HAWAI'I

Do pension contributions crowd out education funding?

**No.** The slope of the education expenditure trend line is steeper than that of pension contributions. Crowding out would be likely only if the two lines were on a path to convergence.

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Are state and local revenue systems out of sync with the economy?

**Yes.** The slope of the trend line for the economy is steeper than that for revenues. This means revenues cannot keep pace with the funding needs of a growing economy and will never be enough without reform.

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**Trends in Economy and Tax Revenues, Hawaii, 1977-2019**