

ASSESSING EQUITY

Uneven investment in infrastructure perpetuates historical disparities between communities. While some funding, such as the [Low-Income Home Energy Assistance Program](#), is specifically for low-income households in need of assistance with their heating and cooling energy costs, bill payment assistance, energy crisis assistance, weatherization, and energy-related home repairs, much of the funding available from the BIL only indirectly benefit disadvantaged communities.

Programs like Justice40 and similar state-level initiatives have the potential to direct substantial investment in climate mitigation and adaptation programs that directly benefit disadvantaged communities. Assessing the equity impact of infrastructure investment is essential to ensure investments do “no harm,” as the White House Environmental Justice Advisory Council calls for. There are many approaches for calculating the impacts of infrastructure investment, specifically concerning disadvantaged communities, separate from or integrated with standard cost-benefit analysis. Among these approaches, equity scoring can be used to compare outcomes in the vulnerable, frontline, and historically disadvantaged communities across programs.

Equity scoring for infrastructure projects is used (1) to evaluate compounding disparities in economically disadvantaged neighborhoods and (2) to design strategies for enhancing social co-benefits from infrastructure investment. Approaches to equity scoring typically include:

- Development of a set of indicators that can be used to identify disadvantaged communities and the development of a score representing cumulative or compounding vulnerabilities. See examples of indicators developed for New York’s Climate Act [here](#) and data available through the Environmental Protection Agency’s [EJScreen](#) tool.
- A description of a project or plan and a statement of specific objectives;
- Engagement and substantive input from the community;
- Calculate the project's direct and indirect economic, environmental, and social benefits for disadvantaged communities. State and federal agencies are working to identify methodologies for calculating investment benefits accruing to disadvantaged communities, and formulas will vary by sector and relevant equity criteria. [The Energy Justice Dashboard](#) provides an example of the initial efforts of the U.S. Department of Energy to track investment in disadvantaged communities.

This information is then used to develop policies, projects, and implementation plans that proactively target investment in disadvantaged and frontline communities while safeguarding against programs that worsen inequities.

Why adopt an equity-scoring approach to climate investment?

Climate change will drive chronic stress and natural disasters impacting human welfare. These impacts include damage to manmade and natural environments and disruptions to livelihoods. By incorporating equity scoring within infrastructure planning and program development, a more accurate representation of potential costs and benefits is developed while creating procedures for monitoring and evaluating equity outcomes over time. The following practices are key in targeting equitable investment and optimizing outcomes:

- Collecting and analyzing data on hazards, risks, and social vulnerability;
- Establishing effective community engagement practices and providing opportunities for participatory budgeting and community-driven program design;
- And creating (1) transparent systems for monitoring impacts and (2) adaptive management strategies able to adjust to changing needs over time.

MORE RESOURCES TO DRIVE EQUITY:

- [Advancing Community-Led, Equity-Driven Climate Solutions with the Justice40 Accelerator](#)
- [Climate and Economic Justice Screening Tool](#)