

5 Hawaii's economy has grown due to tourism but the growth in this sector has also increased inflation in this US island state. It is estimated that 9% of Hawaii's population were living in poverty in 2022. Many families struggled to save. Young workers were able to leave due to high levels of labour mobility between US states. However, Hawaii is now facing an ageing population including many more retired people.

- (a)** Define *labour mobility*. [2]
- (b)** Explain the effects of an ageing population on spending and saving levels. [4]
- (c)** Analyse how a rise in tourism can increase inflation in an economy. [6]
- (d)** Discuss whether or not fiscal policy is effective in reducing poverty. [8]