

ALICE IN THE CROSSCURRENTS



COVID AND FINANCIAL HARDSHIP IN HAWAI‘I

2023 Report | UnitedForALICE.org



Aloha United Way

ABOUT UNITED FOR ALICE AND OUR PARTNERS

ALICE in the Crosscurrents: COVID and Financial Hardship in Hawai'i is brought to you by [Aloha United Way](#) in partnership with [United For ALICE](#), a driver of innovative research and action around financial hardship for **ALICE** (Asset Limited, Income Constrained, Employed) households. With a commitment to [racial and economic justice](#), United For ALICE and United Ways across Hawai'i share this work with foundations, government, corporations, and other nonprofits to inform policy and promote positive change for ALICE households. The grassroots ALICE movement, developed by United Way of Northern New Jersey, has spread to 27 states and the District of Columbia. Learn more about the ALICE movement [here](#).

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To learn more about how you can get involved in advocating and creating change for ALICE in Hawai'i, contact: impact@auw.org

To access interactive ALICE data and resources for Hawai'i, go to UnitedForALICE.org/Hawaii





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ALICE RESEARCH IN A TIME OF CHANGE

The pandemic has disrupted longstanding patterns in how and where people live, work, study, save, and spend their time. The story of ALICE and the pandemic is still unfolding as this Report is being written, amid an ongoing health crisis and an economic and public policy landscape that continues to shift. In a time of change, United For ALICE remains committed to providing the most up-to-date local data possible on financial hardship in Hawai'i and across the U.S.

Two pillars of the ALICE measures are household costs and income. The **Household Survival Budget** calculates the cost of household essentials for each county in Hawai'i, and relies on a wide range of sources for the budget items of housing, child care, food, transportation, health care, and a smartphone plan, plus taxes.

For household income, the ALICE measures rely on the U.S. Census Bureau's American Community Survey (ACS). The ACS experienced such significant [disruption in data collection](#) in 2020 that the Census Bureau released only experimental estimates, which are not included in our analysis. By 2021, standard Census data collection had resumed. This 2021 dataset is used in this Report and is the most recent ACS data as of the publication date.

Household costs are compared to household income to determine if households are **below the ALICE Threshold**. This includes both households in **Poverty**, with income below the Federal Poverty Level (FPL), and those that are **ALICE**, with income above the FPL but below the cost of basics.

Our standard ALICE data is based on the ACS – both [household tabulated data](#) and individual data from the [Public Use Microdata Sample](#) (PUMS) records. In addition, this Report includes our analysis of three surveys that capture the experiences of state and/or

KEY TERMS

- **ALICE: Asset Limited, Income Constrained, Employed** – households that earn above the Federal Poverty Level (FPL) but cannot afford the basic cost of living in their county. Despite struggling to make ends meet, ALICE households often do not qualify for public assistance.
- **ALICE Threshold of Financial Survival:** Derived from the Household Survival Budget, the minimum average income that a household needs to afford housing, child care, food, transportation, health care, and a smartphone plan, plus taxes. Calculated for all U.S. states and counties.
- **Below ALICE Threshold:** Includes people in poverty-level and ALICE households combined.

nationally representative samples of households during the pandemic:

- [ALICE in Hawai'i: 2022 Facts and Figures](#), July–September, 2022
- [Federal Reserve Board's Survey of Household Economics and Decisionmaking \(SHED\)](#), October, 2019; November, 2020; and November, 2021
- [U.S. Census Bureau's COVID-19 Household Pulse Survey \(Household Pulse Survey\)](#), August 19–August 31, 2020; September 14–November 14, 2022; and December 9–December 19, 2022

Learn more about our methodology at: UnitedForALICE.org/Methodology

Data Notes: The data used in this Report are estimates; some are geographic averages, others are one- or five-year averages depending on population size. Percentages are rounded to whole numbers, sometimes resulting in percentages totaling 99% or 101%. ALICE analysis includes all households, regardless of work status, as employment is fluid and most households have members who are working, have worked, or are looking for work.

THE ALICE HOUSEHOLD SURVIVAL BUDGET

The ALICE Household Survival Budget is the foundation of the ALICE research. This budget calculates the bare-minimum cost of the household basics needed to live and work in the modern economy by household composition, in every county. When compared to the more accurate cost of living included in the Household Survival Budget, the Federal Poverty Level (FPL) is drastically inadequate. Unlike the ALICE budgets, the FPL is not based on the cost of contemporary household necessities, and except for Alaska and Hawai'i, it is not adjusted to reflect cost-of-living differences across the U.S. Nor does it adjust for different ages of household members. The FPL is increased annually based on the Bureau of Labor Statistics' (BLS) Consumer Price Index (CPI), and those increases are the same for all U.S. households of a given size. By contrast, the actual household costs in the Survival Budget have increased at slightly different rates depending on location, household size, and household composition.

Yet despite its inadequacies, the FPL continues to be the standard for determining the number and proportion of people living in poverty in the U.S. **With the FPL as the primary way for policymakers and local stakeholders to gauge the extent of financial hardship in their communities, a huge portion of struggling U.S. households go unrecognized.**









Across Hawai'i, for all household sizes and in all locations, the FPL is well below the Household Survival Budget. In 2021, the FPL was \$30,480 for a family of four. In contrast, Figure 1 shows that the average cost of living for a family of four in Hawai'i was \$85,812, considerably higher than the FPL, and average household costs for a single adult were also substantially higher. Cost increases were driven largely by housing and food. Increases were mitigated by child tax credits in 2021 for families with children.

Figure 1. ALICE Household Survival Budget and Federal Poverty Level, Hawai'i, 2021

	Federal Poverty Level <i>Census income thresholds that vary by household size but not geography to determine who is in poverty</i>	ALICE Household Survival Budget <i>The cost of the essentials needed to live and work in the modern economy, by household type and location</i>
Family of Four		
Monthly Total	\$2,540	\$7,151
Annual Total	\$30,480	\$85,812
Percent Change, 2019–2021	3%	18%
Single Adult		
Monthly Total	\$1,235	\$3,076
Annual Total	\$14,820	\$36,912
Percent Change, 2019–2021	3%	26%

Note: Percent change is pre-tax.

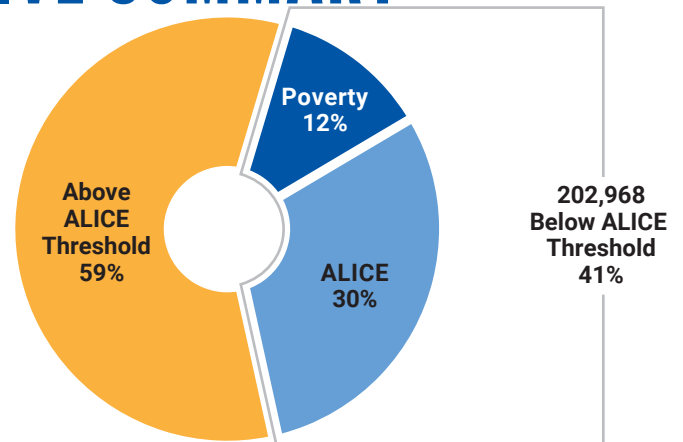
Sources: ALICE Household Survival Budget, 2021; Assistant Secretary for Planning and Evaluation (ASPE), HHS poverty guidelines for 2021, U.S. Department of Health and Human Services

ALICE Household Survival Budget		Average Monthly Costs, Hawai'i, 2021	
	Description, Update, and Sources	One Adult	Family of Four
Housing 	Rent: Fair Market Rent (40 th percentile) for an efficiency, one-bedroom, or two-bedroom apartment (based on family size), adjusted in metro areas using the American Community Survey (ACS) – minus utilities Update: As captured by the Consumer Expenditure Survey (CEX) Sources: ACS metro housing costs and U.S. Department of Housing and Urban Development (rent); CEX (utilities)	\$1,210 rent + \$154 utilities	\$1,645 rent + \$292 utilities
Child Care 	Cost for registered Family Child Care Homes for infants (0–2 years), preschool-age (3–4), and school-age children (5–12) Source: State of Hawai'i Department of Human Services, 2022	\$ -	\$1,690
Food 	USDA Thrifty Food Plan by age with county variation from Feeding America Update: A change in legislation requires the USDA Thrifty Food Plans to reflect the cost for resource-constrained households to purchase a healthy, practical diet, starting in 2021, increasing costs from prior years. Sources: Feeding America; U.S. Department of Agriculture (USDA)	\$578	\$1,575
Transportation 	Operating costs for a car (average daily miles by age, cost per mile, license, fees, and insurance), or public transportation where viable Update: The decline in public transportation use during the pandemic reduced the average expenditure , yet the cost for workers who had to use it to commute remained the same. To reflect this, the budget uses 2019 average CEX spending. Sources: AAA, Federal Highway Administration, The Zebra (car); CEX (public transportation)	\$281	\$681
Health Care 	Health insurance premiums based on employer-sponsored plans plus out-of-pocket costs for households with \$40,000–\$69,000 annual income by age, weighted with the poor-health multiplier. For the senior budget, cost of Medicare Part A and B, out-of-pocket costs, plus average out-of-pocket spending for the top five chronic diseases as reported by CMS. Sources: Centers for Medicare and Medicaid Services (CMS); Consumer Expenditure Survey; Medical Expenditure Panel Survey (MEPS)	\$146	\$809
Technology 	Smartphone plan with 10GB of data for each adult in a household Update: Costs were upgraded from a 5GB to a 10GB monthly data plan to reflect the increased need for internet access. Source: Consumer Reports	\$75	\$110
Miscellaneous 	Cost overruns estimated at 10% of the budget, excluding taxes, to cover one-time unanticipated costs within the other categories	\$244	\$680
Taxes 	Federal, state, and local taxes owed on the amount of income to cover the Survival Budget, as well as tax credits, including the Child Tax Credit (CTC) and the Child and Dependent Care Tax Credit (CDCTC) Update: Due to the significant effect of the expanded tax credits in 2021, total taxes before credits and the credits are both listed. Sources: Internal Revenue Service; Tax Foundation	\$388	\$1,189 Tax before CTC and CDCTC - \$1,520 CTC and CDCTC
Monthly Total		\$3,076	\$7,151

To see the Household Survival Budget for other household compositions at the state and county levels, go to UnitedForALICE.org/Household-Budgets/Hawaii.

ALICE IN HAWAI‘I: EXECUTIVE SUMMARY

The number of households in financial hardship in Hawai‘i continues to be undercounted in official measures. According to the FPL, 12% of households in Hawai‘i (57,262) were in poverty in 2021. Yet [United For ALICE](#) data shows that another 30% (145,706 households) – more than twice as many – were ALICE (Asset Limited, Income Constrained, Employed). ALICE households earn above the FPL, but not enough to afford the basics in the communities where they live.



The reality is that of the 490,101 households in Hawai‘i, 202,968 – 41%* – had income below the [ALICE Threshold of Financial Survival](#) in 2021. These included both households in poverty and ALICE households.

* In Hawai‘i in 2021, out of 490,101 households, there were 57,262 (11.7%) in poverty plus 145,706 (29.7%) ALICE, totaling 202,968 (41.4%) below the ALICE Threshold, which is rounded to 41% in this Report.

The crux of the problem is a mismatch between earnings and the cost of basics. For example, 47% of waiters and waitresses (one of the most common occupations in Hawai‘i) were below the ALICE Threshold in 2021. These workers earned a median hourly wage of \$13.64 – not even enough to cover the **ALICE Household Survival Budget** for one worker employed full time (\$18.64 per hour), much less for a family with two children, even with two adults working (combined wage of \$42.91 per hour). **From 2019 to 2021, the cost of basics increased in Hawai‘i and remained well above the FPL in every county.** For a family of four in 2021, the FPL was \$30,480 while the ALICE Household Survival Budget was \$85,812. Between 2019 and 2021, the average annual costs (excluding taxes) increased 26% for a single adult, 23% for a single senior, and 18% for a family of four.

ALICE Household Survival Budget, Hawai‘i Average, 2021			
	Single Adult	Single Senior	2 Adults, 1 Infant, 1 Preschooler
Monthly Costs			
Housing – Rent	\$1,210	\$1,210	\$1,645
Housing – Utilities	\$154	\$154	\$292
Child Care	-	-	\$1,690
Food	\$578	\$533	\$1,575
Transportation	\$281	\$243	\$681
Health Care	\$146	\$491	\$809
Technology	\$75	\$75	\$110
Miscellaneous	\$244	\$271	\$680
Tax Before Credits	\$388	\$445	\$1,189
Monthly Total	\$3,076	\$3,422	\$8,671
ANNUAL TOTAL Before Credits	\$36,912	\$41,064	\$104,052
Tax Credits (CTC and CDCTC)	-	-	(\$18,240)
ANNUAL TOTAL with Credits	\$36,912	\$41,064	\$85,812
Full-Time Hourly Wage	\$18.46	\$20.53	\$42.91

Note: CTC = Child Tax Credit, CDCTC = Child and Dependent Care Tax Credit. Percent change is pre-tax. Full-time hourly wage represents the wage needed at 40 hours/week to support the annual total, with credits. For the family of four, this represents the wage needed for two workers combined. Many households incur higher costs, especially for housing, as units may not be available at Fair Market Rent. To view ALICE Household Survival Budgets for all counties and for any household composition, visit [UnitedForALICE.org/Household-Budgets/Hawaii](https://www.unitedforalice.org/Household-Budgets/Hawaii)

Sources: AAA, 2021; Agency for Healthcare Research and Quality, 2021; American Community Survey, 2021; Bureau of Labor Statistics, 2021—Consumer Expenditure Surveys; Bureau of Labor Statistics, 2021—Occupational Employment Statistics; Centers for Medicare & Medicaid Services, 2021; Centers for Medicare & Medicaid Services, 2021—Medicare - Chronic Conditions; Centers for Medicare & Medicaid Services, 2021—Medicare Current Beneficiary Survey; Federal Highway Administration, 2017; Feeding America, 2022; Fowler, 2021; Internal Revenue Service, 2021; Internal Revenue Service—FICA, 2021; Medicare.gov; Scarboro, 2021; State of Hawai‘i Department of Human Services, 2022; Tax Foundation, 2021; The Zebra, 2022; U.S. Department of Agriculture, 2021—Official USDA Food Plans; U.S. Department of Housing and Urban Development, 2021—Fair Market Rents; Walczak, 2021.

This Report details the impact of competing economic forces and public policy interventions during the pandemic on ALICE households in Hawai'i in 2021. It also presents research suggesting that the impact of the pandemic on financial security continued beyond 2021.

Key findings include:

- **Financial hardship over time:** ALICE households are especially vulnerable to national economic disruptions. The number of households below the ALICE Threshold in Hawai'i increased substantially during the Great Recession (2007–2010) and never returned to 2007 levels. Between 2016 and 2019, the number of households in poverty was decreasing – then the pandemic hit. From 2019 to 2021, the number of households in poverty increased while the number of ALICE households decreased slightly. With poverty and ALICE combined, the number of financially unstable households in Hawai'i increased by 4%. However, the number of households above the ALICE Threshold also increased during this period, leading to a very slight decrease in the overall percentage of households below the ALICE Threshold (from 42% in 2019 to 41% in 2021).
- **Demographics:** There are households below the ALICE Threshold across all demographic groups. However, disparities exist in the rates of financial hardship due to [persistent racism](#), [ageism](#), [gender discrimination](#), and [geographic barriers](#) that limit many families' access to resources and opportunities for financial stability. By race/ethnicity, Asian and White households made up the largest groups below the Threshold in Hawai'i in 2021 (70,266 and 59,486, households, respectively), representing 37% of all Asian households and 43% of all White households. Yet by percentage, rates were higher for other groups: For example, 49% (19,677) of Native Hawaiian/Pacific Islander and 50% (5,298) of Black households were below the Threshold in 2021.

By age of householder, the youngest households (headed by someone under age 25) faced the highest rates of hardship. And by household composition, single-parent families with children were more likely to be below the Threshold than married-parent households or single/cohabiting households without children.

Financial hardship was higher on neighbor islands than on O'ahu (Honolulu County). In 2021, 42% of households on Kauai, 47% of households on Hawai'i island, and 49% of households on Maui were below the ALICE Threshold, compared to 39% of households on O'ahu.

- **Work and wages:** Of the 20 most common occupations in Hawai'i in 2021, 65% paid less than \$20 per hour. Most of these saw an increase in the median wage; for example, the median wage for office clerks increased by 10% to \$18.00 per hour statewide in 2021. However, a few jobs saw a decrease in median hourly wages during this period – most notably waiters and waitresses, whose wages decreased by a substantial 47% during the pandemic. And given that wages had stagnated for a decade, even jobs with growing wages still had a substantial percentage of workers who lived below the ALICE Threshold in 2021.
- **Pandemic assistance:** Public assistance programs were temporarily expanded in 2021, but not enough to bring most households below the ALICE Threshold to financial stability. In Hawai'i, a family of four with two parents working full time in two of the most common occupations (retail salesperson and cashier) could not afford the Household Survival Budget in 2021, even with the expanded Child Tax Credit, the Child and Dependent Care Tax Credit, and the Economic Impact Payments.

- **Savings and assets:** While emergency savings rates were increasing on average across the U.S., rates differed by income. (Note: This section includes national data as Hawai'i-specific data on savings and assets is not available for 2021. However, 2022 data on these topics is included in the "Beyond 2021" section.) According to SHED, only 34% of U.S. households below the ALICE Threshold had emergency savings or rainy day funds in October 2019 compared to 69% of households above the Threshold. By November 2021, the rates increased for both groups (to 40% for households below the Threshold and 75% for households above the Threshold).

- **Beyond 2021:** With pandemic assistance waning while significant challenges remain, there are signs that the economic situation for households below the ALICE Threshold has worsened since 2021, including sustained high levels of food insufficiency, feelings of anxiety and depression, continued difficulty paying bills, unmanageable debt, and limited savings. Based on data from [Aloha United Way's ALICE Survey](#) (July–September, 2022), the percentage of households below the ALICE Threshold in Hawai'i rose between 2021 and 2022.

ALICE DATA ONLINE

Visit UnitedForALICE.org/Hawaii to see interactive maps and data on:

- Financial hardship over time at the state and county levels
- State and county ALICE demographics
- ALICE household budgets
- The labor landscape in Hawai'i

THE COMPETING FORCES OF THE COVID ECONOMY

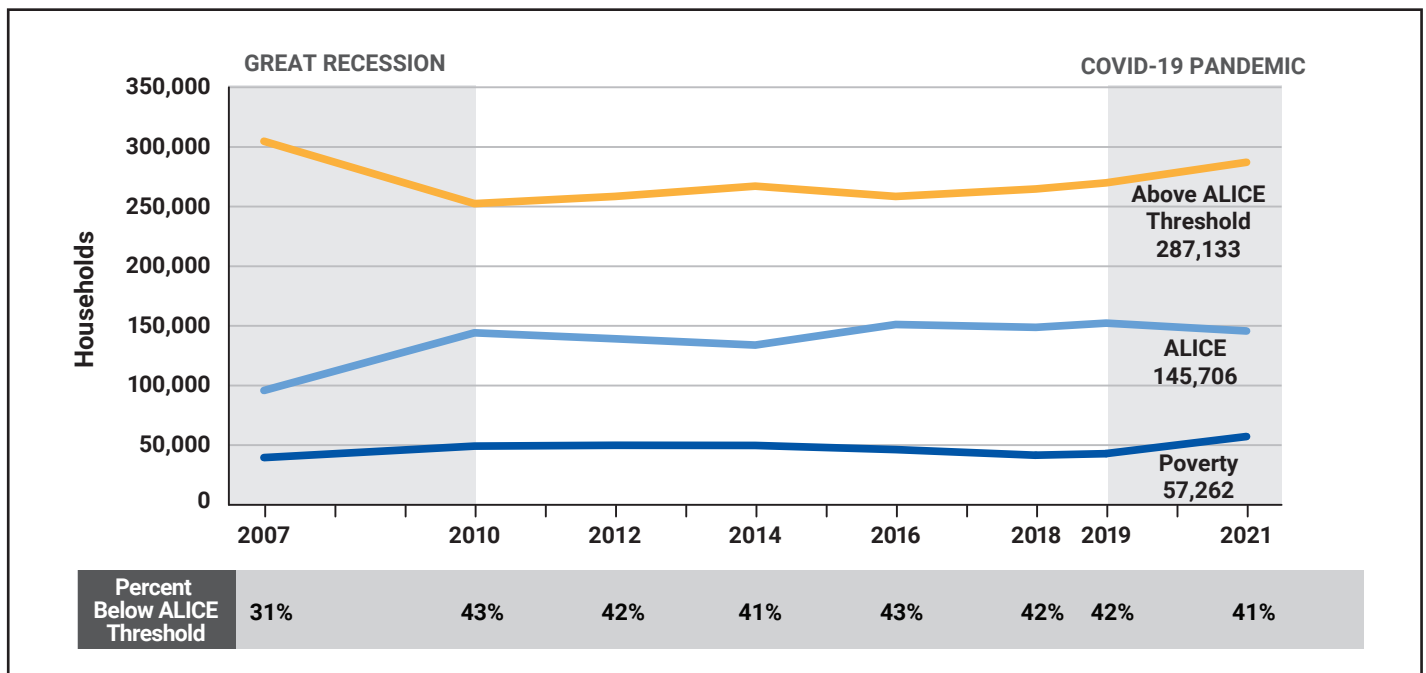
Competing economic forces and public policy interventions have made it difficult to predict the net impact of the pandemic on household financial stability. After March 2020, when the pandemic hit, businesses, child care providers, schools, and community services closed, some permanently; others went remote for months. The [loss of jobs and wages was not experienced equally](#); those who could work remotely fared better than those who were required to be on-site. Initially, costs for many basics declined, but disruptions to the [supply chain and higher wages](#) to retain workers then [pushed prices up](#) – by 7.5% annually across the U.S. in 2021, compared to less than 3% annually in the [prior 10 years](#) – straining ALICE households even more.

Yet other forces provided economic benefits for many households. In 2021, [average weekly wages](#) across

all industries were up 3% in Hawai'i from 2020, and up 5.6% nationally (the second-fastest national increase in the past two decades). In addition, [emergency pandemic measures](#) and [economic policies](#) provided critical support for ALICE families, including housing assistance, expanded unemployment insurance, stimulus checks, enhanced tax credits, and a nationwide eviction moratorium.

Those measures made a difference: Government policies and assistance helped to mitigate – but not completely prevent – negative economic impacts resulting from the pandemic, as shown in Figure 2. Overall, in Hawai'i between 2019 and 2021, the percentage of households below the ALICE Threshold was relatively unchanged, yet the total number of these financially unstable households increased.

Figure 2. Households by Income, Hawai'i, 2007–2021



Sources: ALICE Threshold, 2007–2021; U.S. Census Bureau, American Community Survey, 2007–2021

Although 2021 Census ACS data is the most current available at the time of this Report Publication, Aloha United Way's Report, [ALICE in Hawai'i: 2022 Facts and Figures](#) found evidence that the percentage of households below the ALICE Threshold continued to increase, reaching 44% of Hawai'i households in 2022.

During the last major economic disruption – the Great Recession – the percentage of Hawai'i households below the ALICE Threshold increased from 31% in 2007 to 43% in 2010. In the decade that followed, the number of ALICE households remained at that higher plateau – never returning to pre-Recession levels – while the number of households in poverty remained relatively flat.

Then the pandemic hit. By number, there were more financially insecure households in Hawai'i after the pandemic than before, rising from 195,202 households in 2019 to 202,968 households in 2021. This increase was driven by a notable uptick in the number of households in poverty (from 42,896 households in 2019 to 57,262 households in 2021). The number of ALICE households

decreased during the same period (from 152,306 in 2019 to 145,706 in 2021).

Yet compared to the stark increase in financial hardship following the Great Recession, the impact of the pandemic was more muted: The percentage of households below the ALICE Threshold remained relatively stable (42% in 2019 and 41% in 2021) despite the increase in the number of households below the Threshold (rising from 195,202 households in 2019 to 202,968 households in 2021).

GREAT RECESSION VS. PANDEMIC: INCREASES IN HARDSHIP

- Through the Great Recession (2007–2010), the increase in the number of Hawai'i households below the ALICE Threshold was driven by a substantial increase in ALICE households.
- During the pandemic (2019–2021), growth in the number of households below the Threshold was driven by a large increase in households in poverty.

THE IMPACT OF THE COVID ECONOMY ON... ALICE DEMOGRAPHICS AND EQUITY

While the number of Hawai'i households that were struggling financially increased from 2019 to 2021, the impact of competing forces played out differently across demographic groups (Figure 3). In many cases, the pandemic exposed and exacerbated disparities and vulnerabilities that have long existed in our society, with substantial differences in rates of hardship by race/ethnicity, age, and household composition.

In Hawai'i in 2021, rates of financial hardship differed significantly between groups, a result of [persistent racism](#), [ageism](#), [gender discrimination](#), and [geographic barriers](#) that limit many families' access to resources and opportunities for financial stability:

- In 2021, Asian and White households made up the largest groups below the Threshold (70,266 and 59,486, households, respectively), representing 37% of all Asian households and 43% of all White households. Yet by percentage, rates were higher for other groups, for example, 49% (19,677) of Native Hawaiian/Pacific Islander and 50% (5,298) of Black households were below the Threshold in 2021. However, it is also important to note that while the ACS tabulated data does not break down Asian households into sub-groups, additional research shows there is substantial variation in income across the different ethnic groups included in this category. For example, the 2022 Aloha United Way Survey found that the rate of financial hardship

among Filipino households was over 1.5 times higher than that of Japanese households in the state.

- By age of householder, the youngest households had the highest rate of hardship in 2021, with 73% of households headed by someone under age 25 below the Threshold in Hawai'i. By comparison, 43% of households headed by someone age 25–44, 38% of households headed by those age 45–64, and 41% of senior households (headed by someone age 65+) were below the Threshold.
- By household composition, single parents were most likely to be below the ALICE Threshold, with 61% of single-male-headed households and 76% of single-female-headed households struggling to make ends meet. Rates of financial hardship were lower for married-parent households (26%) and single/cohabiting households without children (44%).

Figure 3 paints a clear picture of the rates of hardship for different demographic groups compared to the Hawai'i average. For all households in the state, 12% were in poverty and 30% were ALICE in 2021.

Figure 3. Household Financial Status and Key Demographics, Hawai'i, 2021

	Total	Below ALICE Threshold	■ Poverty ■ ALICE ■ Above ALICE Theshold
ALL HOUSEHOLDS	490,101	202,968	12% 30% 59%
AGE			
Under 25 Years	14,263	10,400	29% 44% 27%
25 to 44 Years	142,765	61,499	13% 30% 57%
45 to 64 Years	174,694	66,297	11% 27% 62%
Seniors (65+)	158,379	64,772	10% 31% 59%
RACE/ETHNICITY			
American Indian/ Alaska Native	1,742	1,061	17% 44% 39%
Asian	187,648	70,266	7% 30% 63%
Black	10,570	5,298	8% 42% 50%
Hispanic	39,257	18,288	8% 39% 53%
Native Hawaiian/ Pacific Islander	40,094	19,677	10% 39% 51%
Two or More Races	94,705	37,948	7% 33% 60%
White	139,365	59,486	10% 33% 57%
HOUSEHOLD TYPE			
Married With Children	90,278	23,499	6% 20% 74%
Single-Female- Headed With Children	21,196	16,034	41% 35% 24%
Single-Male-Headed With Children	9,884	6,043	19% 42% 39%
Single or Cohabiting, Under 65, no Children	210,364	92,620	12% 32% 56%
URBAN/RURAL			
Rural	95,689	43,622	15% 31% 54%
Urban	394,412	159,346	11% 29% 60%

Note: In Hawai'i, out of 490,101 households, there were 57,262 (11.7%) in poverty plus 145,706 (29.7%) ALICE, totaling 202,968 (41.4%) below the ALICE Threshold, which is rounded to 41% in this Report. The groups shown in this figure overlap across categories. Within the race/ethnicity category, all racial categories except Two or More Races are for one race alone. Race and ethnicity are overlapping categories; in this Report, the American Indian/Alaska Native, Asian, Black, Native Hawaiian (includes other Pacific Islanders), and Two or More Races groups may include Hispanic households. The White group includes only White, non-Hispanic households. The Hispanic group may include households of any race. Because household poverty data is not available for the American Community Survey's race/ethnicity categories, annual income below \$15,000 is used as a proxy. Counties are defined as rural or urban based on the USDA's designation of metropolitan or non-metropolitan at the census tract level. Counties with 50% or more of the population in metropolitan tracts are designated as urban; those with 50% or more of the population in non-metropolitan tracts are designated as rural. Hawai'i and Kauai Counties are designated as rural, and Honolulu and Maui counties are designated as urban.

Sources: ALICE Threshold, 2019 and 2021; American Community Survey, 2019 and 2021

Changes in Population and Financial Hardship (2019–2021)

In the decade preceding the pandemic, population growth in the U.S. had started to slow due to a decrease in both the number of births and international migration, and an increase in deaths associated with the aging population. The pandemic [exacerbated the national slowdown](#), and in 2021 population growth in the U.S. reached a [historic low](#) due to a sharp increase in COVID-related deaths, postponement of having children, and more restrictive policies on immigration.

The pandemic also affected domestic migration, which contributed to population shifts nationally and in Hawai'i. Between 2020 and 2021, the percentage of the [population that moved](#) from one residence to another within the U.S. dropped from 9.3% to 8.4%. People moved for a [variety of reasons](#), which included relocating to places where the cost of living was lower (especially for [housing](#) and [taxes](#)), and/or to [less densely populated](#) locations.

In Hawai'i, the pandemic also impacted where people lived, who they lived with, and the demographics of households.

Location: In Hawai'i from 2019 to 2021, all counties saw an increase in total number of households. Honolulu County (island of O'ahu) had the largest percentage increase in the total number of households (up 7%), and Hawai'i County had the smallest percentage increase

(up 1%). During this same period, the number of households below the ALICE Threshold increased across Honolulu, Kauai, and Maui Counties (by 3%, 8%, and 15%, respectively) and decreased in Hawai'i County (by 3%). (See additional county-level data on the [United For ALICE website](#).)

As a whole, Hawai'i also experienced an increase in the percentage of residents who moved in from out of state, from 3.6% of the population in 2019 to 5% in 2021.

The number of households in predominantly rural counties increased by 2% across Hawai'i, and the number of households in predominantly urban counties increased by 6%. The rate of financial hardship was higher in rural counties (46%) than in urban counties (40%) in 2021.

Age: Households headed by the youngest and oldest householders in Hawai'i saw the largest increase in total households between 2019 and 2021. The number of households headed by people under age 25 increased by 9% and the number of senior-headed households increased by 7%. The number of households headed by people age 25–44 grew by 4% and those headed by someone age 45–64 grew by 5%.

Rates of financial hardship by age group were essentially unchanged between 2019 and 2021. The percentage of households below the ALICE Threshold decreased slightly for those headed by someone age 25–44 (from 44% to 43%) and by someone over age 65 (from 42% to 41%). Rates were unchanged for households headed by people under-25 (at 73%) and those age 45–64 (at 38%).

URBAN AND RURAL CHANGE IN HAWAI'I (2019–2021)

- 2% increase in total number of households in rural counties (Hawai'i and Kauai counties)
- 6% increase in total number of households in urban counties (Honolulu and Maui counties)

Household composition: Single-female-headed households with children had the highest rate of financial hardship in 2019 (at 75%) – a rate that increased slightly in 2021 (to 76%), despite a decline in the total number of these households (down 2%). The rate of hardship also increased slightly for single or cohabiting households without children (changing from 43% to 44%) and with a total population that grew during this period (up 3%). In contrast, there was a decrease in the rate of financial hardship for single-male-headed households (from 71% to 61%), even with a growing number of these households (up 9%). The number of married-parent households with children also increased 9%, yet their rate of financial hardship decreased (from 28% to 26%).

Race/ethnicity: This Report is not able to accurately capture change over time by race/ethnicity in the total number or share of households below the ALICE Threshold. Starting in 2020, the U.S. Census Bureau changed how it asks about and codes [data on race and Hispanic origin](#). These changes help the Census and ACS provide a more complete picture of the U.S. population, especially for people who self-identify as multiracial or multiethnic. But as a result, the [Census urges caution](#) when comparing race data between years before and after 2020. For example, in Hawai'i, the increase in the

Census count of people of [Two or More Races](#) (also referred to now as Multiracial) – an increase of 27% from 2019 to 2021 – is a combination of actual growth in this population and improvements to Census questions and coding.

Immigration: The pandemic not only imposed new barriers to international migration but also had a significant impact on immigrant communities across the U.S. According to the [Migration Policy Institute](#), as a result of immigration center processing delays and bans on international travel, the number of visas issued in the U.S. dropped by half between 2019 and 2020. In Hawai'i in 2021, 18% of the population were immigrants, similar to the percentage in 2019 (19%), with the largest number of immigrants originating from China, Japan, and the Philippines.

THE IMPACT OF THE COVID ECONOMY ON... WORK AND WAGES

Overall, in 2021, the labor market was rebounding from the record-breaking unemployment and [drop in total employment](#) that occurred at the start of the pandemic. The unemployment rate in Hawai'i was still elevated from pre-pandemic rates (6.1%), but substantially down from its height in April 2020 (22.4%). In addition, [average weekly wages](#) across all industries increased 3% in Hawai'i from 2020 to 2021. This was driven by the increased demand for [essential workers](#) and by "The [Great Resignation](#)" — while some workers left the labor force, over time many more changed jobs to find better pay as well as work-life balance.

It was also a unique year for low-wage jobs and workers. In 2021, low-wage workers across the country experienced [faster wage growth than middle- and high-wage workers](#), although from a much lower starting point. Research from [Opportunity Insights](#) also shows that the number of low-wage jobs fell in Hawai'i: In December 2021, there were 23.2% fewer jobs paying less than \$29,000 per year than at the start of the pandemic — some became higher-paying jobs, others went away altogether.

[State Unemployment Insurance](#) (UI) helps individuals who lost jobs — before, during, and after the pandemic. In 2021, \$295.5 million was paid to individuals under Hawai'i's regular unemployment insurance program, and an additional \$21.9 million was paid in Extended Unemployment Benefits, available during periods of specified high unemployment.

During the pandemic, these standard UI benefits were expanded by the [Cares Act, the American Rescue Plan, and the Continued Assistance Act](#), which included [four temporary programs](#). The most utilized was the Federal Pandemic Unemployment Compensation (FPUC) program, which provided a \$300 weekly supplement to all UI benefits (down from the \$600 weekly supplement included in the original 2020 authorization). Additional programs extended the weeks of eligibility for people who exhausted regular UI benefits, and expanded eligibility to people who were not otherwise eligible for UI benefits (including workers who were self-employed, independent contractors, or gig economy workers). Temporary UI measures enacted in response to the COVID-19 pandemic ended nationally and in Hawai'i in September 2021.

For low-wage workers, the increases in wages and UI benefits were important developments during the pandemic. But they are only part of the story; ALICE workers still faced significant challenges:

- Better pay and work opportunities were helpful, but not enough to recoup years of being squeezed by the increasing cost of basics, especially for those who struggled to secure full-time employment. As documented in the [ALICE Essentials Index](#), the cost of essential goods had already been outpacing wages for more than a decade, stretching ALICE households even further.

THE ALICE ECONOMIC VIABILITY DASHBOARD — COMING FALL 2023

The Economic Viability Dashboard (EVD) will provide key data on the local economic conditions that matter most to ALICE households: Housing Affordability, Job Opportunities, and Community Resources. The EVD mapping, profile, and comparison features will help stakeholders identify the gaps that ALICE workers and families face in reaching financial stability. Then, the Action Toolkit puts that data to use by quantifying gaps and pairing them with promising solutions.

- Many frontline and essential jobs became [hazardous and difficult](#) during the pandemic. In addition to increased exposure to COVID-19, many workers were required to work more days and hours, skip lunch and breaks, stand for hours, and work while sick. Others were [gig workers](#), forced to work more hours to fill income gaps. Without protective gear, health insurance, or even sick days, there were [increases in mortality](#) compared with previous years, especially for food- and agriculture-sector workers.
- Underemployment became an increasing problem. Many workers were unable to work full time due to family responsibilities, being in school or training, illness, disability, or child care problems. Others were working part time because their hours had been reduced; still others were unable to find full-time jobs. In 2021 in Hawai'i, the [underemployment rate](#) that captures these workers was 11.9%, nearly twice the traditional unemployment rate (6.1%), and nearly twice as high as before the pandemic (6.8% in 2019).
- Many older workers were also forced to [retire earlier than planned](#). Nationally, according to the SHED in November 2021, 25% of adults who retired within the year prior to the survey, and 15% of those who reported they retired one to two years earlier, said factors related to COVID-19 contributed to when they retired.
- Nationally, those most impacted by [unemployment, job disruption](#), and hazardous and difficult working conditions were [immigrants](#) and workers who were American Indian/Alaska Native, Black, Hispanic, Native Hawaiian/Pacific Islander, or of Two or More Races.

Wages for the Most Common Occupations

In 2021, the impact of the pandemic on workers' wages and wage gains did not translate uniformly across all jobs and sectors in terms of the share of households that were still left below the ALICE Threshold.

Of the 20 most common occupations in Hawai'i in 2021, 65% paid less than \$20 per hour. Most of these saw an increase in the median wage; for example, the median wage for office clerks increased by 10% to \$18.00 per hour statewide in 2021. However, a few jobs saw a decrease in median hourly wages during this period – most notably waiters and waitresses, whose wages decreased by a substantial 47% during the pandemic. And given that wages had stagnated for a decade, even jobs with growing wages still had a substantial percentage of workers who lived below the ALICE Threshold in 2021 (Figure 4). The wage to cover the ALICE Household Survival Budget for a single adult was \$18.46 per hour working full time, or for a family with two adults and two children, a combined wage of \$42.91 per hour.

While there were ALICE workers in all sectors in Hawai'i, the top occupations with the highest percentage of workers below the ALICE Threshold in 2021 were cook; stocker/order filler; cashier; fast food/counter worker; and waiter/waitress.

CHILD CARE WORKERS

The pandemic brought to the forefront the crisis in child care availability and cost. For families with two children in care, child care is often the most expensive item in their budget, even more expensive than housing. Child care workers are the workforce behind the workforce, yet many struggle to make ends meet for their own families: With a median hourly wage of \$13.79 in Hawai'i in 2021, 39% were below the ALICE Threshold. And with staffing and demand fluctuations, many child care providers went out of business during the pandemic. Lack of care remains an [obstacle for working parents](#).

Figure 4. Top Occupations, Employment, Wages, and Percentage Below ALICE Threshold, Hawai‘i, 2021

Occupation	Total Employment (BLS)	Median Hourly Wage (BLS)	Percent Median Wage Change From 2019 (BLS)	Percent Workers Below ALICE Threshold (ACS PUMS)
Fast Food and Counter Workers	17,560	\$13.75	15%	49%
Retail Salespersons	17,040	\$14.36	5%	29%
Office Clerks	15,680	\$18.00	10%	29%
Cashiers	14,550	\$13.98	12%	51%
General and Operations Managers	11,510	\$46.18	-4%	10%
Registered Nurses	11,110	\$53.40	0%	8%
Security Guards and Gambling Surveillance Officers	9,100	\$17.59	9%	18%
Cooks	9,040	\$18.00	11%	53%
Driver/Sales Workers and Truck Drivers	8,770	\$19.69	3%	35%
Waiters and Waitresses	8,560	\$13.64	-47%	47%
Stockers and Order Fillers	7,930	\$14.91	3%	51%
Office and Administrative Support Supervisors	7,500	\$29.02	5%	14%
Landscaping and Groundskeeping Workers	7,370	\$17.90	-1%	40%
Customer Service Representatives	7,340	\$18.11	3%	32%
Laborers and Movers, Hand	7,260	\$17.87	9%	35%
Secretaries and Administrative Assistants	6,790	\$22.62	12%	28%
Personal Care Aides	6,600	\$14.17	9%	33%
Elementary and Middle School Teachers	6,500	\$30.47	1%	12%
Maintenance and Repair Workers	6,440	\$22.96	1%	16%
Food Preparation and Serving Supervisors	6,020	\$20.84	3%	15%

Note: Wages for military jobs not included in the data provided by the Bureau of Labor Statistics—Occupational Employment Statistics

Sources: ALICE Threshold, 2021; Bureau of Labor Statistics—Occupational Employment Statistics, 2021; U.S. Census Bureau, American Community Survey, PUMS, 2019 and 2021

To see more data on jobs by hourly wages and full-time, part-time, and hourly work schedules, visit UnitedForALICE.org/Labor-Force/Hawaii

THE IMPACT OF THE COVID ECONOMY ON... PANDEMIC ASSISTANCE

A prominent feature of the federal government’s response to the pandemic was a range of direct assistance programs, including:

- Economic Impact Payments (stimulus payments)
- The expanded Child Tax Credit (CTC) and Child and Dependent Care Tax Credit (CDCTC)
- Pandemic-specific unemployment insurance
- Emergency rental assistance

While ALICE households generally earn too much to qualify for traditional forms of public assistance like the Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF), almost all ALICE households qualified for the Economic Impact Payments, and ALICE families with children were eligible for the expanded CTC and CDCTC.

Figure 5 shows an example of the impact of pandemic assistance on a household’s ability to meet the cost of basics. The figure shows a family of four in Hawai’i with two parents working full time in two of the most common occupations, retail salesperson and cashier (median wages of \$14.36 and \$13.98 per hour, respectively). This family was not able to afford the Household Survival Budget in 2021, even with the temporarily increased credits and payments available to them: the advanced CTC (\$3,600 for each child under age 6), the CDCTC (increased to \$4,000 per child in child care), and the Economic Impact Payments (\$2,800 for married couples plus \$1,400 for each child in December 2021). With both parents working full time, they were not eligible for [Treasury Emergency Rental Assistance \(ERA\)](#). This family’s annual income fell short of the Household Survival Budget by \$24,302 or 30%.

If both parents worked part time (20 hours per week), they could receive ERA to cover their rent, as well as [SNAP](#) and the [Earned Income Tax Credit \(EITC\)](#), but they would still fall short in meeting the Survival Budget by \$20,393, or 24%.

Additional actions taken by the State of Hawai’i in response to the pandemic can be found in the National Conference of State Legislatures’ [State Action on Coronavirus Database](#).

Pandemic Timeline

2020 State Annual [COVID-19 Deaths](#): 407

March 2020 – [National Emergency Declared](#)

Emergency Pandemic Unemployment Insurance (UI) benefits (including [PUA](#), [PEUC](#), [FPUC](#), and [MEUC](#))

States required to keep [Medicaid beneficiaries enrolled](#)

April 2020 – [Economic Impact Payments](#) of up to \$1,200 per adult for eligible individuals and \$500 per qualifying child

December 2020 – First [COVID-19 vaccinations](#) receive emergency use authorization from FDA

[Economic Impact Payments](#) of up to \$600 per adult for eligible individuals and up to \$600 per qualifying child

2021 State Annual [COVID-19 Deaths](#): 755

January to November 2021 – [Emergency rental assistance](#) provided on average \$4,345 to low-income households to pay rent or utility bills

March 2021 – [Economic Impact Payments](#) of up to \$1,400 for eligible individuals

July to December 2021 – [Child Tax Credit payments](#) (up to \$300 month per child); temporary [expansion of CTC ended](#) nationally in December

September 2021 – National end of all [Emergency Pandemic UI benefits](#)

October 2021 – End of CDC’s [eviction moratorium](#)
CDC approves vaccinations for [children age 5-11](#)

2022 State Annual [COVID-19 Deaths](#): 566

June 2022 – CDC approves vaccinations for [children under 5 years old](#)

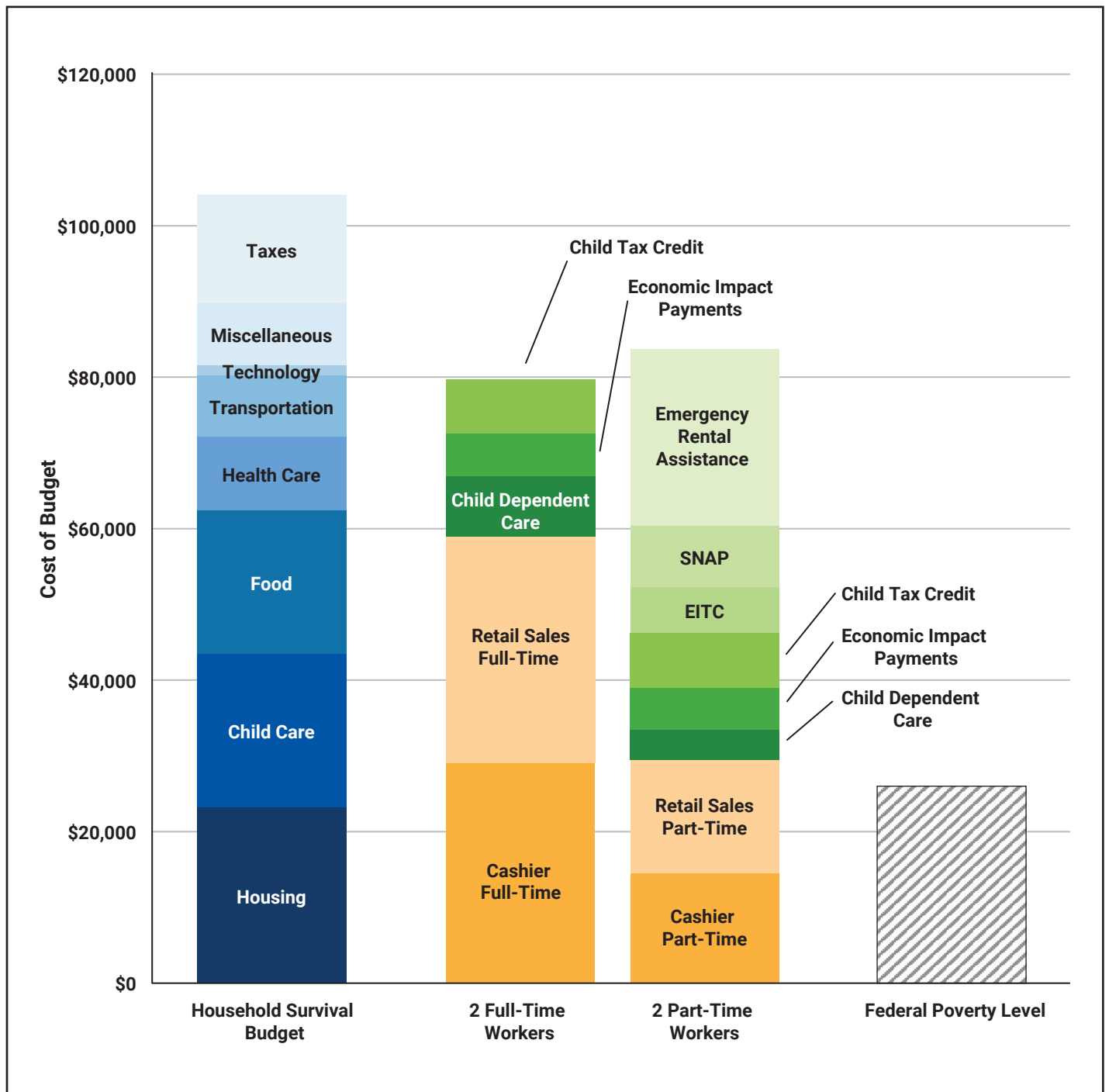
July 2022 – Federal rental assistance funds depleted in [many states](#)

December 2022 – Federal rental assistance funds depleted in [most states](#)

2023

May 11, 2023 – [Scheduled end](#) of the national emergency and public health emergency

Figure 5. Income and Expenses, Family of Four, Hawai'i, 2021



Note: Full-time income is calculated based on 40 hours per week; part-time income is based on 20 hours per week.

Sources: ALICE Threshold, 2021; Bureau of Labor Statistics—Occupational Employment Statistics, 2021; Internal Revenue Service, tax credits – CTC, CDCTC, EITC, 2021; USDA, SNAP, 2021; U.S. Treasury, 2022

Participation in Assistance Programs

Traditional public assistance does not reach all people in households that are struggling financially. Due to [income and assets limits](#), most ALICE households are not able to participate in public assistance; and additional barriers, strict [program requirements](#), and [stigma](#) prevent even households in poverty from participating. In addition, income and asset limits for public assistance can create “[benefits cliffs](#)” that limit economic mobility. In Hawai‘i in 2021:

- With increased food insecurity during the pandemic, the federal [SNAP](#) provided an [emergency allotments option](#) starting in 2020, which increased the amount of SNAP payments by about \$90 per month per household. Yet because the income eligibility threshold for SNAP was 200% of the FPL in Hawai‘i, the reach of emergency and regular SNAP benefits was limited: 39% of households in poverty and 19% of ALICE households, participated in 2021, based on ACS PUMS data. However, it is important to note that while not all financially insecure households are eligible for SNAP, the program reached [approximately 85% of eligible households](#) in Hawai‘i.
- The percentage of households below the ALICE Threshold receiving direct cash assistance from programs like [TANF](#) or [General Assistance](#) was even smaller (10% of households in poverty and 7% of ALICE households).
- Participation in [SSI](#) – an assistance program only available for people with disabilities and seniors with limited financial resources – was also minimal, with 7% of all households below the ALICE Threshold and 13% of households with a member with a disability below the Threshold participating.

- To address the increased demands for health care during the pandemic, the federal government provided additional funding to states for Medicare and prohibited new eligibility restrictions as well as termination of [Medicaid coverage](#) during the public health emergency. In 2021, 44% of all households below the ALICE Threshold in Hawai‘i participated in CHIP or Medicaid.
- Paying for housing expenses was the top concern of households below the ALICE Threshold, as reported in the 2021 ALICE Report, [The Pandemic Divide](#). The federal [Emergency Rental Assistance Program](#) was critical in stabilizing millions of households by paying for rent, utilities, and home energy costs. Yet because of the strict requirements to qualify, many households struggling to afford rent were not eligible. Requirements included qualifying for unemployment benefits, experiencing a reduction in income, and one or more household members being at risk of homelessness. In the fall of 2022, 11% adult renters in Hawai‘i were not caught up on rent, according to the Household Pulse Survey.

In contrast, eligibility limits for the well-publicized stimulus payments and tax credits (Economic Impact Payments, CTC, and CDCTC) were well above those for traditional public assistance programs, making them available to most poverty-level and ALICE households.

However, even qualified households [experienced difficulties](#) getting their payments, especially those who were filing taxes for the first time, those without bank accounts or internet access, and families with mixed immigrant status or who were experiencing homelessness.

THE IMPACT OF THE COVID ECONOMY ON... SAVINGS AND ASSETS

It has been widely reported that U.S. household [savings increased](#) during the pandemic. Yet analysis of the data from the Federal Reserve SHED reveals that the national average conceals different experiences by state and even more so by income level in terms of rainy day funds and retirement assets. **(Note: This section includes national data as Hawai'i-specific data on savings and assets is not available for 2021. However, 2022 data on these topics is included in the "Beyond 2021" section.)**

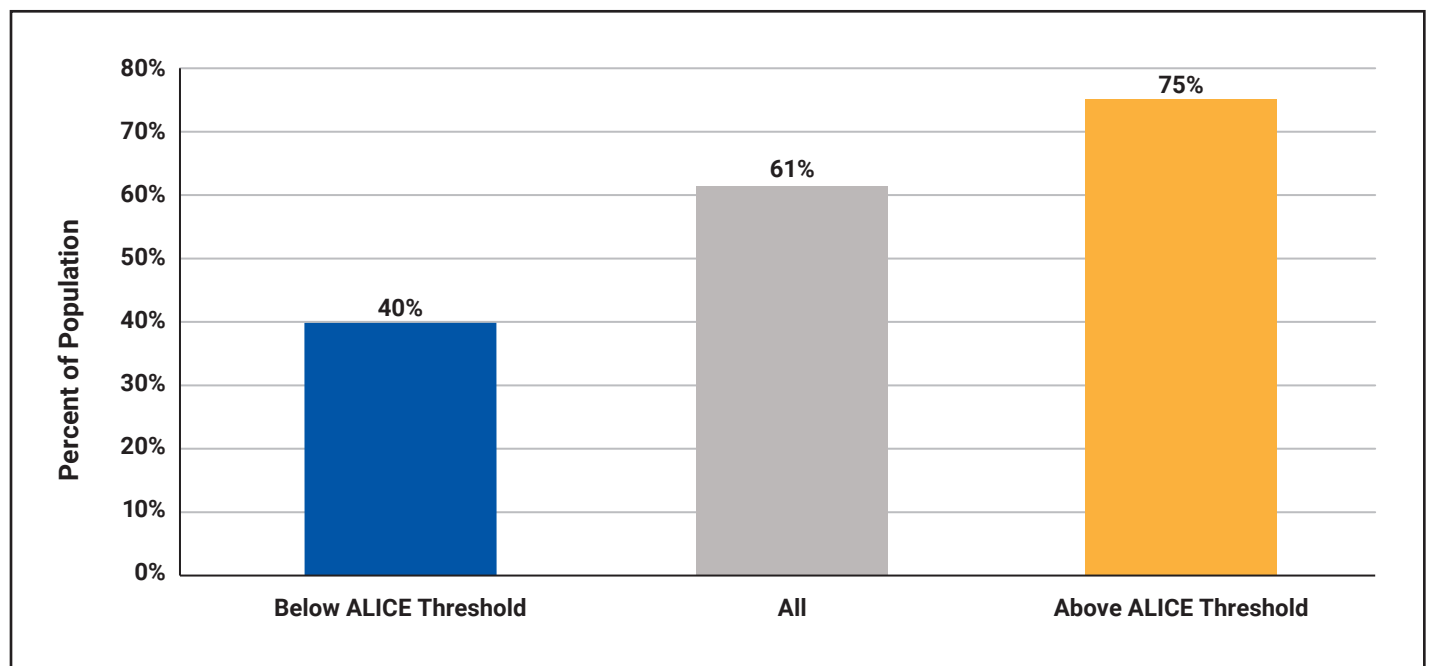
Rainy Day Funds

One of the best-known questions in the SHED survey asks whether respondents had set aside emergency savings

or "rainy day funds" that would cover their expenses for three months in case of sickness, job loss, economic downturn, or other emergencies. In October 2019, 55% of respondents nationwide reported having these funds; by November 2020, that share had increased to 57%, and by November 2021, it was 61% (Figure 6).

Yet only 34% of respondents below the Threshold in the U.S. reported having rainy day funds in October 2019 and November 2020, before that rate increased to 40% by November 2021. In contrast, 69% of those above the Threshold had rainy day funds in October 2019, and that share increased to 72% in November 2020 and 75% in November 2021.

Figure 6. Funds to Cover Three Months' Expenses by the ALICE Threshold, U.S., 2021



Question: Have you set aside emergency or rainy day funds that would cover your expenses for three months in the case of sickness, job loss, economic downturn, or other emergencies?

Sources: ALICE Threshold, 2021; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), November 2021

Nationally, there were also substantial gaps by income and race/ethnicity in rainy day funds. In 2021, White and Hispanic respondents below the ALICE Threshold had higher rates of emergency savings (42% and 41%, respectively) than Black respondents below the Threshold (32%). Rates were higher overall for respondents above the Threshold, yet gaps remained (77% for White, 71% for Hispanic, and 64% for Black respondents). Each of these racial/ethnic groups made gains during the pandemic, with Hispanic respondents both above and below the Threshold showing the largest increase in emergency savings. From October 2019 to November 2021, the percentage of Hispanic respondents below the Threshold with rainy day funds increased from 28% to 41%, and the percentage of Hispanic respondents above the Threshold with these funds increased from 57% to 71%.

having these funds in October 2019, a rate that remained unchanged through November 2021. Yet this average conceals a widening disparity in retirement assets between households above and below the ALICE Threshold (Figure 7).

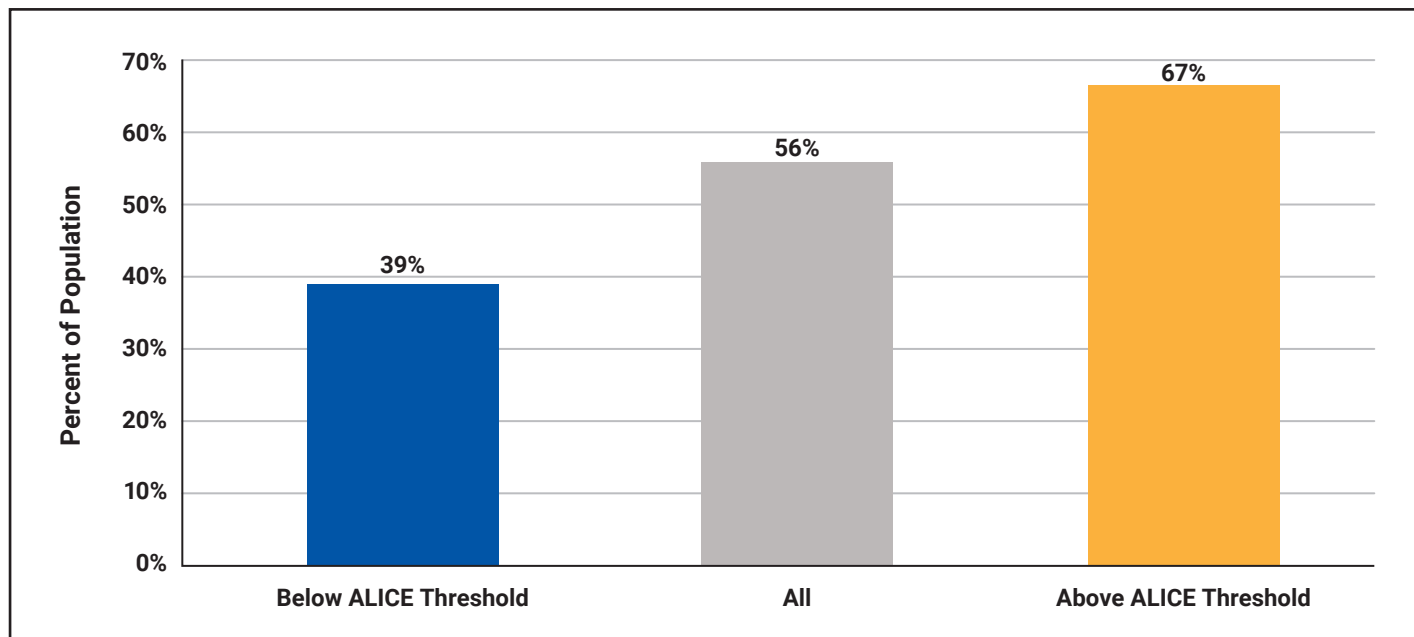
Prior to the pandemic, in October 2019, 41% of SHED respondents below the Threshold in the U.S. had retirement assets. That rate dropped to 39% by November 2021. In October 2019, 66% of U.S. respondents above the Threshold had retirement savings, and that rate increased slightly by November 2021 (to 67%).

The [CARES Act](#) reduced penalties for early withdrawals from retirement accounts, making it easier for households to access retirement funds. Nationally, according to SHED, 8% of non-retired adults tapped into their retirement savings in 2021. Lower-income households, however, were more likely to take [loans or hardship withdrawals](#).

Retirement Assets

[Retirement assets](#) include 401(k)s, IRAs, pensions, or business or real estate holdings that provide income in retirement. Overall, 56%, of U.S. respondents reported

Figure 7. Retirement Assets by the ALICE Threshold, U.S., 2021



Question: Do you currently have each of the following types of retirement savings? Selected at least one: 401(k); IRA; pension; savings outside a retirement account, business, or real estate holding that will provide income in retirement; other retirement savings

Sources: ALICE Threshold, 2021; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), November 2021

BEYOND 2021: ECONOMIC CHALLENGES AHEAD FOR ALICE

The pandemic timeline shows a contracting economy in 2020 followed by a strong policy response in 2021. The government's broad [pandemic response](#) was effective in preventing the kind of surge in financial hardship that was experienced during the Great Recession.

But 41% of households were still living below the ALICE Threshold in Hawai'i in 2021. With COVID-19 continuing but pandemic relief benefits expiring, data from 2022 suggests that the economic situation has in fact gotten worse for households below the Threshold, which in turn puts the wider economy at risk.

Notably, the 2022 Aloha United Way Survey found evidence that **the trends highlighted in this ALICE Report – sharp growth in the number of households in poverty**

and a decrease in the number of ALICE households – continued into 2022. Based on these results, the percentage of households in poverty grew to 15% by 2022, driving up the total percentage of households below the ALICE Threshold to 44%.

This Aloha United Way Survey (July–September, 2022) also revealed that households below the ALICE Threshold were more likely than households above the Threshold to experience a range of challenges, described in Figure 8, during the pandemic, and that each of these challenges was more likely to persist for households below the Threshold. These challenges were first reported in [The Pandemic Divide](#), and are updated here with the most recent data.

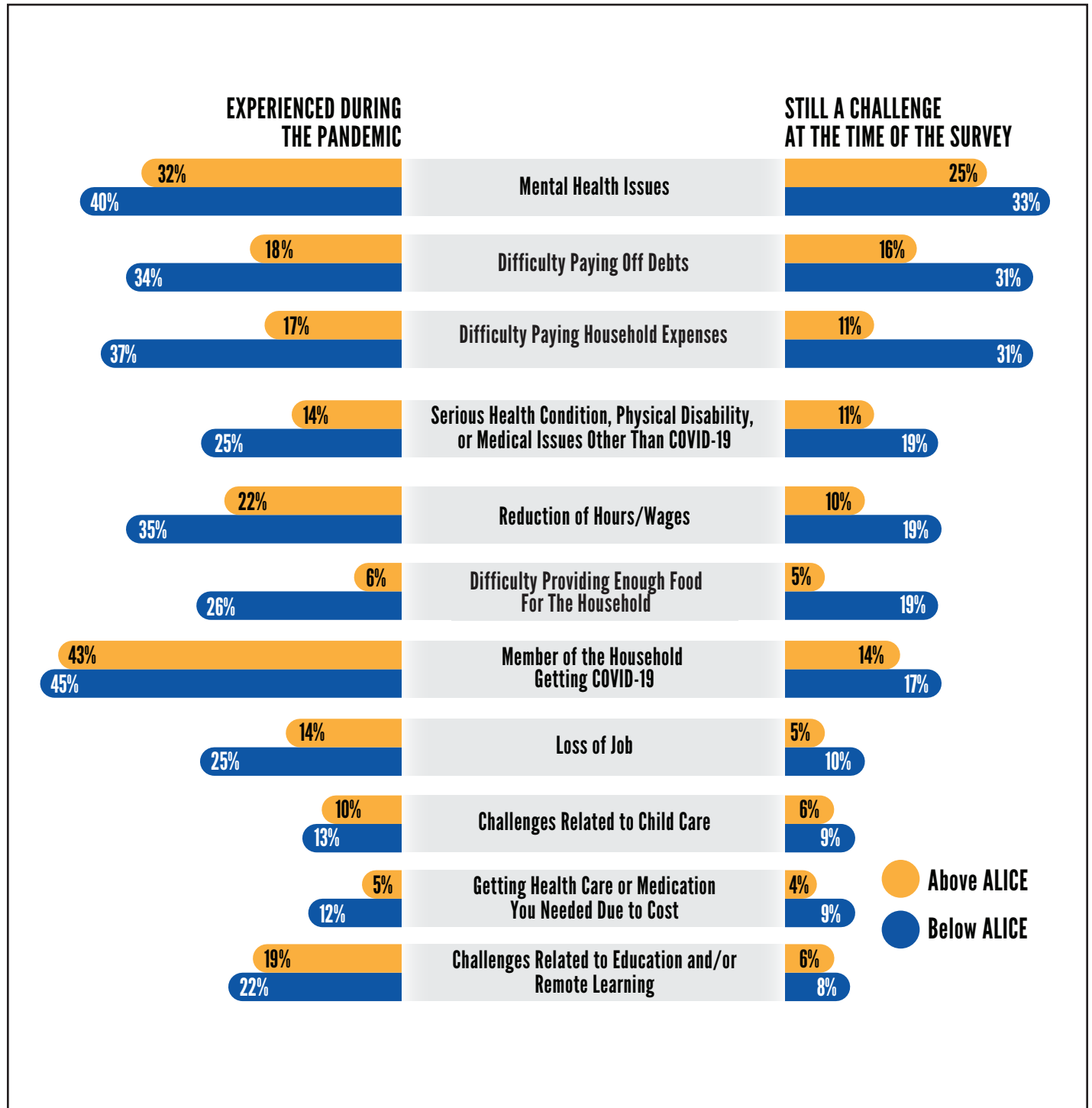
The Aloha United Way Survey, along with the Household Pulse Survey, also point to additional warning signs for households below the ALICE Threshold:

! **Food insufficiency:** ALICE families experiencing food insufficiency are a canary in the coal mine, indicating larger problems beyond food. The rates of food insufficiency have [remained elevated](#) since the beginning of the pandemic. In the August 2020 Household Pulse Survey, respondents below the ALICE Threshold in Hawai'i were more likely to report that their household sometimes or often did not have enough food in the prior seven days than respondents above the Threshold (15% vs. 4%); by November 2022, those rates remained similar (14% vs. 4%). Some demographic groups experienced higher than average food insufficiency (Figure 9). For example, 37% of respondents with disabilities below the Threshold reported not having enough food, compared to 9% of all Hawai'i households.

For households with children in Hawai'i, rates were higher at the beginning of the pandemic but improved substantially: In August 2020, respondents below the ALICE Threshold were more likely than respondents above the Threshold to report that often or sometimes their children were not eating enough because they couldn't afford enough food (23% vs. 13%). In November 2022 those rates were lower, though they still showed a stark difference (19% vs. 5%).

With changes to the emergency pandemic food measures, including the [ending of SNAP emergency allotments](#), many families will need to rely on the charitable food system that was designed for emergencies, but is increasingly [an ongoing necessity](#).

Figure 8. Pandemic Challenges, Hawai'i, 2022



Source: Aloha United Way Survey, July–September, 2022

Figure 9: Food Insufficiency, Above and Below the ALICE Threshold, Hawai'i, 2022

Food Insufficiency			
	Below ALICE Threshold	Above ALICE Threshold	State Average
Hispanic	24%	4%	9%
Female	14%	3%	
With a Disability	37%	8%	
LGBT	30%	1%	

Question: In the last seven days, which of these statements best describes the food eaten in your household? Selected: Sometimes or often not enough

Note: The Hispanic group includes respondents of Hispanic, Latino, or Spanish origin of any race; the "With a Disability" group includes respondents who have one or more vision, hearing, cognitive, mobility, or self-care difficulties; the "LGBT" group includes respondents who identify as gay or lesbian, bisexual, and/or transgender. The number of Black respondents was too small to include in this analysis.

Sources: ALICE Threshold, 2021; U.S. Census Bureau, Household Pulse Survey, September 14, 2022–November 14, 2022, Phase 3.6

! Learning loss: Following a year of widespread school closings and disrupted education, most students returned to in-person learning in the fall of 2021. The [learning loss](#) that accompanied remote learning has been widely reported. Not surprisingly, students in lower-income districts with fewer resources were hardest hit. Nationally, in 2021, 71% of parents below the Threshold said that their child was prepared for the academic year ahead, compared to 81% of parents above the Threshold. The [National Center for Education Statistics](#) (NCES) reported that nationally in 2022, scores for 9-year-old students declined five points in reading and seven points in mathematics compared to 2020 – the largest average score decline in reading since 1990, and the first-ever score decline in mathematics. Drops were even larger for low-income students as well as for Black and Hispanic students.

! Behind on rent payments: According to the Household Pulse Survey, renter households below the ALICE Threshold in Hawai'i were more likely than those above the Threshold to report that they were not caught up on rent payments. In August 2020, 12% of renters below the Threshold and 5% of renters above the Threshold were not caught up; by November 2022, those rates increased to 16% for renters below the Threshold and decreased to 3% for renters above the Threshold. Renters

who fall behind on rent are at greater risk for eviction, especially since the federal moratorium on [evictions and foreclosures](#) and [state-level bans](#) have now expired, and funding for rental assistance is running out. As a result, [eviction filings are on the rise](#) and are likely to [increase in the near term](#).

! Struggling to pay bills: During the pandemic, ALICE households in Hawai'i reported difficulty paying for their usual household expenses. According to the Household Pulse Survey in August 2020, respondents below the ALICE Threshold were more than twice as likely as households above the Threshold to report that they found it somewhat or very difficult to pay for usual items such as food, rent or mortgage, car payments, and medical expenses (48% vs. 23%). These rates increased through November 2022, especially for those below the Threshold (58% vs. 24%).

When asked how households make up for the shortfall when spending outpaces income, the Aloha United Way Survey found that:

- 35% took out a loan from a financial institution
- 39% overdrew a checking account
- 40% took out a loan from family and friends
- 55% sold items for cash
- 58% worked extra hours or took another job

- 75% reduced expenses
- 75% used credit cards
- 78% used savings

The share of respondents taking these actions increased between 2019 and 2022, with selling items for cash having the largest increase (up 15%). Respondents below the ALICE Threshold were significantly more likely to borrow money from family and friends or to overdraw their checking account than those above the Threshold.

! Lack of savings and unmanageable debt: While some families were able to save during the pandemic, many ALICE families were not. The Aloha United Way Survey found that in 2022, nearly half (47%) of households below the ALICE Threshold would only be able to cover household expenses for two months or less based on the money they have available, and nearly one in four (23%) households below the Threshold would not be able to cover expenses for even four weeks. When respondents were asked how households would cover an unexpected expense of \$400, this survey also found that:

- Households above the ALICE Threshold would cover this expense by withdrawing cash from an existing deposit account or temporarily putting the expense on a credit card that is paid off the following month.
- Households below the ALICE Threshold were significantly more likely to have to pay for the expense by borrowing from friends/family or selling something for cash. In some cases, the informal borrowing by households below the ALICE Threshold may also signal a stronger support system of family and friends willing to help, which can be less expensive and more flexible than using formal credit.

In addition, the Aloha United Way Survey found that 81% of households below the ALICE Threshold have debt, and more than 1 in 3 of these report that they have more debt than is manageable.

! Assets to support financial health: According to the Aloha United Way Survey, households below the ALICE Threshold were less likely than households above the Threshold to use basic financial services such as:

- Checking or savings accounts: Used by 86% of households below the Threshold and 94% above
- Credit cards: Used by 74% of households below the Threshold and 92% above
- Retirement accounts: Used by 46% of households below the Threshold and 79% above

! Physical health: A [September 2020 national survey](#) found that 36% of adults (age 18 to 64) delayed or missed health care services, including dental care, primary care, or specialist visits; preventive health screenings; and medical tests. For those with one or more chronic conditions, a mental health condition, or a lower income, the likelihood of postponing or forgoing care was even higher. Parents also postponed care for their children. In the fall of 2021, Hawai'i households below the ALICE Threshold were more likely to report that they missed, delayed, or skipped [their child's preventive check-up](#) in the last 12 months than households above the Threshold (47% vs. 35%, respectively). These delays, coupled with preexisting conditions, can contribute to [more serious health issues in the future](#).

According to the November 2022 Household Pulse Survey, Hawai'i respondents below the ALICE Threshold were more likely to report having symptoms of long COVID (such as fatigue, "brain fog," difficulty breathing, heart palpitations, dizziness, or changes to taste/smell) lasting three

months or longer that they did not have prior to having COVID-19 than respondents above the Threshold (27% vs. 18%).

! Mental health: With these sustained challenges, it’s not surprising that people below the ALICE Threshold in Hawai’i were more likely to report feeling depressed or anxious than those above the Threshold. According to the Household Pulse Survey, in August 2020, 20% of respondents below the Threshold compared to 16% above the Threshold reported feeling nervous, anxious, or on edge nearly every day over the last two weeks. These rates improved slightly as of November 2022 but were still high (18% and 11%, respectively). Respondents below the Threshold were also more

likely to report feeling down, depressed, or hopeless at both timepoints (9% in 2020 and 14% in 2022) than respondents above the Threshold (6% in 2020 and 5% in 2022). Some demographic groups experienced substantially higher rates of feeling anxious than the state average (Figure 10).

The lack of mental health resources during the pandemic has been [widely recognized](#), and awareness is increasing, especially with the launch of the [Nationwide Suicide and Crisis Lifeline](#) (988). But there remains a severe [shortage of mental health resources](#), especially for low-income families, and mental health providers struggle to meet [increased demand](#).

Figure 10: Feeling Anxious, Above and Below the ALICE Threshold, Hawai’i, 2022

Feeling Nervous, Anxious, or on Edge			
	Below ALICE Threshold	Above ALICE Threshold	State Average
Hispanic	24%	18%	14%
Female	18%	11%	
With a Disability	39%	31%	
LGBT	30%	21%	

Question: Over the last two weeks, how often have you been bothered by feeling nervous, anxious, or on edge? Selected: Nearly every day

Note: The Hispanic group includes respondents of Hispanic, Latino, or Spanish origin of any race; the “With a Disability” group includes respondents who have one or more vision, hearing, cognitive, mobility, or self-care difficulties; the “LGBT” group includes respondents who identify as gay or lesbian, bisexual, and/or transgender. The number of Black respondents was too small to include in this analysis.

Sources: ALICE Threshold, 2021; U.S. Census Bureau, Household Pulse Survey, September 14, 2022–November 14, 2022, Phase 3.6

The strength of the Hawai’i economy is inextricably tied to the financial stability of all residents. As the pandemic has shown, ALICE workers are critical to the smooth running of the economy, during times of crisis and beyond. And, in turn, the stability of ALICE families depends on their being able to fully participate in that economy. Leaving ALICE behind in the recovery sets households and the larger economy up for greater vulnerability to the next economic disruption.

The pandemic has highlighted the ability of government policymakers and business managers to respond to changing conditions quickly. The 2021 ALICE data may surprise some readers who were expecting much worse. But 2021 was a unique year — and these warning signs are both a call to action and a challenge to complacency. We ignore our essential workers at our economy’s and our communities’ peril.

COUNTY COMPARISON: INCOME STATUS, 2021

Hawai'i Counties, 2021			Percent Change, 2019–2021	
County	Households	% ALICE + Poverty	# of Households	# ALICE + Poverty
Hawaii	72,194	47%	1%	-3%
Honolulu	338,093	39%	7%	3%
Kauai	23,464	42%	4%	8%
Maui	56,319	49%	3%	15%

NATIONAL COMPARISON: INCOME STATUS, 2021

STATE	RANK (1 = lowest % Below ALICE Threshold)	TOTAL Number of Households	Household Income Status		
			% Households in Poverty	% ALICE Households	% Households Below ALICE Threshold
United States	—	126,903,920	13%	29%	41%
Alabama	48	1,951,995	16%	32%	48%
Alaska	1	266,391	10%	22%	32%
Arizona	24	2,813,110	12%	28%	40%
Arkansas	46	1,176,614	16%	31%	47%
California	35	13,420,382	12%	31%	43%
Colorado	13	2,297,529	10%	27%	37%
Connecticut	19	1,428,313	10%	28%	39%
Delaware	27	395,656	12%	29%	41%
District of Columbia	31	319,565	15%	28%	42%
Florida	44	8,533,422	13%	32%	45%
Georgia	47	3,954,813	14%	34%	47%
Hawai'i	29	490,101	12%	30%	41%
Idaho	34	681,926	11%	32%	43%
Illinois	10	4,981,919	12%	24%	36%
Indiana	21	2,656,794	12%	27%	39%
Iowa	9	1,293,028	11%	24%	36%
Kansas	20	1,153,270	12%	27%	39%
Kentucky	38	1,767,504	16%	28%	44%
Louisiana	50	1,776,260	19%	32%	51%
Maine	30	583,562	12%	30%	42%
Maryland	15	2,352,331	10%	28%	38%
Massachusetts	25	2,756,295	11%	28%	40%
Michigan	22	4,029,761	13%	26%	39%
Minnesota	8	2,254,997	10%	26%	35%
Mississippi	51	1,116,509	20%	32%	52%
Missouri	36	2,459,987	13%	30%	43%
Montana	28	443,529	12%	29%	41%
Nebraska	17	781,693	11%	27%	39%
Nevada	42	1,189,085	14%	31%	45%
New Hampshire	2	548,727	8%	25%	33%
New Jersey	12	3,495,628	11%	26%	37%
New Mexico	45	821,310	17%	29%	47%
New York	40	7,635,201	14%	30%	44%
North Carolina	41	4,150,059	13%	31%	44%
North Dakota	6	322,588	11%	23%	34%
Ohio	16	4,820,453	13%	25%	38%
Oklahoma	43	1,536,903	15%	30%	45%
Oregon	39	1,697,608	12%	32%	44%
Pennsylvania	23	5,229,253	12%	27%	39%
Rhode Island	18	435,782	12%	27%	39%
South Carolina	33	2,037,203	15%	29%	43%
South Dakota	11	352,363	11%	26%	36%
Tennessee	37	2,740,302	14%	30%	44%
Texas	32	10,705,476	14%	29%	43%
Utah	5	1,087,978	9%	25%	34%
Vermont	26	265,098	11%	29%	40%
Virginia	14	3,300,111	10%	28%	38%
Washington	4	3,013,644	10%	24%	34%
West Virginia	49	711,392	17%	31%	48%
Wisconsin	7	2,436,961	11%	23%	34%
Wyoming	3	233,539	11%	22%	34%

Note: In Hawai'i, out of 490,101 households, there were 57,262 (11.7%) in poverty plus 145,706 (29.7%) ALICE, totaling 202,968 (41.4%) below the ALICE Threshold, which is rounded to 41% in this Report.

NEXT STEPS

Capturing the true extent of financial hardship in Hawai'i is critical for the appropriate allocation of funds for programs in areas such as education, health care, food access, housing, and employment. There is a lot more to be done to change the trajectory for households struggling to make ends meet. How can you help?

Learn more and help to raise awareness of the struggles ALICE households face with:

- The interactive [ALICE in Hawai'i webpages](#), to dig deeper into:
 - » [County Reports](#)
 - » [Household budgets](#)
 - » [Maps with data for local geographies](#)
 - » [Demographics](#)
 - » [Labor force data](#)
 - » [ALICE data alongside additional Indicators of Well-Being](#)

Connect with stakeholders:

- [Contact your local United Way](#) for support and volunteer opportunities.
- Connect with members of the state [Research Advisory Committees](#) that support this work.
- Find your state and federal representatives and see ALICE household data by legislative district with our [ALICE Legislative District Tool](#).

Turn the ALICE data into action in your community:

- Use the ALICE metrics to highlight the challenges ALICE households face, to inspire action and generate innovative solutions that promote financial stability.

- Armed with the ALICE data, advocate for policy change, apply for grant funding, allocate funding for programs and services targeted to ALICE households, etc.
- Learn more on our [ALICE in Action](#) webpage about the programs, practices, and policies to improve access to affordable housing, high quality child care and education, healthy food, health care, transportation, workforce training, and more.
- Demonstrate potential financial challenges that ALICE workers face with interactive tools from the Federal Reserve Bank of Atlanta that incorporate the Household Survival Budget. These tools, which include the [Policy Rules Database](#) and the [Career Ladder Identifier and Financial Forecaster](#), map changes in benefits along a career path and identify potential benefits cliffs.

Be an ally and advocate for better data:

- Advocate for more accurate data collection by the [U.S. Census Bureau](#) for people who have been [historically undercounted](#), including (but not limited to) people with disabilities, people experiencing homelessness, people of color, individuals who identify as LGBTQ+, and people in low-income and hard-to-count geographic areas.
- Support the [implementation](#) of a single combined question for race and ethnicity. Census [research](#) shows this change will yield a more accurate portrait of how the U.S. population self-identifies, especially for people who self-identify as multiracial or multiethnic.

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