

# AEC Climate and Social Equity Framework

March 2020

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**Applied Economics Clinic**

Economic and Policy Analysis of Energy, Environment and Equity

# Why Use AEC's Climate and Social Equity Framework?

In planning for climate adaptation, emissions mitigation, and the transition to a new green economy, cities and towns recognize the social equity implications of such consequential policy choices. Just as climate damages have the greatest impact on vulnerable populations, so too do climate programs and policies.

This framework offers guidance on how to incorporate considerations of social equity in climate planning. Every community will face different climate and social equity changes, and will need its own tailored approach to achieve the best outcomes. The framework can be used as a jumping off point, a discussion piece to spark ideas, or a to do list.



# Why Use AEC's Climate and Social Equity Framework?

Using this assessment framework helps guide a process that:

- considers the context of society's vulnerable groups;
- proactively prioritizes equitable outcomes;
- intentionally avoids common pitfalls; and
- is reactive to any issues that arise during implementation.



# Equity Framework



The checklist provides a method to ensure a robust treatment of climate and social equity.



Social equity cuts across many dimensions, each of which requires consideration.



Each equity dimension has common equity pitfalls that should be acknowledged, addressed, and intentionally mitigated should they arise.



## Equity Checklist

- 1) **Social equity requires inclusive planning and decision-making:** Start by building a group of active stakeholders that looks like your community.
- 2) **Establish baseline equity context and data availability:** What groups live in your community? What vulnerabilities do different groups experience?
- 3) **Plan carefully to focus on equity outcomes and avoid unintended consequences:** Draw on stakeholders experiences (and that of other communities) to think ahead and avoid causing harm.



## Equity Checklist

- 4) **Allocate program costs progressively:** Poorer households pay should pay less as a share of their income than richer households to achieve climate outcomes. (At a minimum, avoid regressive cost allocation.)
- 5) **Incorporate opportunities for dynamic revision of plans and programs:** Programs are evaluated and have room to change in response to learned experience.
- 6) **Include inclusive, equitable practices from start-to-finish:** Social equity needs to be addressed at every stage beginning with planning, through implementation, and again in evaluation and revision.



# Dimensions

Stages of Policy	Sectors
Planning/Agenda Setting	Buildings
Formulation	Transportation
Adoption	Energy
Implementation	Waste
Evaluation	Industry
Termination/Renewal/Update	Agriculture, Forestry and Other Land Use
Communities	Intergenerational
Low to No Income	Most to gain
People of Color	Most to lose
Children / Youth / Older Adults	Lacks a voice
Immigrants / Legal Status	Ecological sustainability
People with Disabilities	Balance inter- and intragenerational
Limited English Proficiency	2050 equity implications
LGBTQIA+ / Gender	2100 equity implications



# Pitfalls

Stages of Policy	
Negative policy interactions	To avoid unintended consequences, transition planning must be cross-sectoral and comprehensive, considering interactions among measures' effects and cumulative cost impacts across all measures.
Regressive cost impacts	The allocation of direct program costs (taxes, fees, utility rates, or fuel and equipment prices) must be progressive: that is, costs must be less of a burden (a lower share of income) to lower-income families than to higher-income families. The richer you are, the more (as a share of your income) you pay for green energy, transportation, and technology.
Inflexibility	All climate and energy policies must include provisions for their ongoing reassessment and revision. Institutional mechanisms need built in flexibility to react to real-world impacts.
Inadequate outreach/representation	Without truly inclusive stakeholder participation, a full accounting of the challenges faced by all members of society is not possible.





# Pitfalls

Communities	
Unequal access to information	Social equity requires dedicated outreach, coordination and communication with all groups, including its most vulnerable populations.
Workforce impacts	Changes in energy and transportation infrastructure and services require training, workforce development, and specific efforts to make these benefits broadly accessible across communities.
Historical inequities	Planning for a green transition must account for existing disparities in access to transportation, financing, and good quality housing.
Pricing out	Taxes, fees, and higher costs have the potential to price people out of their current housing, energy sources or transportation without providing an affordable and convenient replacement.
Value judgements	Climate policies can entail inherent value judgements that serve to prioritize some communities over others. For example, policies aimed at full-time workers may not benefit stay-at-home parents.



# Pitfalls

Sectors	
Displacement	Upgrades to buildings and transportation infrastructure can increase rents and home values, pricing communities out of their own neighborhoods.
Homeowner focus	Policies that benefit homeowners may not benefit renters, or provide incentives to landlords.
Transportation poverty	Transportation policies may fail to address issues of access to public transportation and/or the reliance on private modes of transportation, without providing an affordable replacement.
Energy poverty	Increasing energy prices to pay for efficiency and renewables measures can have the unintended consequence of increasing customer bills and pricing families out of necessary energy services.
Sectoral overlap	To avoid unintended consequences, transition planning must be cross-sectoral and comprehensive, considering interactions among measures' effects and cumulative cost impacts across all measures.



# Pitfalls

Intergenerational	
Hidden equity implications	Transition policies must begin with a clear and transparent acknowledgement that all actions have equity implications for both current and future generations and that not all of these implications can be known.
Reducing options, quality and/or access	Climate policies can result in important changes in options, quality and/or access that will impact future generations.
Myopic policy	Climate policies can take an overly myopic point of view by failing to account for future generations in considerations of sustainability.



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## Suggested Citation:

Stanton, E.A. and Woods, B. March 2020. *AEC Climate and Social Equity Framework*. Applied Economics Clinic. Available at:

<https://aeclinic.org/publicationpages/2020/2/24/aec-climate-and-social-equity-framework>.



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