Bank of Hawai'i Foundation

United Way
Aloha United Way

UNITED FOR ALICE

# ALICE in Hawai'i:
## 2024 Facts and Figures

January 2025









Aloha United Way, with generous financial support from the Bank of Hawai'i Foundation and in partnership with United For ALICE and Financial Health Network, presents the second in a series of comprehensive studies that offers a current financial snapshot of Hawai'i's households. This research is intended to meet the great need for current data that reflects the ever-changing economic environment for Hawai'i residents since the COVID-19 pandemic and devastating wildfires on Maui.

This study of **ALICE®** – **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed – households is unique, as it tracks both the incidence of financial hardship in Hawai'i and the day-to-day impacts on island residents. Tracking changes from a similar study done in 2022, this report builds on prior research by United For ALICE that compares local cost of living to household income, to identify the share of households that are below the ALICE Threshold – those who are **ALICE** and those below the Federal Poverty Level (FPL).

Additionally, this report provides a view into the evolving challenges of ALICE households by connecting changes in Hawai'i resident responses to **ALICE in Hawai'i: 2022 Facts and Figures**, as well as questions from the **2019 Hawai'i Financial Health Pulse** survey, developed by the Financial Health Network and sponsored by the Bank of Hawai'i Foundation and Hawai'i Community Foundation.

We hope the information shared in this report, while sobering, will inspire solutions to systemic barriers and disparities that prevent local residents from thriving and guide action among policymakers, businesses and the community to help our family, friends and neighbors across Hawai'i.

## Sponsor

This study would not have been possible without the vision and financial support of the Bank of Hawai'i Foundation, which recognized the continuing need for this information at a critical time for our community. Bank of Hawai'i is a vital supporter of the ALICE population in Hawai'i through the ALICE Initiative led by Aloha United Way and Hawai'i Community Foundation.

## Partners

Aloha United Way and the Hawai'i Community Foundation continue to serve Hawai'i hand in hand to address our community's most pressing economic issues. Along with the Bank of Hawai'i Foundation and key partners, a combined investment of $8.5 million over 6 years in the ALICE Fund has propelled the initiative's growth through 2025 and beyond. The expanded ALICE Cohort now includes 20 nonprofits dedicated to advancing financial stability, workforce development, affordable housing solutions, and advocacy efforts to drive systemic change for Hawai'i's families.

This report builds on the work of others committed to improving the lives of those facing financial struggles in Hawai'i. Aloha United Way is deeply grateful to the following partners:

# Methodology

The research methodology for this study is different than that used in ALICE Reports prior to 2022. Data collection for the U.S. Census Bureau's *2020 American Community Survey* (a key source for ALICE data) was interrupted by the pandemic, and their population estimates for that period did not meet the Bureau's data quality standards for public release. Therefore, a survey of Hawai'i residents was commissioned in 2022 and again in 2024 through Anthology Research, a Hawai'i-based professional research firm.

ANTHOLOGY FINN PARTNERS

Anthology conducted a telephone and online survey of full-time Hawai'i residents between June 24, 2024 and August 27, 2024. A total of 1,870 completed surveys were collected during this period. The margin of error for a sample of this size is +/- 2.27 percentage points with a 95 percent confidence level.

# Data Weighting

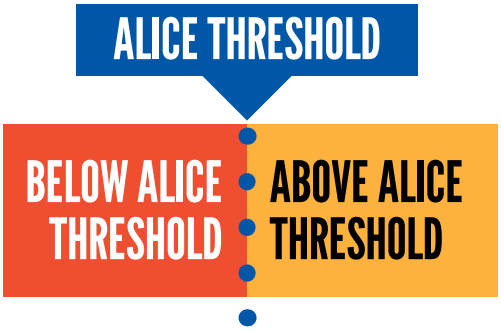
Based on the disproportionate sampling design that included quotas for each county and to adjust for varying response rates, overall totals were weighted by gender, age and county based on *2023 American Community Survey* data from the U.S. Census Bureau, the most recent available. Additionally, to provide direct comparisons, *ALICE in Hawai'i: 2022 Facts and Figures* data were re-weighted by gender, age and county based on *2022 American Community Survey* data. As a result, some 2022 totals shown in this report may differ slightly (on average 1% or less) from data published in *ALICE in Hawai'i: 2022 Facts and Figures*.

## Key Terms

**ALICE Household Survival Budget:** The bare-minimum costs of basic necessities (housing, childcare, food, transportation, health care, and a smartphone plan, plus taxes). While costs vary by household composition and location, the average Household Survival Budget in Hawai'i for a single adult is $39,384 and the costs for a family of four (two adults, one infant, one preschooler) is $107,796, before tax credits.

**Poverty:** Households earning below the Federal Poverty Level, which in Hawai'i equates to $17,310 for a single-person household and $35,880 for a four-person household.

**ALICE (Asset Limited, Income Constrained, Employed)**: Households with income above the Federal Poverty Level but below the Household Survival Budget for basic cost of living.




**ALICE Threshold:** The average 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.

**Benefits Cliff:** A barrier to economic mobility when career advancement puts a family above the income-eligibility threshold for public assistance programs and the loss of eligibility results in a family being financially worse off than before the wage increase.

# EXECUTIVE SUMMARY

At a pivotal time for our state, *Aloha United Way's ALICE in Hawai'i: 2024 Facts and Figures* offers unique insight into the specific challenges Hawai'i families face, providing current data and trends to help clearly identify and address the most pressing and changing needs in our island home. While the ALICE reports are used across the state by many, they are particularly useful for leaders in government as a tool to understand the impacts of policy actions or lack of actions over time for ALICE families.

Since the first *ALICE in Hawai'i: Facts and Figures* report was published in November 2022, the structural inequities in our communities have been further illuminated by forces outside of our control. From a rapid rise in the cost of basic necessities to the worst natural disaster in a generation, this recent study confirms not only that many families are struggling to survive in Hawai'i, but also that hardship is not evenly spread among residents. Our young adults, Native Hawaiian and Filipino communities, and others are struggling disproportionately and stand to benefit most if this report serves as the call to action it is intended to be.

Post-pandemic interventions from government, nonprofits and businesses have contributed to a slight reduction in the proportion of Hawai'i households living in poverty. Based on available data, it is difficult to pinpoint if this change is driven by policies to lift up those in poverty or by outmigration changing the composition of our communities.

This report shows there has been no change since 2022 in the proportion of those identified as ALICE. In fact, households currently below the ALICE Threshold are struggling more than they were two years ago, and some are losing hope that they can achieve their long-term goals and remain in the islands. Nowhere is this more prevalent than in Maui County, whose residents continue to struggle from the impacts of the August 2023 wildfires and are facing even greater challenges to rebuild their economy and find affordable housing.

## Key Findings

### FEWER HOUSEHOLDS IN POVERTY

Households below the poverty line dropped slightly, to 12% in 2024 from 14% in 2022. ALICE remained at 29%.

### FOOD INSECURITY REMAINS CRITICAL

28% of households statewide face food insecurity; nearly half (46%) of households below the ALICE Threshold do not have consistent access to food.

### LEAVING HAWAI'I ALTOGETHER

More than 1 in 3 (37%) households statewide have had someone consider moving out of state, with overall cost of living and cost of housing the key drivers.

### HOUSING INSECURITY IS PREVALENT

27% of households statewide express worry about being forced to move within a year; 41% of residents below the ALICE Threshold share this concern.

### INFLATION STRESS

30% of residents statewide rate inflation as "very stressful" as rising costs have increased financial strain; 43% of households below the ALICE Threshold feel the same level of stress.

### DEBT LEVELS ARE UNMANAGABLE

28% of households statewide and 36% of households under the ALICE Threshold say their level of debt is more than they can manage.

### LOSING CONFIDENCE IN MEETING FUTURE GOALS

Hawai'i residents as a whole are losing confidence they are doing what is needed to meet their long-term goals. One in four (25%) households below the ALICE Threshold are "not at all confident."

### MAUI COUNTY STRUGGLING MOST

The share of ALICE households in Maui County increased 9 percentage points since 2022 and many on Maui struggle to afford basic necessities.

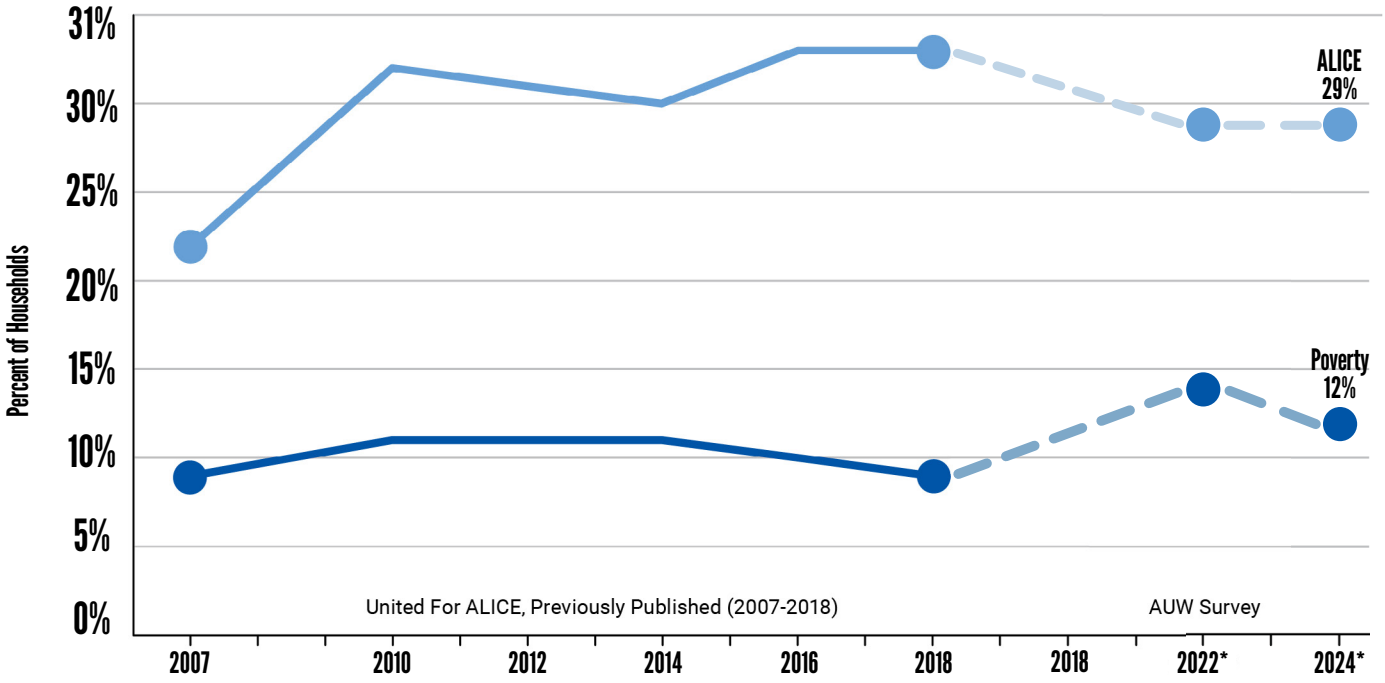
# BELOW THE ALICE THRESHOLD

Two-in five (40%) Hawai'i households are currently living below the ALICE Threshold, a decrease from 2022 when 43% of households were struggling to make ends meet. This includes households with income below the Federal Poverty Level (FPL) as well as those who are **ALICE**: Asset Limited, Income Constrained, Employed. ALICE households don't earn enough to afford housing, childcare, food, transportation, health care, a smartphone plan, and taxes — the basics needed to live and work in the modern economy.

The COVID-19 pandemic rallied unprecedented support from government and non-governmental entities alike. More than $2 trillion was injected into the U.S. economy to prop up industry, allow employers to make payroll, support continuation of government and social services, and more. While some financial support made it quickly to those who needed it most, it took months, or even years, for some funds to be distributed. These interventions seem to have been successful in reducing the proportion of Hawai'i households living below the poverty line, which now stands at 12%, down from 14% in 2022.

However, the share of ALICE households in Hawai'i remains statistically unchanged, at 29%.

## Households by Income, Hawai'i, 2007 – 2024



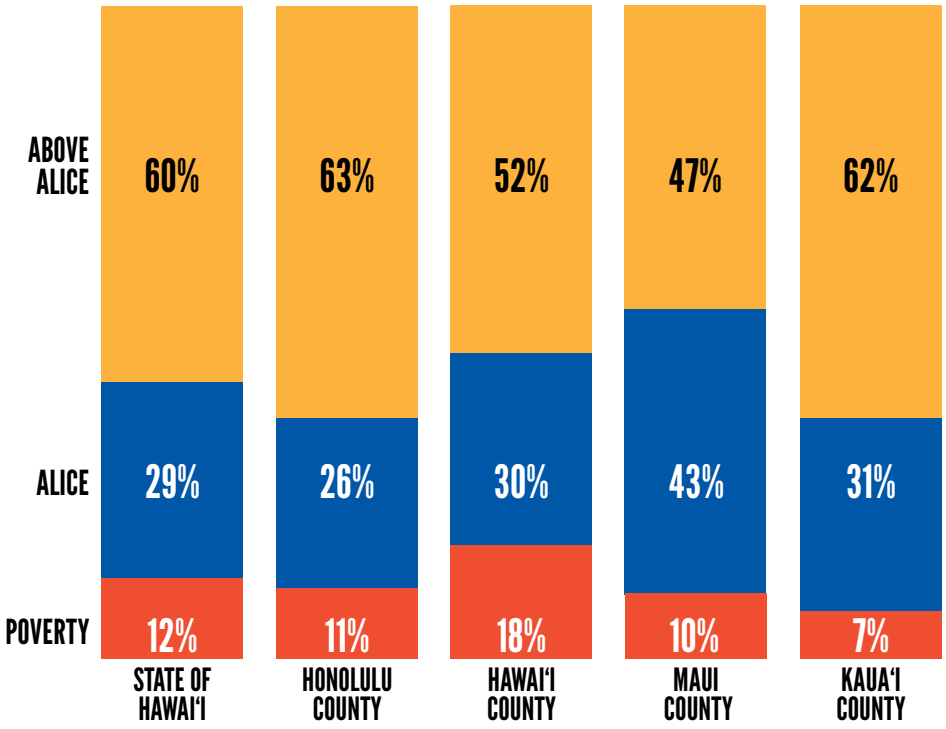

| Percent below ALICE Threshold | 31% | 43% | 42% | 41% | 43% | 42% | 43% | 40% |
|---|---|---|---|---|---|---|---|---|

*Note: Data for 2007–2018 is from previously published reports by United For ALICE.
Data for 2022–2024 was collected by Anthology for this Aloha United Way (AUW) Survey.
2022 data reweighted by age, gender and county based on 1-year ACS estimates to match weighting for 2024 data.

# BELOW THE ALICE THRESHOLD (Continued)

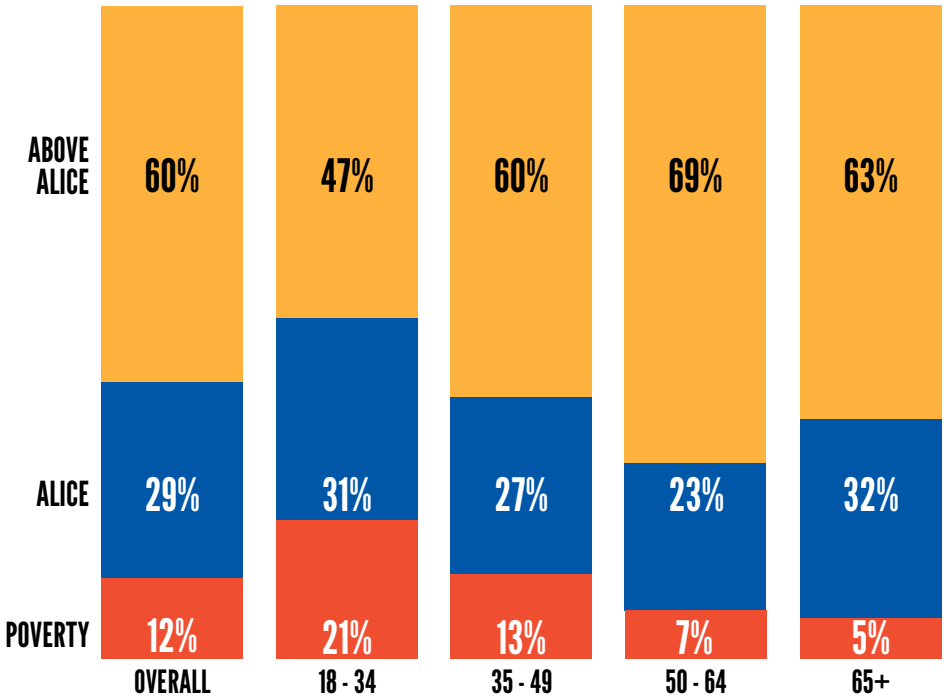
## Percentage of ALICE Households by County

Neighbor Island households are more likely than those on O'ahu to be living below the ALICE Threshold. A majority of Maui County households are struggling to survive financially.




## Percentage of ALICE Households by Age

A majority of young people (18-34 years old) are below the ALICE Threshold.



# WHO IS BELOW THE ALICE THRESHOLD?

While there are people of all ages, races, and ethnicities struggling in every community, specific groups face disproportionate impacts that increase the likelihood a household is below the ALICE Threshold.

## Specifically, households below the ALICE Threshold are more likely...

### To have children in the household:

**50%**

of households with children are below the ALICE Threshold.

### To live in larger households:

**55%**

of households with 3 or more occupants are below the ALICE Threshold.

### To be Native Hawaiian or Filipino:

A majority of Native Hawaiian **(58%)** and Filipino **(52%)** residents fall below the ALICE Threshold.

### To have lower levels of educational attainment:

**60%**

of respondents without a college degree are below the ALICE Threshold.

### To be younger:

**53%**

of young adults under the age of 35 reside in homes that fall below the ALICE Threshold.

### To not own their own home:

**55%**

of renters fall below the ALICE Threshold.

### To live on a neighbor island:

**48%**

of neighbor island households fall below the ALICE Threshold.

### To be Female:

Female **(48%)** residents are more likely to reside in homes that fall below the ALICE threshold than are males **(33%)**.

## Critical Challenges ALICE households face

### Households below the ALICE Threshold are significantly more likely to have a member of the household who is facing or has faced in the last year:

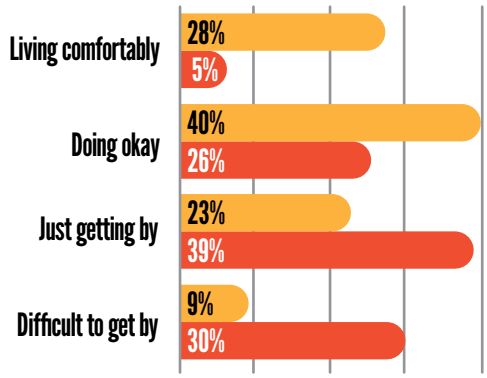
- Difficulty paying off debts
- Difficulty paying housing expenses
- Mental health issues
- Serious health condition, physical disability, or medical issues other than COVID-19
- Challenges related to caregiving for aging, disability, etc.
- Difficulty providing enough food for the household
- Loss of job
- Challenges getting needed health care or medication due to cost
- Challenges related to education and/or remote learning

# PRESSURES ON ALICE HOUSEHOLDS

Despite substantial support during and after the COVID-19 pandemic, Hawai'i residents are still struggling to make ends meet; the experience for those in households below the ALICE Threshold is markedly different than those above the ALICE Threshold.

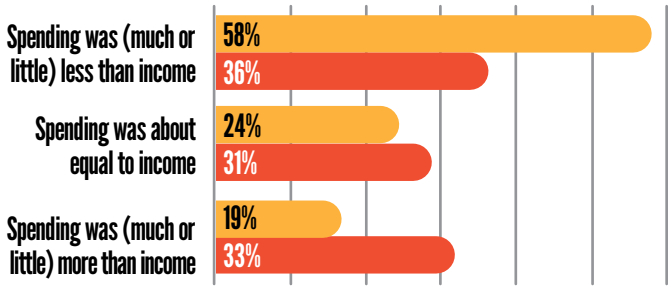
## Barely Getting By

Nearly half (48%) of Hawai'i residents are "just getting by" or "finding it difficult to get by." Those numbers increase dramatically for households below the ALICE Threshold, where 69% feel that way, up from 65% in 2022.




## Nothing Left Each Month

One in four (24%) Hawai'i households spent more than their income in the last year. This number jumps up to 33% among households below the ALICE Threshold (up from 30% in 2022). Among those who spent more than income, the median monthly deficit is $1,000 to cover their essential bills.







## Making Up For The Shortfall

Residents are pulling out all the stops to make ends meet. When tracking how Hawai'i residents make up for the deficit when spending is more than income, we see a significant increase in reliance on friends and family, overdrawing deposit accounts, and taking out loans.

**76%** Used savings

**78%** Used credit cards

**75%** Reduced expenses

**57%** Worked extra hours or took another job

**49%** Sold items for cash

**46%** Loan from friends/ family

**40%** Overdrew checking account

**36%** Loan from financial institution

Increased significantly between 2022 and 2024.

We see those below the ALICE Threshold more likely to rely on non-traditional financial resources in the form of selling items for cash (54% vs. 43% among Above ALICE) and receiving loans from friends or family (53% vs. 36% among Above ALICE).

# PRESSURES ON ALICE HOUSEHOLDS (Continued)

## Household Challenges

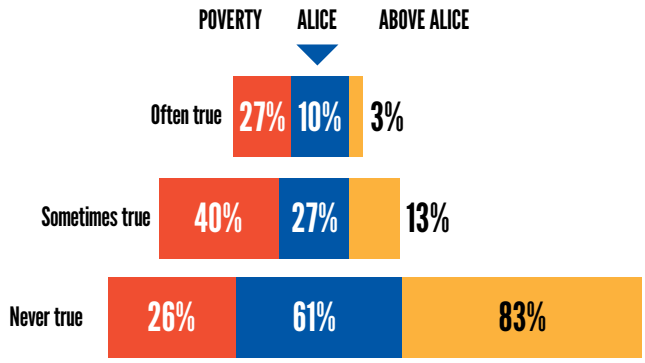
Households across Hawai'i have experienced an increase in challenges since 2022, most of which relate to financial difficulties. We see significant increases in the proportion of households struggling to pay off debt and afford housing, as well as secure food and necessary medication.

| | |
|---|---|
| Difficulty paying off debts | 26% ↑ |
| Difficulty paying housing expenses | 24% ↑ |
| Mental health issues | 23% |
| Serious health conditions, physical disability, or medical issues other than COVID-19 | 18% |
| Challenges related to other caregiving (aging, disability, etc.) | 15% |
| Difficulty providing enough food for the household | 13% ↑ |
| Reduction of hours/wages | 12% |
| Loss of job | 11% ↑ |
| Challenges getting health care or medication you needed due to cost | 10% ↑ |
| Challenges related to childcare | 8% |
| Challenges related to education and/or remote learning | 6% |

*Note: ↑ indicates significant increase since 2022

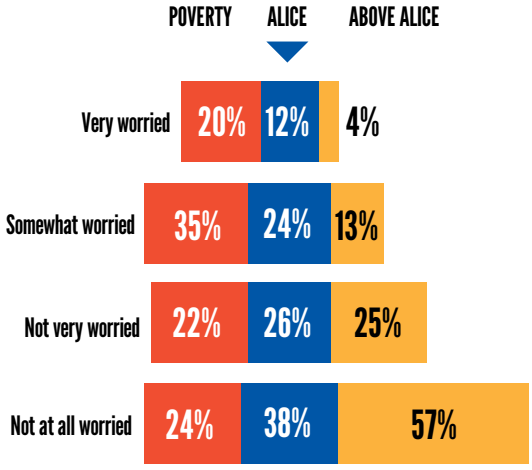
## Food Insecurity

Nearly half (46%) of households below the ALICE Threshold have experienced an instance when they did not have enough food to eat and didn't have money to get more. Among households *above* the Federal Poverty Line (FPL), more than 1 in 5 (22%) face food insecurity.




## Housing Insecurity

More than 2 in 5 households below the ALICE Threshold (41%) worry that they will be forced to move from their current residence in the next 12 months. Nearly 1 in 4 households (24%) above the Federal Poverty Line (FPL) are worried about losing their current home.

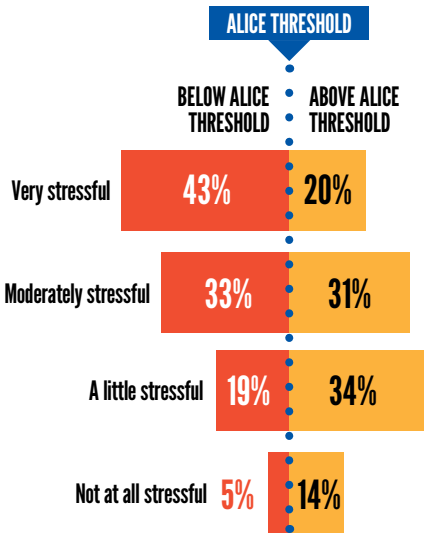


# IMPACT OF INFLATION

As one of the most expensive places to live in the world, any increase in the cost of living in Hawai'i has an outsized impact on residents.

The vast majority (84%) of residents are keenly aware of increased prices, as they report seeing prices increasing in just the two months prior to taking the survey. The cumulative effect of higher costs for essentials has taken a toll on residents, with nearly 2 in 3 (62%) indicating inflation has been "very" or "somewhat" stressful.

> Those below the ALICE Threshold are more than twice as likely to indicate such increases are "very stressful."



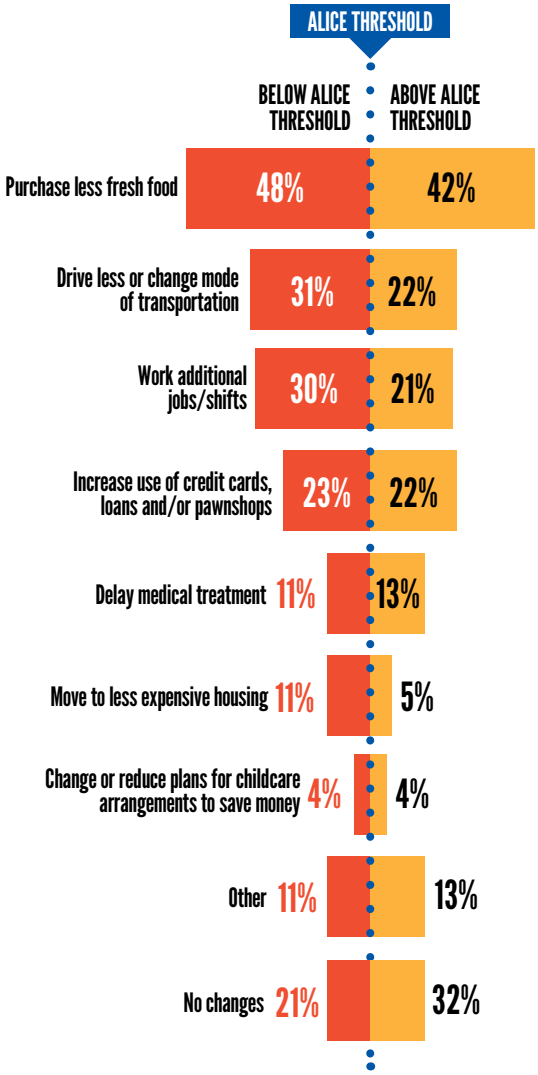

## Adjusting for Inflation

To adjust to higher prices, residents have been forced to take measures that could have a long-term negative impact on their health, financial position and quality of life.



**73%**

of residents were forced to make changes to adjust for inflation.

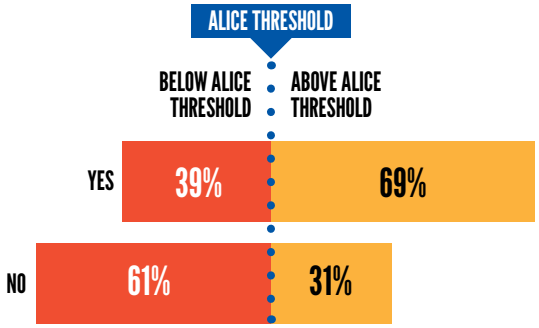


# FINANCIAL SURVIVAL

Dealing with a crisis or even an unexpected expense can have a major impact on any household, but those below the ALICE Threshold tend to have less money available to cover such costs.

## Rainy-Day Fund

Overall, 2 in 5 (43%) residents do not have the necessary resources to cover their expenses for a three-month period in case of sickness, job loss, economic downturn or other emergencies.




**BELOW ALICE THRESHOLD**

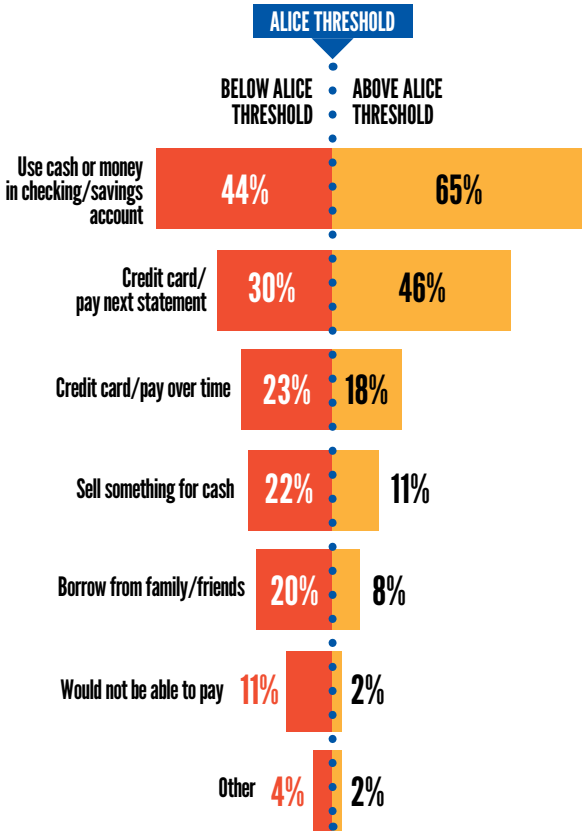
Three in five (61%) households below the ALICE Threshold do not have a rainy-day fund.

## Paying an Unexpected $400 Expense

Those with the means to do so would withdraw cash from an existing deposit account or temporarily put the expense on a credit card that is paid off the following month. However, households below the ALICE Threshold are significantly more likely to have to pay for the expense over time, either by paying down the credit card slowly, borrowing from friends/family, or selling something for cash.

**BELOW ALICE THRESHOLD**

More than 1 in 10 (11%) of those below the ALICE Threshold would not be able to pay at all for such an expense.



# FINANCIAL PLANNING

Having a financial plan makes it possible to set priorities, allocate resources and manage risk – significantly increasing the likelihood of achieving personal and financial goals, even when income and assets are limited. Taking the time to plan can reduce anxiety about finances and provide a sense of greater control.

## Planning for the Future

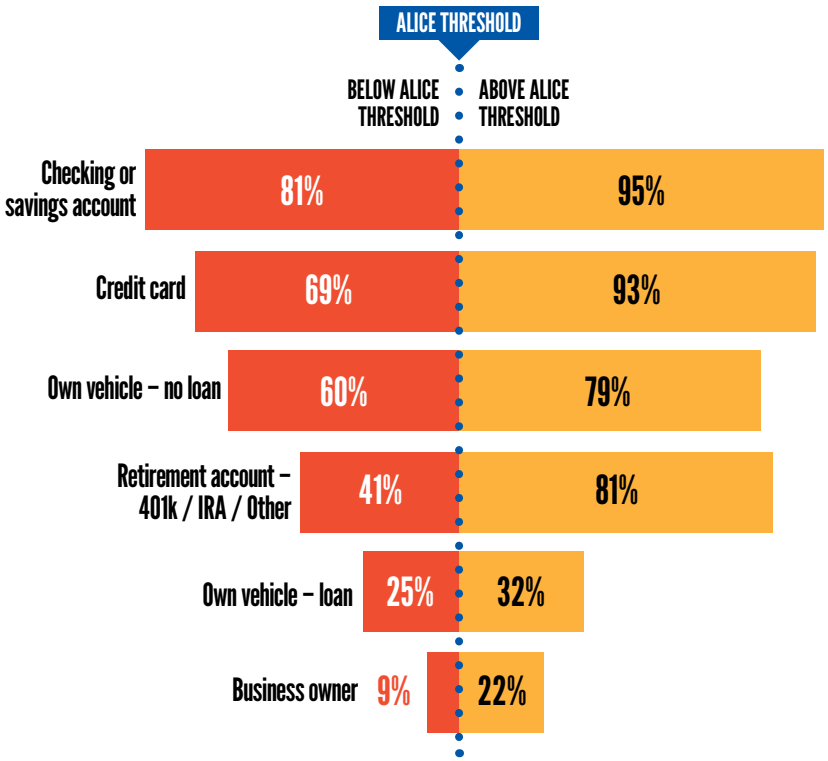
There continues to be opportunity to better support households below the ALICE Threshold with financial planning and assistance, as only 58% feel their household plans ahead financially, representing no change since 2022 in this important metric.

## Meeting Longer Term Goals

Households below the ALICE Threshold have greater concern than before about their ability to meet longer-term financial goals: 25% are not at all confident and 18% are slightly confident they are doing what is needed to meet goals such as buying a home, saving for education, preparing for retirement, and more. In 2022, 22% were not at all confident and 17% were slightly confident.

## Resources to Support Financial Health

The disparity persists between households below and above the ALICE Threshold when it comes to utilization of basic financial services and assets such as checking or savings accounts, credit cards, and retirement accounts, as well as means for bootstrapping by owning a business.



# FACING THE DIFFICULT DECISION TO LEAVE HAWAI'I

Overall, more than 1 in 3 (37%) Hawai'i households contain at least one individual who has considered moving out of state in the past 12 months.

| HOUSEHOLDS BELOW THE ALICE THRESHOLD | | HOUSEHOLDS ABOVE THE ALICE THRESHOLD |
|---|---|---|
| 41% | Contain at least one individual who has considered moving out of state in the past 12 months | 35% |
| 29% | Contain at least one individual who is very or somewhat likely to leave Hawai'i in the future | 20% |

## Drivers of Outward Migration

Clearly, the overall cost of living in Hawai'i – goods and housing – is the primary driver of the decision to consider moving out of state, among those households who have someone who has considered it in the last year.

The cost of housing is more of a concern in households with children (79% vs 69% in households without children).



Cost of housing
73%



Cost of living
85%



Work/job opportunity
36%

The cost of housing is more of an issue on O'ahu (77% vs 65% Neighbor Islands) while on the Neighbor Islands the lack of housing inventory is more of an issue (41% vs 33% O'ahu).



Availability of housing
36%



Other
11%



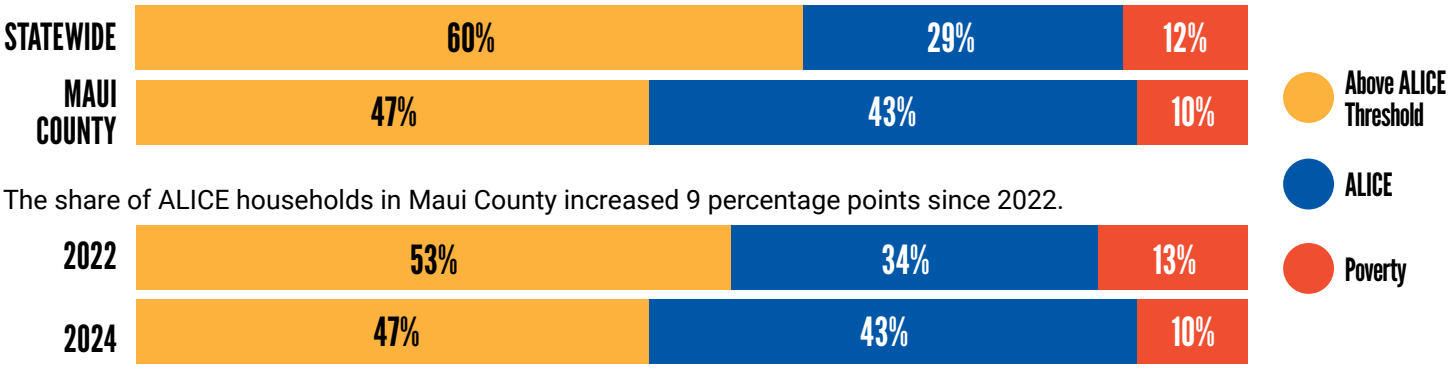
Care for a family member
9%

# MAUI COUNTY – STILL REELING FROM DISASTER

The devastating wildfires on Maui Island in August 2023 have a lasting impact, not only on those who were in the affected areas, but also on the entire community that has suffered emotionally and financially. Residents of Maui County as a whole, but Maui Nui specifically, are still struggling more in a number of areas than residents of other counties.

## Proportion of Households Below the ALICE Threshold

While all other counties have seen a decrease in the share of households below the ALICE Threshold, Maui County experienced an increase – a majority of households in Maui County are currently below the ALICE Threshold.




The share of ALICE households in Maui County increased 9 percentage points since 2022.

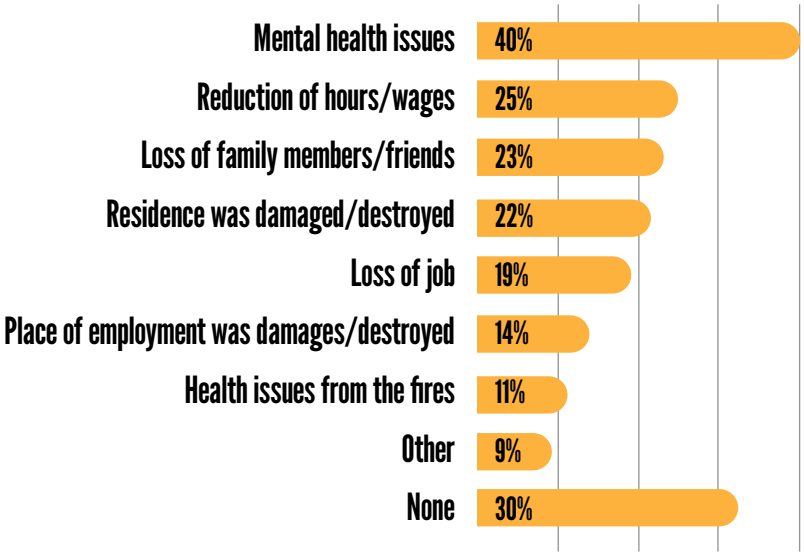



## Maui County Households as a Whole are More Likely to ...

- Have spent a little or much more than income in the past 12 months (30% in Maui County; 24% statewide).
- Have had to draw down savings to help cover expenses when spending was greater than income (88% in Maui County; 76% statewide).
- Have more debt than is manageable (13% in Maui County; 8% statewide).
- Be receiving assistance from a community agency or faith organization (11% in Maui County; 5% statewide).

## Personal Impacts of the Wildfires

Seven in ten (70%) residents of Maui County at the time of the fires experienced a personal loss, financial hardship or health issue resulting from the disaster. This highlights the need for continued targeted support not only for survivors, but also the community as a whole.




Those who live in larger households, particularly if they contain children, were more likely to be impacted by having their residence destroyed, loss of job, and health issues.

# MAUI COUNTY – STILL REELING FROM DISASTER (Continued)



## Household Impacts of Wildfires

Households that reported an impact of some sort from the wildfires are significantly more likely to face financial and other challenges than those households that indicated no impact from the fires. When comparing these two segments, we see worrisome differences in their current financial situation and outlook for the future.



# United, we move forward.

*ALICE in Hawai'i: 2022 Facts and Figures* has been a critical tool to educate, guide policies, shape programs, and call for change. While progress has been made, the data is clear: there is still much work ahead.

The 2024 report sheds light on a growing economic divide that continues to impact younger families, female-led households, and Native Hawaiians and Filipinos—communities struggling under policies that leave many of Hawai'i's residents at a disadvantage.

Nearly 40% of households in Hawai'i face daily financial uncertainty. ALICE represents our teachers, restaurant workers, medical assistants, and childcare professionals—essential workers who are vital to Hawai'i's economy yet struggle to stay afloat. This report underscores how indicators like GDP growth, low unemployment, and rising home prices don't tell the full story of our community's challenges.

We need immediate action to ensure families stay housed, our workforce remains in the islands, and every resident has access to essentials like housing and healthcare. Through collective action, we can address the systems holding our communities back and build a Hawai'i that is resilient, equitable, and rooted in economic policies that prioritize the wellbeing of all who call it home.

# Programs and Policies changes that can help ALICE thrive.

Although this report does not prescribe specific policy solutions, its findings strongly underscore the urgent need for decisive action in the following areas:

- Streamline access and reduce barriers to government aid, particularly during times of disaster, and develop more robust short-term emergency financial assistance programs that prevent ALICE households from falling into poverty.
- Take action to ensure current and future housing units are available and used to house residents.
- Identify and implement support for Family Caregivers, including Paid Family Leave and Paid Sick Leave.
- Increase investments in mental health resources, ensuring swift and wide-spread access to residents across the state.
- Align State Tax Credits to best help ALICE households.
- Develop savings and debt reduction programs to address the large number of households in Hawai'i who are carrying significant debt.
- Invest in proven safety net initiatives that ensure affordable access to basic needs, including food, housing and healthcare.
- Transform benefits programs to incentive financial advancement by removing "Benefits Cliffs."

# The ALICE Initiative

The ALICE Initiative fosters cross-sector collaboration to create a network of ALICE services, programs and advocacy efforts that uplift ALICE households. It invests in innovative programs that enhance financial stability, workforce opportunity, and housing access, and advocates for policy changes to address the growing gap between household incomes and the rising cost of living.

Together, we can create a brighter future for Hawai'i's ALICE families. Discover more about this impactful work at **www.auw.org/alice-initiative.**

United Way Aloha United Way

Friends of Hawaii Charities, Inc.

Hawai'i Community Foundation

Bank of Hawai'i Foundation

Hawai'i Pacific Health — Kapi'olani, Pali Momi, Straub, Wilcox — Creating a Healthier Hawai'i

hmsa — An Independent Licensee of the Blue Cross and Blue Shield Association

Locations Foundation

Aloha United Way Women United