

# The Federal THRIVE Act for Kentucky's 3<sup>rd</sup> Congressional District: How THRIVE Strengthens the Economy, Protects the Environment, and Creates Jobs

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This report describes the economic impacts that would result in Kentucky's 3<sup>rd</sup> congressional district if the U.S. Congress were to pass the national THRIVE Act. The 3<sup>rd</sup> district includes Jefferson County in the Louisville metropolitan area.

The THRIVE Act was introduced in Congress in April 2021, aiming to “Transform, Heal and Renew by Investing in a Vibrant Economy”—i.e. THRIVE—through a range of investments to rebuild the U.S. economy. For the U.S. economy overall, the THRIVE Act would finance over \$1 trillion in investments per year for 10 years in four major areas: clean renewable energy and energy efficiency; infrastructure; agriculture and land restoration; and the care economy, public health and the postal system.

We estimate that Kentucky's 3<sup>rd</sup> district would receive about \$2.3 billion per year in THRIVE Act support in these four investment areas. This level of investment will generate roughly 15,000 jobs within the district itself, equal to about 4 percent of the district's current employment level. The newly created jobs will be in a wide range of occupations, including electricians, roofers, bus drivers, environmental engineers, home-care nurses, landscapers, accountants, bookkeepers, and lawyers. This higher level of employment in the 3<sup>rd</sup> district would be sustained throughout the 10 years of the investment program (assuming no other major changes in the district's economy were to occur). These 3<sup>rd</sup> district THRIVE investments will also generate an additional 1,000 jobs throughout the rest of Kentucky, and 2,500 in other U.S. states, for an overall increase of about 19,000 jobs. The table on page 3 provides details on the breakdown in job

creation within the district, within Kentucky, and for the overall U.S. economy.

Some of the major projects that the THRIVE Act could support in the district would include the following:

**Solar installations.** Installing solar panels on rooftops and other artificial surfaces, such as parking lots, will provide affordable clean energy to 3<sup>rd</sup> district residents and businesses. The 3<sup>rd</sup> district, as elsewhere, will also need to build large-scale solar and wind farms to deliver sufficient clean energy supplies throughout the district while also dramatically reducing CO<sub>2</sub> emissions in the area. The small-scale installations and large utility-scale projects can effectively complement each other. Among other factors, installing large numbers of solar panels on artificial surfaces will mean that less land needs to be devoted to utility-scale solar and wind farms in the area. Investing, for example, \$250 million to help finance small-scale solar installations throughout the 3<sup>rd</sup> district could create enough electricity to meet roughly 12 percent of the district's overall electricity demand. This installation project will also generate about 800 jobs within the district.

**Energy efficiency building retrofits.** In 2008, then Governor Andy Beshear signed HB2, requiring all construction or renovation of public buildings to meet high-performance building standards. In 2013, the Louisville Metro government launched a sustainability plan to decrease energy use in city-owned buildings by 30 percent as of 2018. However, as of the most recent

2018 data from the city, this performance standard had not been achieved and continued progress in the district has stalled. Within the 3<sup>rd</sup> district, following through on this energy efficiency mandate will cut energy costs for the state and municipalities while also driving down CO<sub>2</sub> emissions. Retrofitting all of the low-efficiency buildings in the district will entail replacing aging furnaces and air conditioners with electric heat pumps, tightening building shells through improving insulation and replacing leaky windows, and installing LED lighting fixtures throughout every building. Investing \$50 million per year in these projects will also generate about 300 jobs within the district and 450 jobs overall.

### **Expanding paid client-employed home-based care for elderly.**

There are approximately 10,000 residents of Kentucky's 3<sup>rd</sup> district ages 65 and over who require personal care. The State of Kentucky presently lacks a statewide program, such as Oregon's highly innovative Client-Employed Provider Program, through which elderly people in need of care hire the provider of their choice. Adult children, spouses, other family members, neighbors, and friends would be eligible to be hired under this type of program. At the same time, most hours of elder care support are still provided by family and friends on a voluntary basis. Establishing robust financial support for the Client-Employed Provider Program through the THRIVE Act would enable these providers to be paid for at least some of the hours of work they now provide voluntarily. These family members and friends would then be better able to concentrate their paid working hours on care provision, rather than having to also be employed at separate paid jobs in order to earn sufficient income. For example, \$140 million per year in support through THRIVE would enable all 10,000 elderly residents of the 3<sup>rd</sup> district requiring care to pay family members or friends \$20 dollars per hour for an average of an additional two hours per day.

**Tree canopies and cool surface.** Louisville is a major 'urban heat island'—i.e. a city in which average summer temperatures are significantly higher than its surrounding less urban communities. Temperatures in Louisville can be up to 20<sup>o</sup>F hotter than nearby rural areas during the summer, with the average summer temperatures nearly 5<sup>o</sup>F hotter. The significantly hotter summer temperatures in Louisville create health hazards for the city's population during heat waves. The city's Office of Sustainability has developed plans to cool itself through promoting

the use of more "cool surfaces" for paving and roofs to reflect radiation and heat away, and to plant more trees and expand the city's tree canopy. The special focus of the program would be the city's minority neighborhoods, in which tree canopy cover is less than half that of the rest of the city's neighborhoods. The city's former sustainability office director developed a program to plant about 100,000 trees over 10 years throughout the city. Financing from THRIVE at \$50 million per year would cover a large share of the overall costs of these tree planting and cool surfaces investments. These funds from THRIVE would also generate about 500 new jobs within the city.

### **Sewer infrastructure repairs and upgrades.**

Flooding is the most common and costly natural disaster in Kentucky, with annual average losses exceeding \$40 million. For the Louisville metro area, the U.S. Army Corps of Engineers estimated in 2018 that a catastrophic flood could affect more than 200,000 residents and nearly \$34 billion in property damage. Moreover, the Army Corps considers the area's flood protection system to be "high risk." In 2018, Kentucky experienced more rainfall than any other year on record. However, none of the system's 16 pump stations were designed to handle increased flows caused by severe storms or the increased runoff from additional pavement and asphalt. The sewer district has outlined a plan to spend roughly \$700 million on repairing and upgrading the flood protection system, but has been unable to raise the funds for these investments. A 10-year investment program through THRIVE at \$70 million per year would enable these investments to proceed. These investments would also generate about 330 jobs per year within Louisville and 450 jobs overall.

**THRIVE ACT Investments in KENTUCKY'S 3<sup>RD</sup> DISTRICT:  
Annual Investment Spending and Job Creation through U.S. THRIVE Act**

	THRIVE Investments in Kentucky's 3 <sup>rd</sup> District	Job Creation through THRIVE Investments			
		Jobs in 3 <sup>rd</sup> District	Jobs in Rest of Kentucky	Jobs in Rest of U.S.	Overall Job Creation
Clean Renewable Energy and Energy Efficiency	\$850 million	3,318	301	626	4,244
Infrastructure	\$750 million	5,719	426	1,282	7,427
Agriculture and Land Restoration	\$450 million	2,394	164	301	2,859
Care Economy, Public Health, and Postal Service	\$250 million	3,829	193	341	4,363
<b>TOTALS</b>	<b>\$2.3 billion</b>	<b>15,260</b>	<b>1,084</b>	<b>2,549</b>	<b>18,893</b>

Sources: See: <https://peri.umass.edu/component/k2/item/1397-employment-impacts-of-proposed-u-s-economic-stimulus-programs>; and <https://peri.umass.edu/component/k2/item/1474-methodology-and-calculations-for-clean-energy-cost-estimates-in-proposed-u-s-thrive-agenda-and-related-policy-proposals>.

**Further References**

**PERI THRIVE Report for U.S. Economy:**

<https://peri.umass.edu/component/k2/item/1397-employment-impacts-of-proposed-u-s-economic-stimulus-programs>

**PERI THRIVE Reports for individual U.S. States:**

<https://peri.umass.edu/component/k2/item/1415-state-level-employment-impacts-of-proposed-national-thrive-agenda>