESOLVED that certified copies of this  
2 Concurrent Resolution be transmitted to the Director of  
3 Business, Economic Development, and Tourism; Executive Director  
4 of the University of Hawaii Economic Research Organization;  
5 Insurance Commissioner; and Chairperson of the Public Utilities  
6 Commission.

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8  
9 OFFERED BY:

Kal Nhoah

