In partnership with

ALICE in Hawai‘i: 2022 Facts and Figures

November 2022
ALICE 2022 STUDY WEBINAR: UNDERSTANDING THE REPORTING

- Methodology
- Key Findings: High Level Updates since 2018 ALICE Study
- Key Findings: High Level Updates since 2019 Financial Health Pulse Survey
- ALICE Collective Impact Initiative
- Actionable Next Steps

Kimo Carvalho
VP, Community Impact
Aloha United Way
AUW becomes one of first 12 partner states to join United for ALICE national movement

2017
AUW commissions first Hawaii ALICE study

2018
AUW ALICE Fund is established

2019
10 nonprofit partners launch collective impact with a total $2.7M over 3 years. ALICE movement gains traction Statewide

2020
Covid19 ALICE Study shows new trends. ALICE partners pivot from collective impact model to covid19 responses

2021

2022
AUW & HCF partnership established. 2022 ALICE Financial Health Study. Impact funding to 17 nonprofit partners to re-launch collective impact with a total $5.1M over 3 years.
Why now?

- U.S. Census Bureau’s 2020 American Community Survey (ACS) a key source for ALICE data was interrupted by the pandemic.
- The need for current data to inform our work
- Understand the aftermath of the COVID-19 pandemic more clearly

Methodology

- 2,391 surveys were completed between July and September 2022 by Anthology Research Group
- Connects changes in resident responses to questions from the 2019 Hawai‘i Financial Health Pulse Survey
- Questions were developed with cooperation from both the Financial Health Network and United for ALICE Research Group
Key Terms

**Household Survival Budget/ALICE Threshold**: The bare-minimum costs of basic necessities (housing, childcare, food, transportation, health care, and a smart phone plan, plus taxes). Costs vary by household composition and location. The average Household Survival Budget in Hawai‘i for a single adult is just over $35,000 and the costs for a family of four (two adults, one infant, one preschooler) is more than $100,000.

**ALICE**: Households with income needed to afford the Household Survival Budget. Households below the **ALICE Threshold** are unable to make ends meet and include both ALICE and poverty-level households.

**Poverty**: Households earning below the Federal Poverty Level, which in Hawai‘i equates to $15,630 for a single-person household and $31,920 for a four-person household.
Key Findings
Set 1

ALICE in Hawai‘i: 2022 Facts and Figures
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MORE PEOPLE ARE AT A TIPPING POINT

More Hawai’i households have fallen below the ALICE Threshold (44% in 2022 vs. 42% in 2018).

Households by Income, Hawai’i, 2007 – 2022

Percent below ALICE Threshold

- 2007: 31%
- 2008: 43%
- 2009: 42%
- 2010: 42%
- 2011: 41%
- 2012: 43%
- 2013: 42%
- 2014: 42%
- 2015: 44%
- 2016: 42%
- 2017: 43%
- 2018: 42%
- 2022: 44%

*Note: Data for 2007–2018 is from previously published reports by United For ALICE. Data for 2022 was collected by Anthology for this Aloha United Way (AUW) Survey.

2020 ALICE Report
POVERTY SHARPLY INCREASED

There was a sharp increase in the number of households pushed below the poverty line (15% in 2022 vs. 9% in 2018).
Percentage of ALICE Households by Ethnicity

There are significant disparities by race/ethnicity, household size and households with children that mean some households are much more likely than others to be below the ALICE Threshold.
Percentage by County

There are significant disparities by race/ethnicity, household size and households with children that mean some households are much more likely than others to be below the ALICE Threshold.
Specifically, households below the ALICE Threshold are more likely...

- **To have children in the household:** 54%
  - of households with children are below the ALICE Threshold.

- **To live in larger households:** 65%
  - of households with 3 or more occupants are below the ALICE Threshold.

- **To be Native Hawaiian or Filipino:**
  - A majority of Native Hawaiian (60%) and Filipino (59%) residents fall below the ALICE Threshold.

- **To have lower levels of educational attainment:** 65%
  - of respondents without a college degree are below the ALICE Threshold.

- **To struggle with paying for basic household expenses:** 46%
  - of households below the ALICE Threshold are unable to pay all of their bills on time.

- **To have insufficient income:** 84%
  - have combined annual household income of less than $75,000, well below the median income of $87,722 as reported by the Census Bureau for 2020.

- **To be working, but with inconsistent work opportunities:**
  - 62% have members of the household who work full-time
  - 30% work part-time
  - 29% are paid hourly
Employment Status

Households below the ALICE Threshold are significantly more likely to have a member of the household who:

- Works part-time
- Is paid hourly
- Works hours that vary
- Is unemployed
- Is a full-time student
- Is a homemaker
- Is disabled – unable to work
- Works multiple jobs
ALICE in Hawai‘i: 2022 Facts and Figures

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Research from our Partners
Survey questions for the ALICE in Hawaii: 2022 Facts and Figures report were guided by the Hawaii Financial Health Pulse: 2019 Survey Results – a 2019 study that assessed respondents’ financial health and wellbeing.

Previous Reports
- ALICE in Focus: Veterans (2022)
- ALICE in Focus: People with Disabilities (2022)
- ALICE in Focus: Children Research Brief (2022)
- ALICE in Hawaii: A Financial Hardship Study (2020)
Key Findings

NEW MINIMUM WAGE CLOSER TO ALICE THRESHOLD

The vast majority of households below the ALICE Threshold (84%) have combined annual household income of less than $75,000, the equivalent of two full-time wage earners making $18/hr. each.
More than 3 in 4 Hawai‘i households are carrying debt and 1 in 3 below the ALICE Threshold owe more than is manageable.

Resemblance of households below the ALICE Threshold have some debt:
- Below ALICE Threshold: 61%
- Above ALICE Threshold: 35%

Resemblance of households above the ALICE Threshold have some debt:
- Below ALICE Threshold: 19%
- Above ALICE Threshold: 17%

More than 1 in 3 households below the ALICE Threshold report they have more debt than is manageable.
Covering Expenses in Crisis

23% Nearly one in four would not have enough money to cover expenses for 4 weeks.

Below ALICE Threshold
- Could cover costs 3 months or more: 53%
- Could cover costs 2 months or less: 47%

Above ALICE Threshold
- Could cover costs 3 months or more: 77%
- Could cover costs 2 months or less: 23%
Covering Expenses in Crisis

8% Nearly one in ten would not be able to pay at all for such an expense.
### Coping with Debt: Financial Health Pulse Data

<table>
<thead>
<tr>
<th>Method</th>
<th>2022</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used Savings</td>
<td>78%</td>
<td>73%</td>
<td>+5</td>
</tr>
<tr>
<td>Used Credit Cards</td>
<td>75%</td>
<td>69%</td>
<td>+6</td>
</tr>
<tr>
<td>Reduced Expenses</td>
<td>75%</td>
<td>68%</td>
<td>+7</td>
</tr>
<tr>
<td>Worked Extra Hours or Took</td>
<td>58%</td>
<td>54%</td>
<td>+4</td>
</tr>
<tr>
<td>Another Job</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sold Items For Cash</td>
<td>55%</td>
<td>40%</td>
<td>+15</td>
</tr>
<tr>
<td>Loan From Friends/Family</td>
<td>40%</td>
<td>31%</td>
<td>+9</td>
</tr>
<tr>
<td>Overdraw Checking Account</td>
<td>39%</td>
<td>30%</td>
<td>+9</td>
</tr>
<tr>
<td>Loan From Financial Institution</td>
<td>35%</td>
<td>32%</td>
<td>+3</td>
</tr>
</tbody>
</table>
Importance of Credit Score

As a household struggles to make ends meet, one of the first negative impacts can be to a billpayer's credit score. Low credit scores directly limit access to loans and credit cards, and may mean households use other means to cover the essentials.

One in three of those below the ALICE Threshold don't know their credit score.

Statewide, the percentage of residents who rate their own credit score as "poor" has nearly doubled, from 5% in 2019 to 9% in 2022.

Those below the ALICE Threshold have much lower confidence in their credit score, with 36% rating it "fair" or "poor."
More than one in three (35%) are not at all or only slightly confident they have enough insurance in case of an emergency, compared to 17% among Above ALICE.
Key Findings Set 3

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Member of the Household Getting COVID-19
- Above ALICE: 45%
- Below ALICE: 43%

Loss of Job
- Above ALICE: 25%
- Below ALICE: 14%

Challenges Related to Childcare
- Above ALICE: 13%
- Below ALICE: 10%

Getting Health Care or Medication You Needed Due to Cost
- Above ALICE: 12%
- Below ALICE: 9%

Challenges Related to Education and/or Remote Learning
- Above ALICE: 19%
- Below ALICE: 22%
<table>
<thead>
<tr>
<th>County</th>
<th>Top Issues Faced by County Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>KAUAʻI COUNTY</td>
<td>25% Serious health condition, physical disability, or medical issue other than COVID-19</td>
</tr>
<tr>
<td>HONOLULU COUNTY</td>
<td>29% Mental health issues (e.g., depression or anxiety)</td>
</tr>
<tr>
<td>MAUI COUNTY</td>
<td>24% Difficulty paying off debts (e.g., car payments or credit card bills)</td>
</tr>
<tr>
<td>HAWAIʻI COUNTY</td>
<td>31% Mental health issues (e.g., depression or anxiety)</td>
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<td>23% Mental health issues (e.g., depression or anxiety)</td>
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<tr>
<td></td>
<td>22% Difficulty paying off debts (e.g., car payments or credit card bills)</td>
</tr>
<tr>
<td></td>
<td>23% Difficulty paying housing expenses (e.g., rent, mortgage, utilities)</td>
</tr>
<tr>
<td></td>
<td>25% Difficulty paying off debts (e.g., car payments or credit card bills)</td>
</tr>
</tbody>
</table>
Huliau: We are at a turning point.

**Financial Stability & Savings**
- Safety Net supports to navigate short-term setbacks
- More widespread and equitable access to financial services and credit.
- Address unmanageable debt
- Asset building, savings, financial planning.

**Policy**
- Discourage predatory lending
- Increase homeownership, stabilize housing, and prioritize local residents
- Health & wellness access
- Childcare
- Savings & Asset-building
- Safety net supports to mitigate benefit cliffs

**Partnerships**
- Establish robust education-to-workforce pipeline
- Access to financial services and credit
- Financial planning and education
- Mental health and stress management
2022-2024 ALICE Cohort

Financial Stability & Savings
- INPEACE
- Legal Aid Society of Hawaii
- Family Promise of Hawaii
- Parents And Children Together
- Council for Native Hawaiian Advancement
- FTHF Feed the Hungry Fund
- Goodwill Hawai'i
- Partners in Development Foundation

Safe & Affordable Housing + Financial Stability & Savings
- Hawai'i Children's Action Network
- Hawai'i Appleseed Center for Law & Economic Justice
- Kokua Kalihi Valley
- The Institute for Human Services
- Hawaiian Community Assets
- Catholic Charities Hawai'i
- Hawai'i HomeOwnership Center
- NeighborWorks® HomeOwnership Center

Safe & Affordable Housing
- RYSE Residential Youth Services & Empowerment
Mahalo nui loa for your support.

Visit auw.org/alice-initiative for the complete report and more information about the ALICE Initiative