

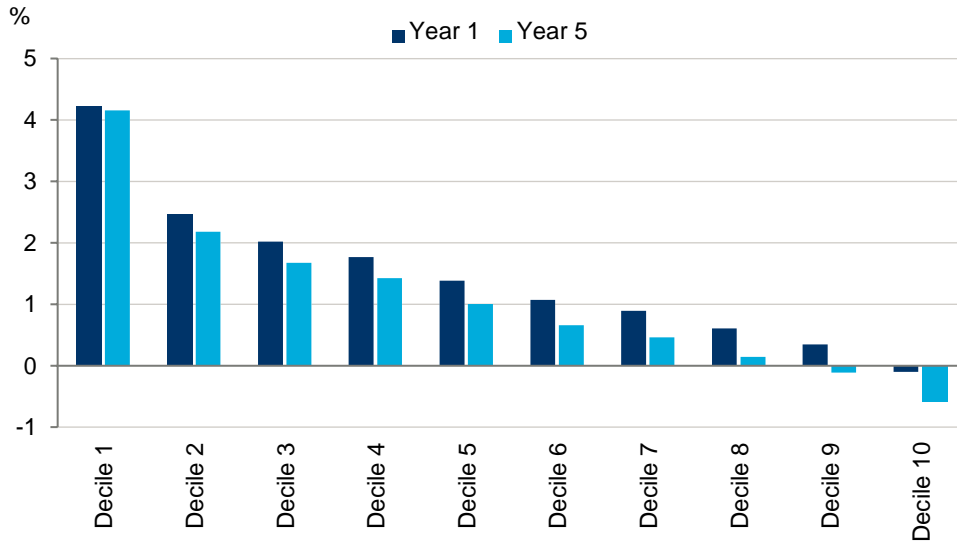
NATIONAL & STATE LEVEL HOUSEHOLD INCOME DISTRIBUTIONAL ANALYSIS OF BAKER-SHULTZ CARBON DIVIDENDS PLAN

SUMMARY OF KEY FINDINGS

Oxford Economics was commissioned by the Climate Leadership Council to model the distributional effects of its Baker-Shultz Carbon Dividends Plan (the “Plan”) on total real household disposable income for years one and five of the Plan. Oxford Economics’ more detailed report, which was produced in 2020, is also available. This document provides a summary of the key findings:

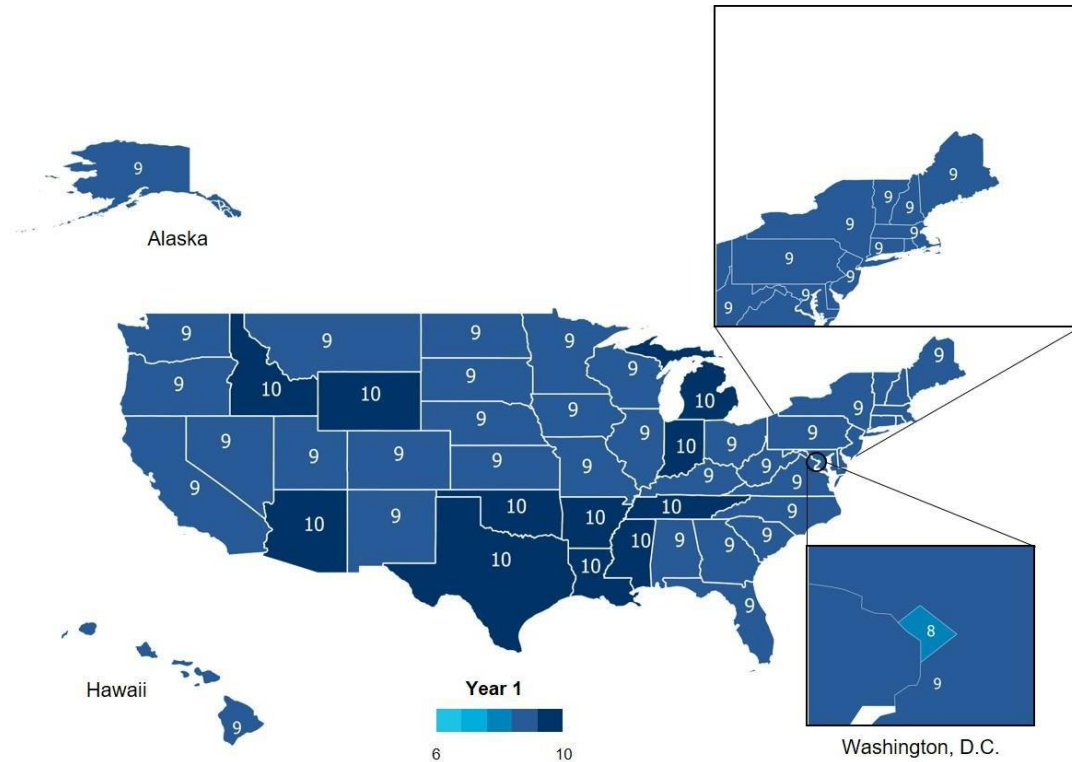
- Averaging across all US households, **real household disposable income increases under the Plan in year one at the national level**, relative to baseline projections. This trend is also evident at the state level. After five years, real household disposable income in the US is expected to be 0.2% higher in comparison to the baseline.
- **At the national level, the first 9 household income deciles are better off in year one** relative to baseline projections—partly reflecting the one quarter prepayment of the dividend in that year—while the first 8 household income deciles are better off in year five (**Fig.1**).
- **At the state level in year one, the first 9 household income deciles are better off in all 50 states** (in comparison to baseline projections), and all 10 household income deciles come out ahead in 11 states (**Fig.2**).
- **At the state level in year five, the first 7 household income deciles are better off in all 50 states** (relative to baseline projections), the first 8 deciles come out ahead in 38 states and the first 9 household income deciles come out ahead in 18 states (**Fig.3**).
- The Plan has positive income distribution effects across the US as lower income households see a larger proportional boost in their spending power. **By year five, real household disposable income in the lowest decile increases by around 4% in comparison to the baseline.**
- **Further analysis by race and age highlight similar trends:** householders with relatively low disposable income and/or large household size experience the greatest increase in real household disposable income under the Plan in both year one and five, relative to baseline projections. **This is most notable for the Black / African-American and Hispanic (any) race groups (Fig. 5b).** After five years, real household disposable income in the US for these race groups is expected to be 1.1% and 1.3% higher relative to the baseline, respectively. **Similarly, householders aged over 65 and under 25 are expected to see the greatest proportional change from baseline projections**, with real household disposable income expected to be 0.7% and 0.6% higher respectively (**Fig.6b**).

Fig. 1. Percentage change in total real household disposable income from baseline projections, by household income decile, United States.



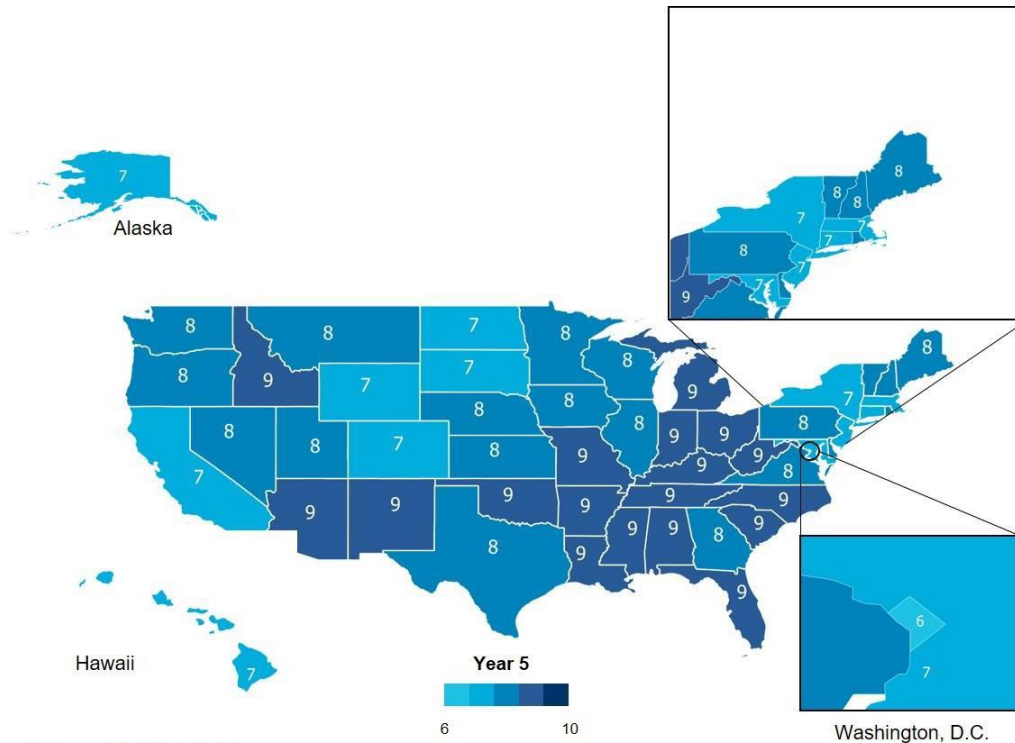
Source: Oxford Economics

Fig. 2. Number of household income deciles with a positive impact from the Plan, year 1.



Source: Oxford Economics

Fig. 3. Number of household income deciles with a positive impact from the Plan, year 5.



Source: Oxford Economics

Fig. 4. National and state level percentage change in total real household disposable income from baseline projections, by household income decile.

National										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.2	2.5	2.0	1.8	1.4	1.1	0.9	0.6	0.3	-0.1
Year 5	4.2	2.2	1.7	1.4	1.0	0.7	0.5	0.1	-0.1	-0.6

Alabama										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	5.4	3.1	2.6	2.3	1.8	1.4	1.2	0.8	0.5	0.0
Year 5	5.6	3.1	2.5	2.1	1.6	1.2	0.9	0.5	0.2	-0.4

Alaska										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	2.7	1.6	1.4	1.2	1.0	0.7	0.6	0.4	0.2	-0.2
Year 5	2.4	1.2	0.9	0.7	0.4	0.2	0.1	-0.2	-0.4	-0.8

Arizona										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.6	2.8	2.3	2.1	1.7	1.3	1.1	0.8	0.5	0.0
Year 5	4.7	2.6	2.1	1.8	1.4	1.0	0.8	0.4	0.1	-0.4

Arkansas										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	5.3	3.1	2.6	2.3	1.8	1.5	1.2	0.9	0.6	0.0
Year 5	5.5	3.2	2.6	2.3	1.8	1.4	1.1	0.8	0.5	-0.1

California										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.8	2.2	1.8	1.6	1.3	1.0	0.8	0.6	0.3	-0.1
Year 5	3.5	1.8	1.3	1.1	0.7	0.4	0.2	-0.1	-0.3	-0.7

Colorado										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.3	2.0	1.7	1.5	1.2	0.9	0.8	0.5	0.3	-0.1
Year 5	3.1	1.6	1.2	1.0	0.7	0.4	0.2	0.0	-0.2	-0.7

Connecticut										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.3	1.9	1.5	1.3	1.0	0.7	0.6	0.4	0.2	-0.2
Year 5	3.1	1.5	1.0	0.8	0.5	0.2	0.1	-0.2	-0.4	-0.7

Delaware										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.9	2.3	1.9	1.7	1.3	1.0	0.8	0.6	0.3	-0.1
Year 5	3.9	2.1	1.7	1.4	1.1	0.7	0.5	0.2	0.0	-0.5

District of Columbia										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.3	1.7	1.3	1.0	0.7	0.4	0.3	0.0	-0.2	-0.5
Year 5	3.2	1.4	0.9	0.7	0.3	0.0	-0.2	-0.4	-0.6	-1.0

Florida										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.6	2.7	2.2	1.9	1.5	1.2	1.0	0.7	0.4	-0.1
Year 5	4.8	2.6	2.0	1.7	1.3	0.9	0.7	0.3	0.1	-0.5

Georgia										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.8	2.8	2.3	2.0	1.6	1.2	1.0	0.7	0.4	-0.1
Year 5	4.9	2.6	2.0	1.7	1.2	0.9	0.6	0.3	0.0	-0.6

Hawaii										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.3	2.0	1.6	1.5	1.2	0.9	0.8	0.5	0.3	-0.1
Year 5	2.9	1.5	1.1	1.0	0.6	0.4	0.2	-0.1	-0.3	-0.7

Idaho										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.4	2.7	2.3	2.1	1.7	1.4	1.2	0.9	0.7	0.2
Year 5	4.3	2.5	2.0	1.8	1.4	1.1	0.9	0.5	0.3	-0.3

Illinois										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.0	2.3	1.8	1.6	1.2	0.9	0.7	0.5	0.2	-0.2
Year 5	4.0	2.0	1.5	1.3	0.9	0.5	0.3	0.0	-0.2	-0.7

Indiana										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.1	2.5	2.2	1.9	1.6	1.3	1.1	0.8	0.5	0.0
Year 5	4.0	2.2	1.8	1.6	1.2	0.8	0.6	0.3	0.1	-0.5

Iowa										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.6	2.2	1.9	1.7	1.3	1.1	0.9	0.6	0.4	0.0
Year 5	3.4	1.9	1.5	1.3	1.0	0.7	0.5	0.2	0.0	-0.5

Kansas										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.9	2.4	2.0	1.8	1.4	1.1	1.0	0.7	0.4	0.0
Year 5	3.8	2.0	1.6	1.4	1.0	0.7	0.5	0.2	-0.1	-0.5

Kentucky										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	5.2	3.0	2.5	2.2	1.8	1.4	1.2	0.8	0.5	-0.1
Year 5	5.4	3.0	2.4	2.1	1.6	1.2	0.9	0.5	0.2	-0.4

Louisiana										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	5.2	3.1	2.5	2.2	1.8	1.4	1.2	0.9	0.6	0.0
Year 5	5.3	2.9	2.3	1.9	1.4	1.0	0.8	0.4	0.1	-0.4

Maine										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.8	2.2	1.8	1.6	1.3	1.0	0.8	0.5	0.3	-0.2
Year 5	3.8	2.0	1.6	1.4	1.0	0.7	0.5	0.2	0.0	-0.5

Maryland										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.0	1.7	1.4	1.2	0.9	0.7	0.6	0.3	0.1	-0.3
Year 5	2.8	1.3	1.0	0.8	0.5	0.2	0.1	-0.2	-0.4	-0.8

Massachusetts										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.3	1.9	1.5	1.3	1.0	0.7	0.6	0.3	0.1	-0.2
Year 5	3.1	1.5	1.1	0.9	0.5	0.3	0.1	-0.2	-0.4	-0.7

Michigan										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.4	2.6	2.2	2.0	1.6	1.2	1.1	0.8	0.5	0.0
Year 5	4.4	2.4	1.9	1.7	1.3	0.9	0.7	0.4	0.1	-0.4

Minnesota										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.5	2.1	1.8	1.6	1.3	1.0	0.8	0.6	0.4	-0.1
Year 5	3.3	1.7	1.3	1.1	0.8	0.5	0.3	0.1	-0.2	-0.6

Mississippi										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	5.9	3.5	2.9	2.6	2.1	1.6	1.4	1.0	0.6	0.0
Year 5	6.2	3.5	2.8	2.5	1.9	1.5	1.2	0.8	0.4	-0.2

Missouri										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.3	2.5	2.1	1.8	1.4	1.1	0.9	0.6	0.4	-0.1
Year 5	4.4	2.4	1.9	1.7	1.3	0.9	0.7	0.4	0.1	-0.4

Montana										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.0	2.4	2.0	1.8	1.4	1.1	0.9	0.6	0.4	-0.1
Year 5	4.0	2.2	1.7	1.5	1.1	0.8	0.6	0.3	0.0	-0.5

Nebraska										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.5	2.1	1.8	1.6	1.3	1.0	0.9	0.6	0.4	-0.1
Year 5	3.3	1.8	1.4	1.2	0.8	0.5	0.4	0.1	-0.1	-0.6

Nevada										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.3	2.6	2.2	1.9	1.5	1.2	1.0	0.7	0.5	0.0
Year 5	4.1	2.2	1.7	1.4	1.0	0.6	0.4	0.1	-0.2	-0.7

New Hampshire										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.0	1.8	1.5	1.4	1.1	0.8	0.7	0.5	0.3	-0.1
Year 5	2.8	1.5	1.1	1.0	0.7	0.4	0.2	0.0	-0.2	-0.6

New Jersey										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.3	1.9	1.5	1.3	1.0	0.8	0.6	0.4	0.2	-0.2
Year 5	3.0	1.5	1.1	0.9	0.5	0.2	0.1	-0.2	-0.4	-0.8

New Mexico										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	5.3	3.1	2.6	2.3	1.8	1.4	1.2	0.8	0.5	0.0
Year 5	5.4	3.0	2.4	2.1	1.6	1.1	0.9	0.5	0.2	-0.4

New York										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.0	2.3	1.8	1.5	1.2	0.9	0.7	0.4	0.2	-0.2
Year 5	4.0	2.0	1.5	1.2	0.8	0.5	0.3	0.0	-0.2	-0.6

North Carolina										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.8	2.8	2.3	2.0	1.6	1.2	1.0	0.7	0.4	-0.1
Year 5	5.0	2.7	2.1	1.8	1.4	1.0	0.7	0.4	0.1	-0.5

North Dakota										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.1	1.9	1.5	1.4	1.1	0.8	0.7	0.4	0.2	-0.2
Year 5	2.9	1.5	1.1	1.0	0.6	0.4	0.2	-0.1	-0.3	-0.7

Ohio										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.3	2.5	2.1	1.9	1.5	1.2	1.0	0.7	0.4	0.0
Year 5	4.2	2.3	1.8	1.6	1.2	0.8	0.6	0.3	0.0	-0.5

Oklahoma										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.6	2.8	2.4	2.1	1.7	1.4	1.2	0.9	0.6	0.1
Year 5	4.5	2.5	2.0	1.7	1.3	1.0	0.8	0.4	0.1	-0.4

Oregon										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.9	2.3	1.9	1.7	1.3	1.0	0.9	0.6	0.3	-0.1
Year 5	3.9	2.1	1.7	1.5	1.1	0.7	0.5	0.2	0.0	-0.5

Pennsylvania										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.8	2.2	1.8	1.6	1.2	0.9	0.8	0.5	0.3	-0.2
Year 5	3.7	1.9	1.4	1.2	0.8	0.5	0.3	0.0	-0.2	-0.6

Rhode Island										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.8	2.2	1.8	1.6	1.3	1.0	0.8	0.6	0.3	-0.1
Year 5	3.6	1.9	1.4	1.2	0.8	0.5	0.3	0.0	-0.2	-0.6

South Carolina										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.9	2.9	2.4	2.1	1.7	1.3	1.1	0.7	0.4	-0.1
Year 5	5.1	2.8	2.3	2.0	1.5	1.1	0.8	0.5	0.2	-0.4

South Dakota										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.6	2.2	1.8	1.7	1.3	1.1	0.9	0.6	0.4	0.0
Year 5	3.2	1.7	1.3	1.1	0.7	0.4	0.3	0.0	-0.3	-0.7

Tennessee										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.7	2.8	2.3	2.1	1.7	1.3	1.1	0.8	0.5	0.0
Year 5	4.7	2.5	2.0	1.7	1.3	0.9	0.7	0.3	0.1	-0.5

Texas										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	4.5	2.7	2.2	2.0	1.6	1.2	1.1	0.8	0.5	0.0
Year 5	4.3	2.3	1.8	1.5	1.1	0.7	0.5	0.2	-0.1	-0.6

Utah										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.6	2.2	1.9	1.7	1.4	1.1	0.9	0.7	0.4	0.0
Year 5	3.4	1.9	1.5	1.3	1.0	0.7	0.5	0.2	0.0	-0.5

Vermont										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.4	2.0	1.7	1.5	1.2	0.9	0.8	0.5	0.3	-0.1
Year 5	3.3	1.8	1.4	1.2	0.9	0.6	0.5	0.2	0.0	-0.5

Virginia										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.8	2.2	1.8	1.6	1.2	0.9	0.8	0.5	0.3	-0.2
Year 5	3.8	2.0	1.6	1.3	1.0	0.6	0.4	0.2	-0.1	-0.5

Washington										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.1	1.8	1.5	1.4	1.1	0.8	0.7	0.5	0.2	-0.1
Year 5	2.9	1.5	1.2	1.0	0.7	0.4	0.3	0.0	-0.2	-0.6

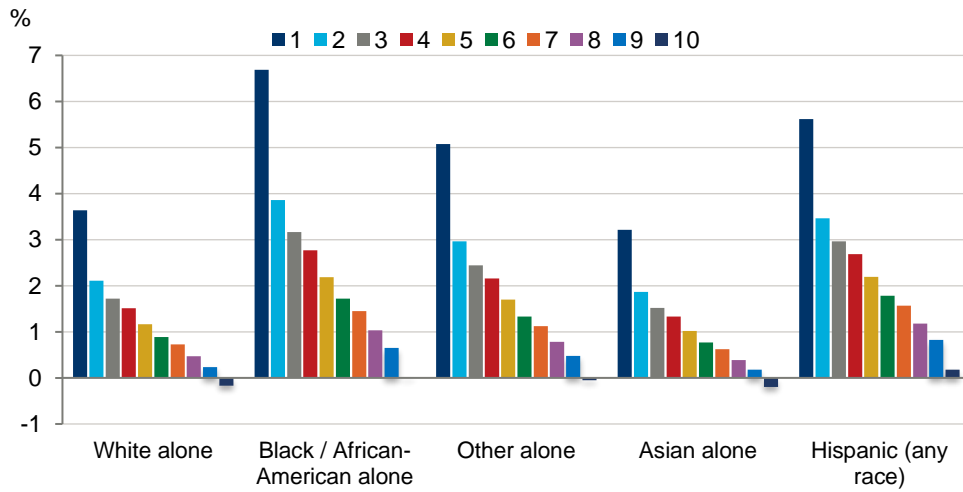
West Virginia										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	5.1	2.9	2.4	2.1	1.7	1.3	1.1	0.7	0.4	-0.2
Year 5	5.4	3.1	2.5	2.2	1.7	1.2	1.0	0.6	0.3	-0.3

Wisconsin										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.6	2.2	1.8	1.6	1.3	1.0	0.9	0.6	0.4	-0.1
Year 5	3.5	1.9	1.5	1.3	1.0	0.7	0.5	0.2	0.0	-0.5

Wyoming										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Year 1	3.2	2.0	1.7	1.5	1.3	1.0	0.9	0.7	0.4	0.1
Year 5	2.6	1.3	1.0	0.8	0.5	0.3	0.1	-0.1	-0.3	-0.7

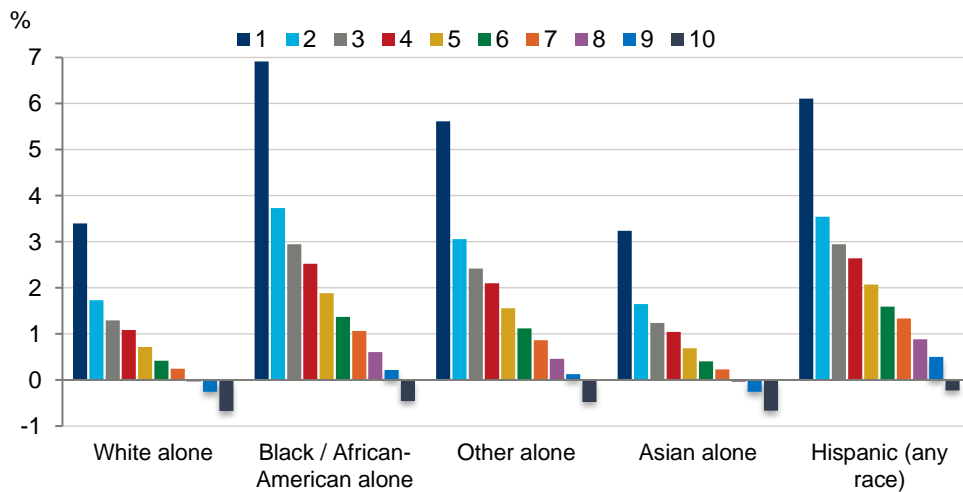
Source: Oxford Economics

Fig. 5a. National level percentage change in total real household disposable income from baseline projections, by household income decile and race groups, year 1.



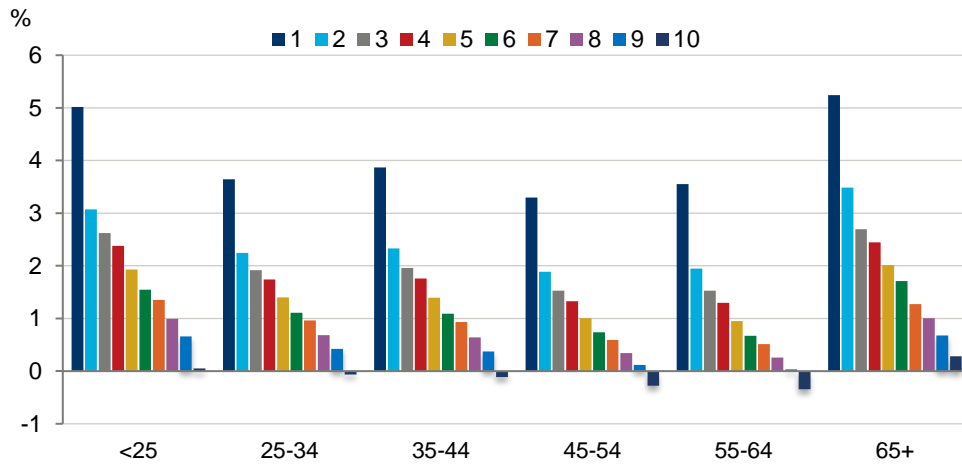
Source: Oxford Economics

Fig. 5b. National level percentage change in total real household disposable income from baseline projections, by household income decile and race groups, year 5.



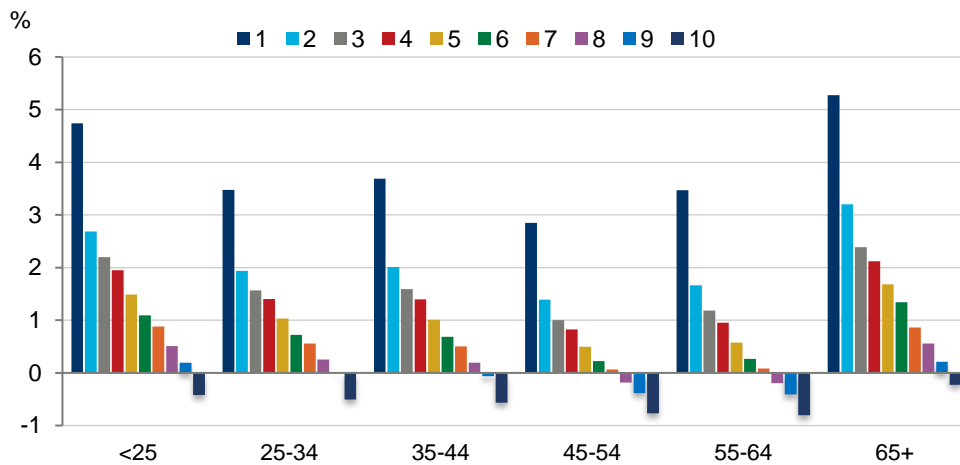
Source: Oxford Economics

Fig. 6a. National level percentage change in total real household disposable income from baseline projections, by household income decile and age groups, year 1.



Source: Oxford Economics

Fig. 6b. National level percentage change in total real household disposable income from baseline projections, by household income decile and age groups, year 5.



Source: Oxford Economics

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To discuss the report further please contact:

Michael Kleiman: michaelkleiman@oxfordeconomics.com

Oxford Economics

5 Hanover Square, 8th Floor

New York 10004