

“Modernizing” RIAs Roundtable: Accounting for disadvantaged, vulnerable, & marginalized communities

Society for Risk Analysis
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Distributional analysis directive in MMR

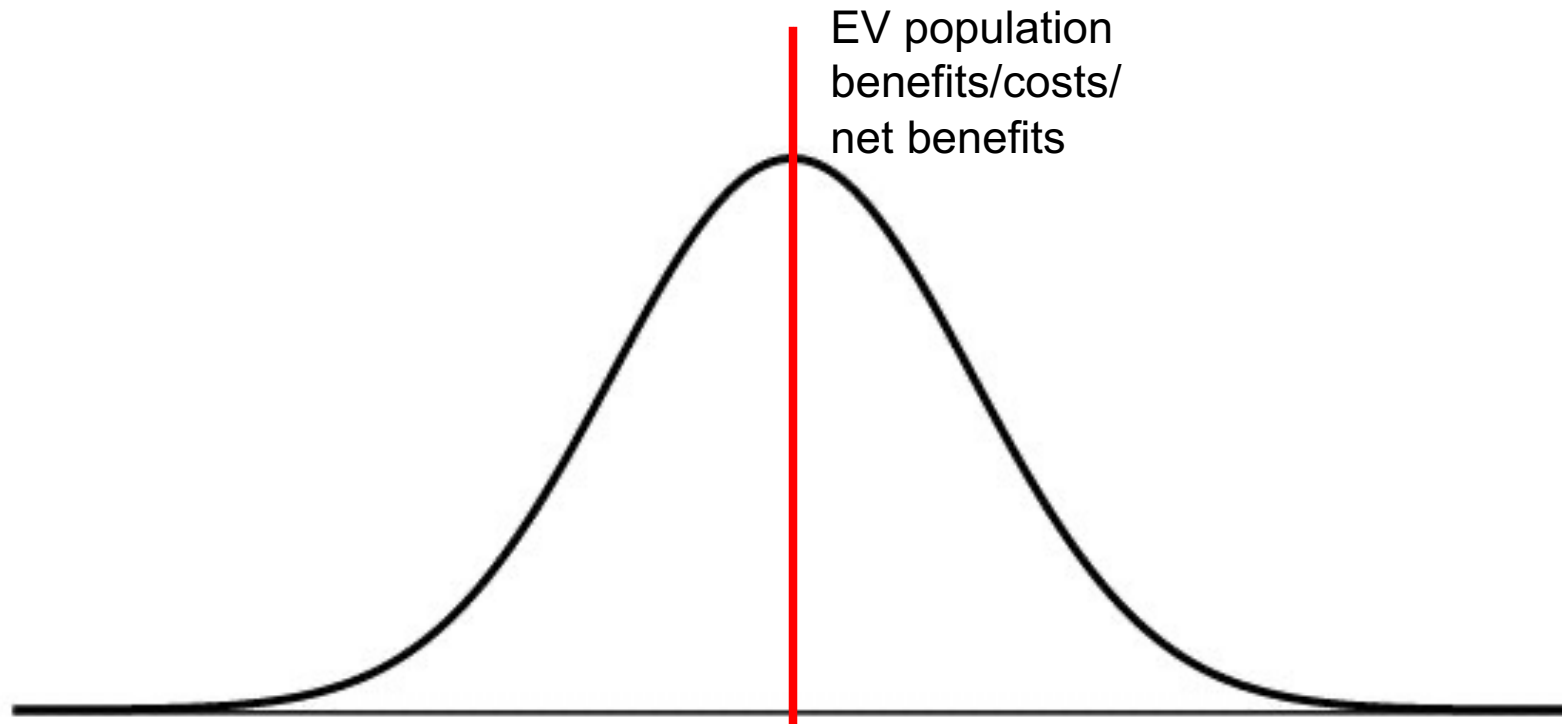
‘[T]ake into account the distributional consequences of regulations, including as part of any quantitative or qualitative analysis of the costs and benefits of regulations, to ensure that regulatory initiatives appropriately benefit and do not inappropriately burden disadvantaged, vulnerable, or marginalized communities’

Biden, “Modernizing Regulatory Review,” 86 FR 7223

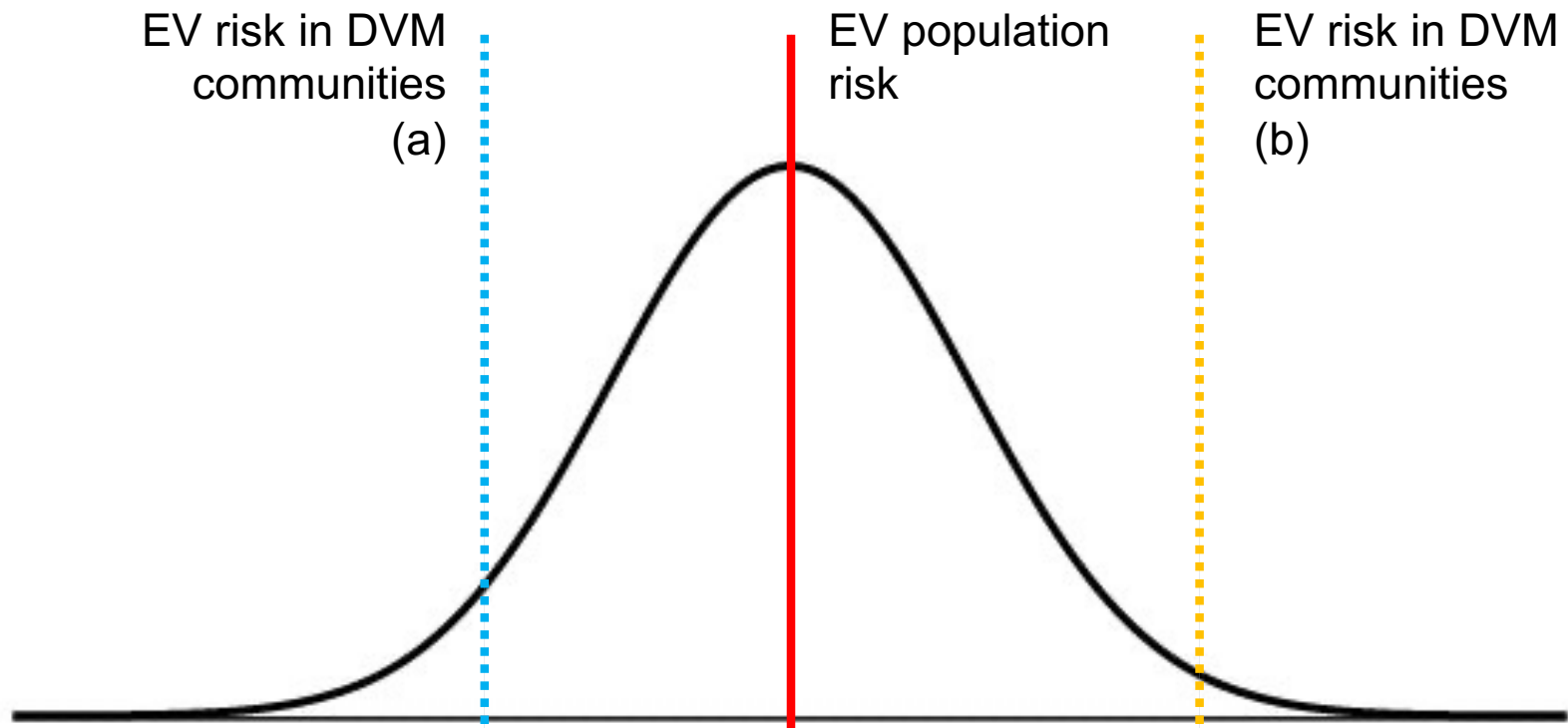
Key terms requiring definition

- ① Communities (DVMs), or individuals or households therein?
 - “disadvantaged”
 - “vulnerable”
 - “marginalized”
- ① “Appropriately benefit” DVMs
- ① “Not inappropriately burden” DVMs

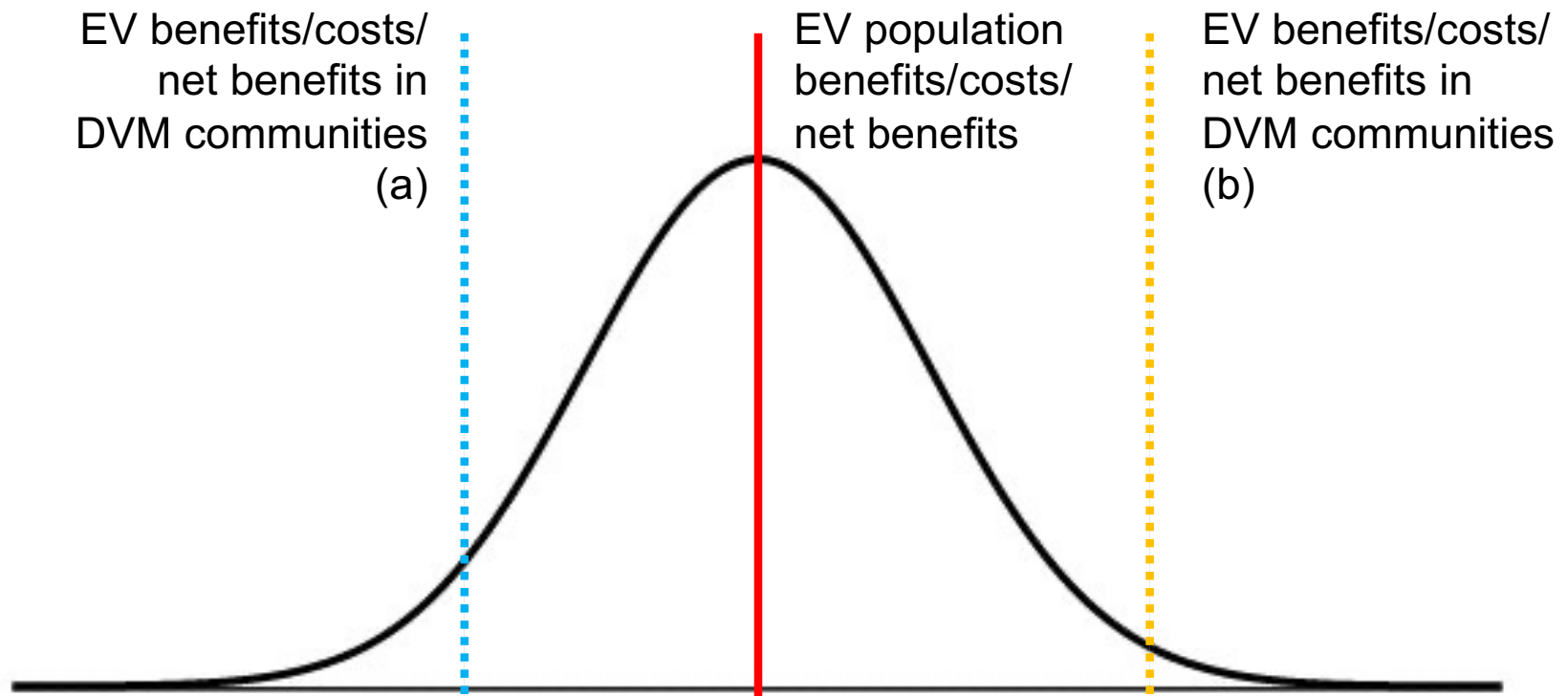
Hypothetical RIA, c. 2020



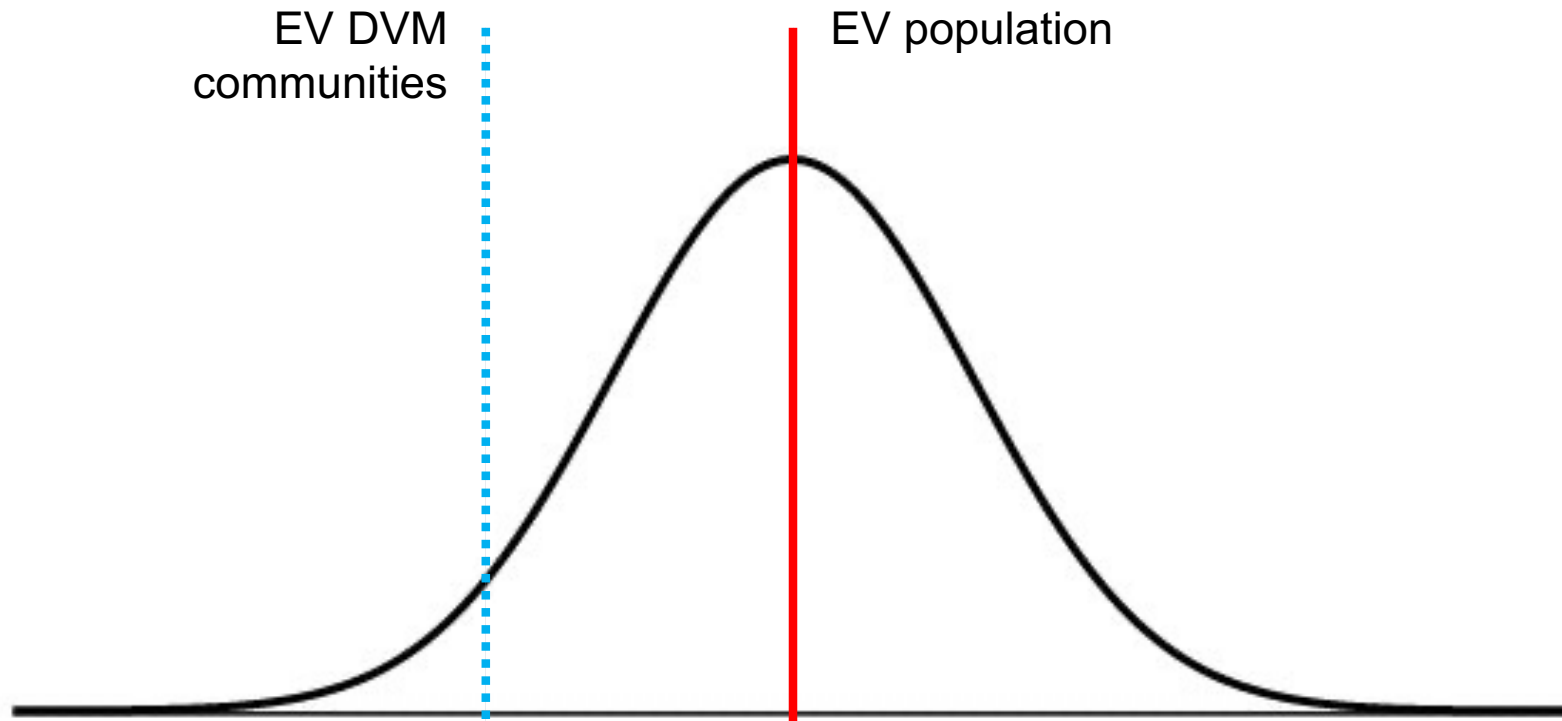
Differences in disproportionate risks in DVMs



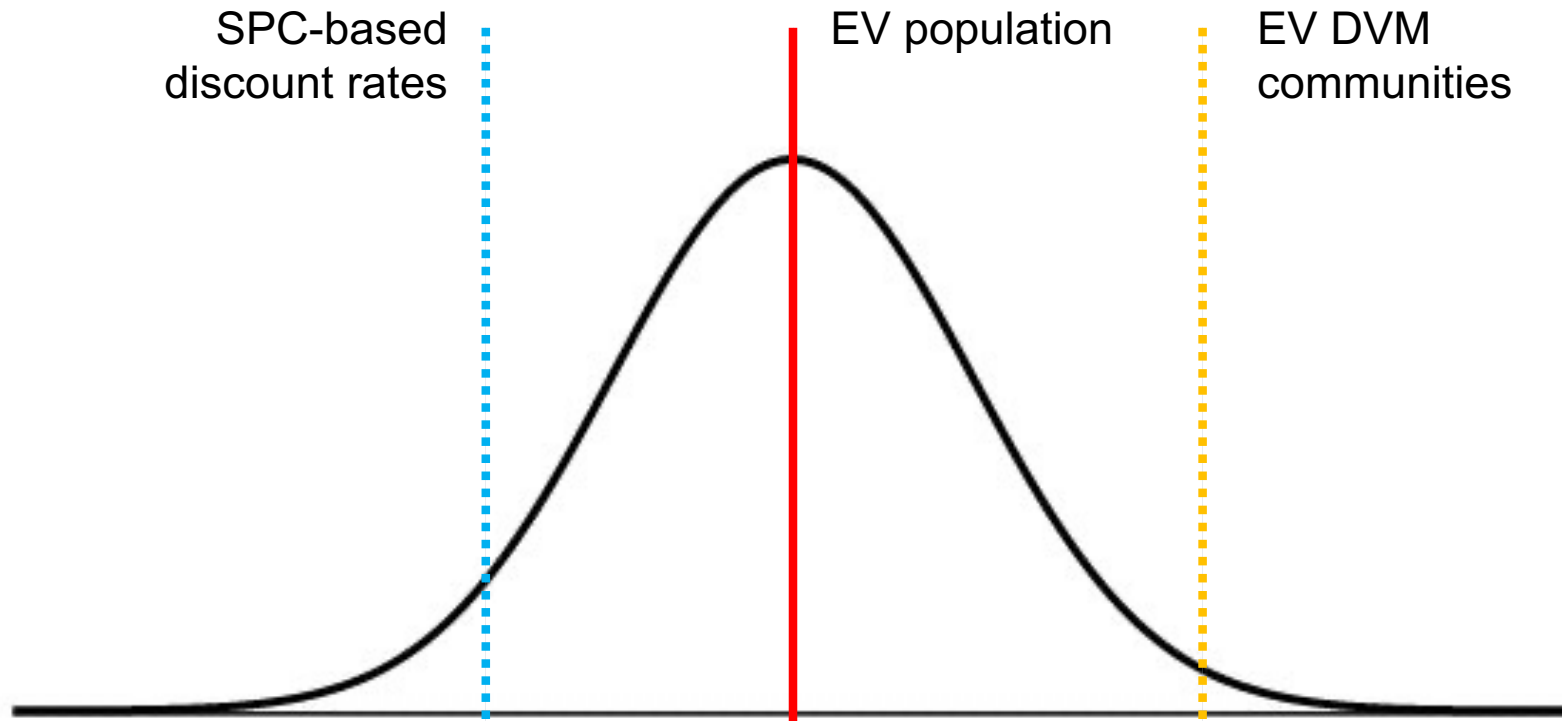
Distributional effects not captured in current RIAs



Benefit-transfer values (eg, VSL) differ for DVMs



Rates of time preference differ for DVMs



Key applications from MRR § 1

- ⊙ Chemicals
- ⊙ Climate change
- ⊙ COVID
- ⊙ ‘Economic downturn’
- ⊙ ‘Systemic racial inequality’