Hele nō ka wai,
hele nō ka ‘alā,
wali ka ‘ulu o Halepua‘a.
THE WATER FLOWS, THE SMOOTH STONE WORKS, AND THE BREADFRUIT OF HALEPUʻAʻA IS WELL MIXED.

Everything goes smoothly when one is prosperous.
KEY FINDINGS

HOUSING AND HOMEOWNERSHIP
Homeownership among Native Hawaiians has increased. The rate of owner-occupied residences among Native Hawaiians increased from 55.7 percent to 57.8 percent between 2003 and 2009. This growth was slightly higher than the statewide increase in owner-occupied residences over the same period.

EMPLOYMENT AND OCCUPATION
Native Hawaiians are now more likely to be employed in professional or managerial occupations than in the past. Comparing Native Hawaiians with the state population, the employment gap for professional and managerial occupations decreased from 9.4 percentage points in 2000 to 8.1 percentage points in 2010. Native Hawaiian single mothers have continued to be actively engaged in the workforce. Among Native Hawaiian children ages 5–17 in single-mother family households, data from 2006–10 showed that 71.4 percent had a working mother, compared with 67.6 percent statewide.

INCOME
Income gaps have narrowed in certain parts of the population. Among family households with children ages 0–4, the income disparity between Native Hawaiians and the statewide average decreased by $3,246 between 1999 and 2010.

Among adults with an associate’s degree, the annual earnings of Native Hawaiians ($37,642) between 2006 and 2010 were slightly higher than the statewide average ($36,266).

Among family households where an associate’s degree was the highest degree obtained, the livable income\(^1\) rate for Native Hawaiians in 2009 (64.7 percent) was 2.5 percentage points higher than that of non-Hawaiians (62.2 percent).

POVERTY AND PUBLIC ASSISTANCE
The poverty rate among Native Hawaiians decreased from 14.6 percent in 2003 to 13.6 percent in 2009. The difference between the poverty rate among Native Hawaiian family households and all family households statewide decreased from 3.5 percentage points in 2003 to 2.7 percentage points in 2009.

Public assistance usage among Native Hawaiian households decreased by 2.8 percentage points between 2003 and 2009, compared with the statewide decrease of 1.3 percentage points.

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1. Livable income refers to the annual income required to provide the basic necessities for a comfortable life. Livable income is calculated based on: Economic Policy Institute, “Family Budget Calculator,” Economic Policy Institute: Research and Ideas for Shared Prosperity (2013).
Areas of concern

HOUSING
Homelessness has remained a challenge in the Native Hawaiian population. The number of Native Hawaiians using homeless shelters increased by 55.8 percent, from 1,569 in 2006 to 2,444 in 2013. The number of Native Hawaiians using outreach services, such as assistance with housing and benefits, increased by 18.0 percent during the same period.

EMPLOYMENT AND OCCUPATION
Native Hawaiians had the highest unemployment rate among the major ethnic groups in Hawai‘i. Nearly one in ten Native Hawaiians in the civilian labor force (9.0 percent) was unemployed, compared with approximately one in seventeen (5.7 percent) statewide.

Native Hawaiians were overrepresented in the typically lower paying agriculture, labor, and production jobs and underrepresented in the typically higher paying professional and managerial positions.

INCOME
Native Hawaiian family households with children had the lowest mean income among the major ethnic groups in the state.

- Among family households with children ages 0–4, the mean income of Native Hawaiians ($76,925) was $4,429 less than the statewide average. The difference was more pronounced among family households with children ages 5–17, where the mean income of Native Hawaiians ($79,468) was $8,244 less than the statewide average.

- Among adults with a bachelor’s degree or higher, the mean earnings of Native Hawaiians was 8.0 percent less than the statewide average ($47,644 versus $51,809, respectively).

Compared with the other major ethnic groups in Hawai‘i, Native Hawaiian households were the least likely to have a livable income. Native Hawaiian family households with children ages 0–4 had lower livable income rates than did Native Hawaiian family households with children ages 5–17.

POVERTY AND PUBLIC ASSISTANCE
Native Hawaiian households had the highest rate of public assistance usage, and Native Hawaiian family households had the highest rate of poverty among the state’s major ethnic groups. Poverty rates were elevated in areas with high concentrations of Native Hawaiians: Moloka‘i, Wai‘anae, and Hilo–Puna–Ka‘u.

Single-parent households face a greater risk of poverty than do those headed by a married couple. Native Hawaiian children in single-parent households were more than twice as likely to live in poverty as were Native Hawaiian children in married-couple family households.

KEY IMPLICATIONS
Native Hawaiian material and economic well-being has improved slightly over the last decade. However, significant challenges remain within some of the most vulnerable segments of the Native Hawaiian population: family households with young children and single-parent family households. Education can serve as a vehicle of economic mobility and security, with higher levels of educational attainment in Native Hawaiians linked to increased earnings and livable income rates. Continued investments in education and postsecondary options for Native Hawaiians will be a key driver in future improvements in material and economic well-being.
CHAPTER TWO INTRODUCTION

In this chapter, material and economic well-being refers to financial resources such as housing, employment, occupation, income, and other socioeconomic assets.

Consistent with other elements of well-being discussed in this book, material well-being and socioeconomic status are inextricably linked to other aspects of overall wellness. In particular, material and economic well-being is both a cause and an effect of educational outcomes. As a cause, socioeconomic status impacts a child’s access to quality schools, supplemental services, enrichment opportunities, learning materials/resources, and educational technologies. Socioeconomic status also provides the backdrop against which learning takes place and may indirectly influence a child’s educational experiences, engagement, focus, and motivation through the presence or absence of stressors (Jensen 2009; Marjoribanks 2005). As an effect, material and economic outcomes are closely tied to educational attainment, with each successive level of degree completion garnering substantial increases in earning potential (Bureau of Labor Statistics 2014; US Census Bureau 2011). In an economy with widening income inequality, education provides a path toward financial self-sufficiency.

Turmoil such as the 2007–09 recession raises the question of how the socioeconomic status of individuals interacts with economic conditions as a whole. How are disadvantaged groups with limited financial resources able to weather difficult economic times? How do communities like Native Hawaiians—with a history of social, educational, and economic marginalization—respond to adverse conditions in the larger economy? The data in this section—most of which were collected between 2002 and 2010 by the US Census Bureau—provide a mixed response. In key measures of material and economic well-being, Native Hawaiian figures remain lower than statewide averages. However, the data also highlight substantial improvements over the last decade. Native Hawaiians achieved significant gains relative to other ethnic groups in homeownership, income, poverty rates, and public assistance usage. In addition, the high degree of connectedness to family and community within the Native Hawaiian population may temper the effects of material and economic adversity. Such progress and culturally grounded coping strategies attest to the resilience and strength of the Native Hawaiian population and indicate intergenerational change in progress. This connectedness is discussed in Chapter 3 on Social, Emotional, and Cultural Well-Being.

1. The American Psychological Association defines socioeconomic status as the “social standing or class of an individual or group,” as measured by “a combination of education, income, and occupation” (American Psychological Association 2014).
Despite the troubled history in Hawai‘i of Native Hawaiian land loss, the significance of ‘āina to Native Hawaiian identity and culture endures (Kame‘eleihiwa 1992; Kanahele 1986; Osorio 2013). The tension between Native Hawaiians’ spiritual relationship with the ‘āina and ongoing legal and political challenges to their land claims is reflected at the individual level in the daily struggles of homeless Native Hawaiians. Figure 2.1 and Figure 2.2 show that Native Hawaiians account for a substantial proportion of the homeless population within their own homeland.

**FIGURE 2.1** Trends in usage of homeless shelters
[number of homeless shelter clients, by Native Hawaiian and non-Hawaiian, 2006–13, Hawai‘i]

<table>
<thead>
<tr>
<th>Year</th>
<th>Native Hawaiian</th>
<th>Non-Hawaiian</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>1,569</td>
<td>4,050</td>
</tr>
<tr>
<td>2007</td>
<td>1,537</td>
<td>4,405</td>
</tr>
<tr>
<td>2008</td>
<td>1,923</td>
<td>4,810</td>
</tr>
<tr>
<td>2009</td>
<td>2,196</td>
<td>5,305</td>
</tr>
<tr>
<td>2010</td>
<td>2,192</td>
<td>5,457</td>
</tr>
<tr>
<td>2011</td>
<td>2,315</td>
<td>5,900</td>
</tr>
<tr>
<td>2012</td>
<td>2,315</td>
<td>6,192</td>
</tr>
<tr>
<td>2013</td>
<td>2,444</td>
<td>6,255</td>
</tr>
</tbody>
</table>

Sources: Yuan, Stern, and Vo 2012, 2013; Yuan and Stern 2011; Yuan, Trundle, and Fong 2010; Yuan and Yuen 2009; Yuan, Kole, and Yuen 2008; Ripke et al. 2007; Ullman et al. 2006.

- The number of Native Hawaiians who received services at government-funded homeless and transitional shelters increased by 55.8 percent over the last eight years, from 1,569 in 2006 to 2,444 in 2013. During the same period, the number of non-Hawaiians served by shelters increased by 54.4 percent.3
- The proportion of homeless shelter clients who are Native Hawaiian has held relatively steady over time, increasing by just 0.2 percentage points, from 27.9 percent in 2006 to 28.1 percent in 2013.
- Homeless shelter usage increased most dramatically from 2007 to 2008 and from 2008 to 2009, a period that corresponds with the “Great Recession.” Unfortunately, usage has not declined as the economy moves toward “recovery.”

2. See Kame‘eleihiwa (1992) for a comprehensive account of the history through which the traditional Hawaiian model of land stewardship was displaced by a Western system of private ownership and ultimately manipulated by foreign interests.

3. A portion of the increase in homeless shelter usage may be attributable to increased capacity at shelters. Yuan, Trundle, and Fong (2010) note that the number of shelter beds doubled and the number of transitional housing units increased by more than 50 percent between 2006 and 2010.
Regardless of the extent to which rise in the use of services reflects an increased need versus an increased availability of shelters, the fact remains that too many members of our Native Hawaiian community are without a home they can call their own.

**FIGURE 2.2 Trends in usage of homeless outreach services**

[number of homeless outreach service clients, by Native Hawaiian and non-Hawaiian, 2006–13, Hawai‘i]

- The number of Native Hawaiians who received government-funded homeless outreach services increased by 18.0 percent over the last eight years from 1,813 to 2,140.⁴
- During this period, homeless outreach support to Native Hawaiians peaked in 2008 with 2,512 clients served; this represented a 38.6 percent increase in the number of Native Hawaiian outreach clients over the two-year period between 2006 and 2008.
- Since 2011, the number of Native Hawaiian outreach clients has decreased at a slower rate than that of non-Hawaiian clients (4.3 percent versus 12.5 percent, respectively).

Among Native Hawaiians with housing, aspirations of homeownership in Hawai‘i pose another set of challenges. On the US continent, many high-priced housing markets correspond with high incomes. In Hawai‘i, however, housing prices and the cost of living rank among the highest in the country, yet wages are just above the national average (Kurtzleben 2011; Kotkin 2012). Access to affordable housing was further constrained by the mortgage crisis of 2008. Banks and mortgage lenders severely tightened credit and down payment requirements for prospective home buyers, rendering the goal of homeownership unattainable for many Native Hawaiian families (Schoen 2012; Board of Governors of the Federal Reserve System 2012; Holt 2009).

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⁴ Types of outreach support vary among providers but may include: case management, assessment, and referral; access to supplies such as food, clothing, tents, and toiletries; and assistance in obtaining housing, benefits, and/or employment.

Sources: Yuan, Stern, and Vo 2012, 2013; Yuan and Stern 2011; Yuan, Trundle, and Fong 2010; Yuan and Yuen 2009; Yuan, Kole, and Yuen 2008; Ripke et al. 2007; Ullman et al. 2006.
Recent data on the prevalence of owner-occupied housing among Native Hawaiians show mixed results. Figure 2.3 indicates that Native Hawaiian homeownership rates have persistently lagged behind statewide averages, but they have also steadily increased over the last decade.

**FIGURE 2.3  Trends in owner-occupied residences**  
[as a percentage of all occupied housing units by race/ethnicity, 3-year weighted averages, selected years, Hawai‘i]

- More than half of all Native Hawaiian-occupied housing units were owned by an individual residing in the household in 2003, 2006, and 2009 (55.7 percent, 56.5 percent, and 57.8 percent, respectively).
- In 2009, Native Hawaiians had the lowest rate of owner-occupied residences of any major ethnic group in Hawai‘i except non-Hispanic Whites. However, the data may be skewed by the high concentration of military personnel within the White population.
- Between 2003 and 2009, the rate of owner-occupied residences among Native Hawaiians increased 2.1 percentage points (from 55.7 percent to 57.8 percent). This growth is slightly higher than the increase of 0.8 percentage points in the statewide average.
Persistently low homeownership rates among Native Hawaiians are likely exacerbated by disparities in employment and occupational outcomes, which serve as the primary sources of income and financial support for working-age adults and their families. Job losses and unemployment were rife throughout the 2007–09 recession and remained a challenge through at least the end of 2012 (Center on Budget and Policy Priorities 2013; Yellen 2013; Russell Sage Foundation n.d.).

Unemployment is both a personal crisis and a public policy problem. At best, unemployment leaves individuals dependent on social networks and safety nets. At worst, it strips families of their means of support. Data compiled from the US Census Bureau show that among the state’s major ethnic groups, Native Hawaiians are most likely to be unemployed (Figure 2.4).

**FIGURE 2.4 Unemployment**

(as a percentage of all individuals 16 years and older in the civilian labor force, by race/ethnicity, 2006–10, Hawai‘i)

- Native Hawaiians have the highest unemployment rate of any major ethnic group in Hawai‘i. Between 2006 and 2010, nearly one in ten Native Hawaiians in the civilian labor force (9.0 percent) was unemployed, compared with approximately one in seventeen (5.7 percent) statewide.
- However, unemployment among Native Hawaiians decreased from 9.8 percent in 2000 to 9.0 percent in 2010, which is the second greatest decrease among the state’s major ethnic groups (not shown).

Arguably, the impact of job loss and unemployment is greatest among families with children, particularly those led by a single parent. Dependents within a family add to daily household expenses and amplify the consequences of unemployment. Families struggling with unemployment may be unable to provide the basic resources needed for a child’s healthy development, such as nutritious food, adequate housing, quality child care, and critical learning materials.
Given the importance of employment for families, the relatively small racial/ethnic disparities among parents of young and school-age children are a positive sign of equity. As shown in Figure 2.5 and Figure 2.6, parental employment rates among Native Hawaiian children are often comparable to statewide averages.

**FIGURE 2.5 Young children with working parents**
[as a percentage of all children 4 years and younger, by race/ethnicity and family household type, 2006–10, Hawai‘i]

- Between three-quarters and two-thirds of young children in single-parent Native Hawaiian family households had a working parent (75.0 percent and 65.0 percent for single-father and single-mother family households, respectively).
- The percentage of young Native Hawaiian children in married-couple family households who have at least one parent working (90.5 percent) is slightly lower than the statewide average (92.4 percent) and is similar to that of the state’s other major ethnic groups, except Japanese and non-Hispanic Whites (93.4 and 97.1 percent, respectively).
- The percentage of young children in married-couple family households where both parents were working decreased among all the state’s major ethnic groups (not shown). The consistency across ethnic groups points to economic conditions—rather than socioeconomic inequalities—as a causal factor.

Parental employment rates tend to be higher among older school-age children. This may reflect a preference for stay-at-home parenting for young prekindergarten children; it could also suggest the challenge of finding affordable, high-quality child care. However, the relative differences between family household types and ethnic groups remain consistent—regardless of the age group—with parental employment rates among school-age Native Hawaiian children approaching or, in some cases, exceeding those of their non-Hawaiian peers.

**FIGURE 2.6 School-age children with working parents**

[as a percentage of all children ages 5–17, by race/ethnicity and family household type, 2006–10, Hawai‘i]

- Among school-age children in single-mother family households, Native Hawaiians were most likely to have their mother working (71.4 percent)—a rate that exceeded the statewide average by 3.8 percentage points.

- School-age Native Hawaiian children in married-couple and single-father family households were slightly less likely than were their non-Hawaiian peers to have a parent working (with the exception of non-Hispanic Whites).

Although the employment rates among the heads of Native Hawaiian families are comparable to statewide averages, these figures may actually underestimate workforce disparities because they fail to account for underemployment—a problem in which workers are overqualified or work fewer hours than preferred (e.g., part-time jobs for those seeking full-time work).
Since the global economic recession from 2007 to 2009, underemployment figures have remained elevated (Economic Policy Institute 2013c). Research suggests that in such situations disadvantaged minorities like Native Hawaiians may be disproportionately impacted (Zhou 1993). In recent years, the underemployment rates among African Americans and Hispanics have exceeded those of Whites by more than 60 percent (Edwards 2009; Economic Policy Institute 2013a).

Systemic disparities in the distribution of workers across occupations contributes to differences in economic and other rewards that are typically tied to job types (Figure 2.7).

**FIGURE 2.7** Distribution of occupation types
[as a percentage of all individuals in the civilian labor force by race/ethnicity, 2006–10, Hawai‘i]

- Native Hawaiians are underrepresented in “Management and Professional” occupations, which tend to offer the most economic security. The proportion of Native Hawaiians in “Management and Professional” occupations (25.2 percent) is 8.1 percentage points lower than the statewide average (33.3 percent).
- Native Hawaiians are overrepresented in nonmanagement, nonprofessional occupations. The proportion of Native Hawaiians in “Transportation and Production” occupations (11.1 percent) is 3.0 percentage points higher than the statewide average (8.1 percent). Similarly, the proportion of Native Hawaiians in “Construction, Extraction, and Repair” occupations (13.2 percent) is 3.5 percentage points higher than the statewide average (9.7 percent).

Figure 2.8 expands on these statistics, highlighting trends in the occupational disparities of Native Hawaiian workers as compared with statewide averages. Despite improvements over the last decade, in 2010, Native Hawaiians were still more likely to be unemployed or working in low-wage agricultural, labor, or production occupations. They were less likely to be engaged in professional or managerial occupations.

- The unemployment rate among Native Hawaiians has exceeded the statewide average since at least 1990. The gap between the unemployment rate of Native Hawaiians and the state population has increased over the last two decades from 2.2 percentage points in 1990 to 3.5 percentage points in 2000 and 3.2 percentage points in 2010.
- Although Native Hawaiians are still less likely to be employed in professional or managerial occupations, the gap between Native Hawaiians and the state population has decreased over the last ten years from 9.4 percentage points in 2000 to 8.1 percentage points in 2010.
- Consistent with historical trends, Native Hawaiians continue to be employed in agricultural, labor, and production occupations at higher rates than the state population. The gap between the Native Hawaiian rate and the statewide average, however, has ranged from 7.5 percentage points in 1990 to 5.7 percentage points in 2000 and 6.5 percentage points in 2010.

Sources: US Census Bureau 2006–10, American Community Survey Public Use Microdata (5-year files); Ka Huaka‘i 2005.
INCOME

Native Hawaiians in the workforce are overrepresented in lower-wage occupations and, in some cases, are more likely to be unemployed. Therefore, it is not surprising that the mean income among Native Hawaiian families is substantially lower than that of other major ethnic groups in the state. Such income inequalities have real consequences, not just for adults facing the high cost of living in Hawai‘i, but also for children and their educational prospects.

FIGURE 2.9 Income of family households with young children
[mean annual income, family households with children 4 years and younger, by race/ethnicity, 2006–10, Hawai‘i]

- The mean income of Native Hawaiian family households with young children was $76,925 between 2006 and 2010, which was $4,429 less than the statewide average of all family households with young children.
- Between 2006 and 2010, the mean income among Native Hawaiian family households with young children was $7,651 lower than that of non-Hispanic White family households (the second lowest income group) and $22,931 lower than that of Japanese family households (the highest income group).
- The difference between the income levels of Native Hawaiian family households with young children and the state average decreased from $13,575 in 1999 to $10,329 in 2010.5

Consistent with differences in parental employment rates among children of varying ages, mean income is lower among families with young children than families with school-age children (Figure 2.9 and Figure 2.10, respectively).

5. A modified method is used to analyze trends over time; therefore, these numbers are not consistent with those highlighted in Figure 2.9. See Appendix B for more information.
Among family households with school-age children, Native Hawaiians have the lowest mean income ($79,468) among the state’s major ethnic groups.

The mean income of Native Hawaiian family households with school-age children is $6,847 less than that of Filipino family households (the second lowest income group), $8,244 less than the statewide average, and $25,974 less than that of Japanese family households (the highest income group).

Education provides a path to financial security, upward mobility, and intergenerational change, and it can counter the longstanding inequities in socioeconomic outcomes and opportunities faced by Native Hawaiians. In Figure 2.11, we shift the focus from income (which includes public assistance, retirement benefits, child support, and money derived from investments and properties) to earnings (which are primarily derived from job-related wages and salaries and are more directly affected by educational attainment). Data from the US Census Bureau confirm that across all ethnic groups in the state, higher levels of educational attainment are associated with significant increases in earnings—although differences between ethnic groups persist with respect to the magnitude of those gains (Figure 2.11).
Native Hawaiians with a bachelor’s degree or higher earn about $20,000 more annually ($47,644) than Native Hawaiians with only a high school diploma ($27,149).

A bachelor’s degree or higher equates to an earnings increase of $22,763 annually compared to earnings with only a high school diploma statewide.

Between 2006 and 2010, Native Hawaiian adults with a bachelor’s degree or higher earned 8.0 percent less than the average adult with a bachelor’s degree or higher statewide ($47,644 versus $51,809).
POVERTY AND PUBLIC ASSISTANCE USAGE

Despite the mitigating effect of educational attainment, the confluence of material and economic inequities to which Native Hawaiians are subject—in homeownership, employment, occupation, and income—contributes to the overrepresentation of Native Hawaiians near the bottom of the socioeconomic distribution. This results in disproportionately high levels of poverty and public assistance usage across the Native Hawaiian community.

Poverty thresholds are issued annually by the US Census Bureau to estimate the minimum income levels required to support families of varying sizes. Although these federal thresholds serve as a critical benchmark for identifying societal needs, the cutoffs are so low that households with incomes of more than twice the poverty line may still struggle to make ends meet, particularly in high-cost regions such as Hawai‘i. (The disconnect between official definitions of need and the reality of daily expenses for Native Hawaiian families is discussed in more detail in the Livable Income section of this chapter.) Because the cost of living is high in Hawai‘i, the federal government also publishes what is referred to as a poverty guideline for Hawai‘i. For example, in 2013 the poverty threshold for a family of four (including two related children) was $23,624 and the poverty guideline for Hawai‘i was $27,090 (US Census Bureau 2013; US Department of Health and Human Services 2013). The figures in this section are based on the poverty guidelines for Hawai‘i.

The data presented below paint a compelling picture of inequality and need among Native Hawaiians throughout the state. They also tell a more complex story of change in action, highlighting decreases in Native Hawaiian poverty rates and public assistance usage over time. We begin our exploration of financial need in Hawai‘i by examining the social “safety net” of supports available to individuals and families living in poverty: public assistance. Given the conservative poverty thresholds in the United States, it is common practice for means-tested public assistance programs to use income criteria that are based on multiples of the official guideline (e.g., in Hawai‘i this is set at 185 percent of the poverty guideline for Hawai‘i).

**FIGURE 2.12** Trends in usage of public assistance
[as a percentage of all households by race/ethnicity, 3-year weighted averages, selected years, Hawai‘i]

![Graph showing trends in usage of public assistance by race/ethnicity in Hawai‘i.](image)

• Public assistance usage among Native Hawaiian households decreased by 2.8 percentage points between 2003 and 2009, compared with the statewide decrease of 1.3 percentage points.

• Public assistance usage among Native Hawaiians continues to be significantly higher than that of other major ethnic groups in the state. Between 2003 and 2009, the prevalence of public assistance among Native Hawaiian households was more than twice the statewide average.

• In 2009, roughly one in fifteen Native Hawaiian households (6.9 percent) received public assistance.

Public assistance usage and poverty rates are closely related measures that provide complementary perspectives on the level of need within the population. Among Native Hawaiians, the patterns of racial/ethnic disparities in poverty and public assistance data are consistent and clear, showing levels of need that are high relative to other major ethnic groups in the state, but declining over time (Figure 2.13).

**FIGURE 2.13** Trends in poverty among individuals
[as a percentage of all individuals by race/ethnicity, 3-year weighted averages, selected years, Hawai‘i]

- The proportion of Native Hawaiians living in poverty steadily decreased from 14.6 percent in 2003 to 13.6 percent in 2009; the statewide average increased slightly between 2006 and 2009.
- Between 2003 and 2009, Native Hawaiians experienced the highest poverty rate of the state’s major ethnic groups.
- In 2009, the prevalence of poverty among Native Hawaiians (13.6 percent) was 3.0 percentage points higher than the statewide average.

Shifting the analysis from individuals to family households, the differences between ethnic groups and the trends over time remain roughly the same (Figure 2.14).

**FIGURE 2.14** Trends in poverty among family households
[as a percentage of all family households by race/ethnicity, 3-year weighted averages, selected years, Hawai’i]

- Native Hawaiian family households were more likely to be living in poverty than any of the state’s other major ethnic groups. Between 2003 and 2009, Native Hawaiian family households were more than twice as likely to live in poverty as were Japanese family households.
- Between 2003 and 2009, Native Hawaiian family households experienced the second largest decrease in poverty (1.7 percentage points) among the major ethnic groups in Hawai’i.
- The difference between the poverty rate of Native Hawaiian family households and the statewide average decreased from 3.5 percentage points in 2003 to 2.7 percentage points in 2009.

*Source: US Census Bureau 2002–10, American Community Survey Public Use Microdata (1-year files).*
Disaggregation of poverty data by family household type highlights the particular plight of single-parent families. About one in three single-parent Native Hawaiian family households with young children falls below the poverty line (Figure 2.15).

**FIGURE 2.15 Poverty among family households with young children**

[as a percentage of all family households with children 4 years and younger, by race/ethnicity and family household type, 2006–10, Hawai‘i]

- Native Hawaiian family households with young children had the highest poverty rate (18.7 percent) of all the major ethnic groups in Hawai‘i, exceeding the statewide average by 3.7 percentage points.
- Nearly one-third (31.1 percent) of Native Hawaiian family households with young children headed by a single parent lived in poverty; this exceeds the statewide average by 1.7 percentage points and is 22.9 percentage points above the rate among single-parent Japanese family households.

Native Hawaiian family households with school-age children were more likely than the state’s other major ethnic groups to live in poverty. This held true across all family types.

Native Hawaiian family households with school-age children were more than twice as likely as Japanese family households to live in poverty (14.0 compared with 5.3 percent), and this disparity holds across the subpopulations of married-couple and single-parent family households.

When we focus on childhood poverty in particular—shifting from families to individual children (Figure 2.17 and Figure 2.18)—the picture becomes more discouraging. In particular, young children have higher rates of poverty than do school-age children. This may be due in part to young children being raised by younger parents who are positioned at the beginning of their career paths and who may therefore earn less than their more seasoned peers.

**FIGURE 2.17 Poverty among young children**

[as a percentage of all children 4 years and younger, by race/ethnicity and family household type, 2006–10, Hawai‘i]

- More than one in five young Native Hawaiian children lived in poverty (21.9 percent) between 2006 and 2010, compared with one in seventeen young Japanese children (6.0 percent) and one in six young children across the state (15.8 percent).
- Among young children in married-couple family households, Native Hawaiians were more likely than the state’s other major ethnic groups to live in poverty.
- Young Native Hawaiian children in single-parent family households were twice as likely to live in poverty as were young Native Hawaiian children in married-couple family households (33.6 percent versus 14.2 percent, respectively).
- One in three young Native Hawaiian children in single-parent family households lived in poverty (33.6 percent), a rate exceeded only by young non-Hispanic White children (38.6 percent).

As noted above, school-age children have lower poverty rates than younger children, but the patterns and disparities between ethnic groups and family household types remain consistent.
A total of 16.8 percent of school-age Native Hawaiian children were living in poverty, representing the highest rate among Hawai‘i’s major ethnic groups and 3.3 percentage points higher than the statewide average (13.5 percent).

Between 2006 and 2010, 26.9 percent of school-age Native Hawaiian children in single-parent family households lived in poverty. Although this rate is the second highest among the major ethnic groups in the state and exceeds the statewide average by 1.8 percentage points, it is 8.5 percentage points lower than in 1999 (not shown).

Poverty rates among school-age Native Hawaiian children in single-parent family households (26.9 percent) were more than double the rates of school-age Native Hawaiian children in married-couple family households (10.4 percent).

The relatively high poverty rate among Native Hawaiian children is also present in married-couple family households. About one-tenth (10.4 percent) of school-age Native Hawaiian children in married-couple family households lived in poverty, which is 1.3 percentage points higher than in 1999 (not shown) and 2.4 percentage points higher than the 2010 statewide average.

Figure 2.19 examines the concentration of poverty by region, highlighting the critical role that community resources play in the material and economic well-being of families and children. Figure 2.19 also shows elevated poverty levels among Native Hawaiians living on Moloka‘i, in Wai‘anae, and in Hilo–Puna–Ka‘ū. Separate data are not provided for children living in poverty by region because the estimates from the American Community Survey are too unreliable when cut that finely.

**FIGURE 2.19 Poverty among Native Hawaiians by region**

[as a percentage of all Native Hawaiian individuals, 2006–10, Hawai‘i]

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hawai‘i Island</td>
<td>12.4</td>
</tr>
<tr>
<td>Maui</td>
<td>10.1</td>
</tr>
<tr>
<td>Lāna‘i</td>
<td>19.5</td>
</tr>
<tr>
<td>Moloka‘i</td>
<td>12.4</td>
</tr>
<tr>
<td>O‘ahu</td>
<td>10.1</td>
</tr>
<tr>
<td>Kaua‘i</td>
<td>9.0</td>
</tr>
<tr>
<td>Ni‘ihau</td>
<td>8.4</td>
</tr>
<tr>
<td>Hawai‘i Total</td>
<td>12.1</td>
</tr>
</tbody>
</table>


Note: Data for Lāna‘i and Ni‘ihau are either unavailable or too limited to yield reliable results.

- Roughly one in eight Native Hawaiians (12.1 percent) lived in poverty between 2006 and 2010, 3.8 percentage points lower than in 1999 (15.9 percent, not shown).
- Poverty among Native Hawaiians was highest on Moloka‘i, in Wai‘anae, and in Hilo–Puna–Ka‘ū (19.5 percent, 19.4 percent, and 19.2 percent, respectively).
- Since 1999, poverty rates have decreased in all regions except Ko‘olau–Ko‘olauloa and Ko‘Olau–Ko‘olauloa, and Wai‘anae (not shown).
- The Native Hawaiian poverty rate was lowest on Kaua‘i, where 8.4 percent lived below the poverty level—nearly half the rate reported in 1999 (16.5 percent).

6. The slight increase in Wai‘anae may be attributable, in part, to changes in that region’s boundaries, which have been redrawn to exclude the ‘Ewa–Kapolei area. That area is now combined with central O‘ahu regions. For more information on the methods used to define regions, see Appendix A.

7. As noted previously, our calculations of the reduction in poverty since 1999 likely underestimate the true magnitude of the decrease because *Ko Huaka‘i* 2005 used federal poverty thresholds rather than the poverty guidelines utilized in this volume. For more information on changes in the methodology, see Appendix A.
Livable Income

Measures of poverty among Native Hawaiians in Hawai‘i indicate incremental improvements between 2003 and 2009 (see Figure 2.13 and Figure 2.14). While these data highlight the economic progress of a small proportion of Native Hawaiians, these statistics alone do not tell the full story. To complete the picture of economic well-being among Native Hawaiians, we look at the full income distribution, including the percentage of households and families with a livable income.

Livable income is a term based on the concept of living wage, which refers to the hourly pay required to provide the basic necessities for a comfortable life. Livable income refers to the annual income required to meet the same standard. Living wages were initially synonymous with minimum wages, defined as wages sufficient to maintain the “standard of living necessary for health, efficiency, and general well-being of workers” (Fair Labor Standards Act of 1938). Over time, the minimum wage has not kept pace with the rising cost of living. Thus, a worker earning minimum wage could no longer support the standard of living necessary for general well-being.

We used a more suitable methodology to calculate livable income based on the Economic Policy Institute’s Family Budget Calculator (Economic Policy Institute 2013b) (refer to Appendix A for more information). We compared livable income estimates to actual household income and grouped respondents from the American Community Survey sample into one of four categories.

1. Poverty: incomes at or below poverty guidelines defined by federal guidelines for Hawai‘i
2. Low income: incomes between 101 and 185 percent of the poverty guideline (the cutoff used for most income subsidy benefits in Hawai‘i)
3. Gap group: incomes that are more than 185 percent of the poverty guideline, but below the threshold for a livable income
4. Livable income: incomes at or above the livable income threshold

The figures in the following sections portray the distribution of individuals and households across the four income categories. The figures show both trend data for Native Hawaiians and a 2009 snapshot of the major ethnic groups in Hawai‘i. This demonstrates the livable income trend over the decade for Native Hawaiians (which is similar for other ethnic groups) and compares their relative position to other ethnic groups.

Our findings are consistent with recent increases in unemployment and underemployment and with national trends that show “housing and transportation costs rose faster than income during the 2000s” (Hickey et al. 2012). Trends in livable income rates among households suggest that, in Hawai‘i, the 2007–09 economic recession disproportionately affected Native Hawaiians (Figure 2.20 to Figure 2.23).

---

9. The “gap group” is an important pocket of unmet need because it includes individuals and families whose incomes are too low to afford basic necessities but too high to qualify for public assistance.
10. Households include all individuals living in the same unit (including individuals living alone) and are not restricted to nuclear families.
How to Read the Livable Income Figures

The livable income figures are designed differently from the majority of figures used throughout *Ka Huaka‘i*. They are easy to read given two important distinctions.

1. All vertical bars are 100 percent bars.

2. The horizontal axis represents the threshold for livable income and does NOT represent a zero point.

For example, in Figure 2.20, 56.8 percent of Native Hawaiian households in 2009 were above the livable income threshold, while the remaining 43.3 percent were below the livable income threshold. Households below the livable income threshold were further categorized into separate income groups, including 15.2 percent in the gap group, 16.0 percent classified as low income, and 12.1 percent living in poverty. The four income categories combined equal 100 percent* and represent all Native Hawaiian households in 2009.

Unlike the poverty guidelines, which are the same for all households of the same size, the amount of income required “to provide the basic necessities for a comfortable life” varies by household size and other factors such as the number of young children who may be enrolled in preschool and the distance the adults travel to work. Thus, two four-person households could have different thresholds for a livable income. The proportion of households or individuals categorized as having a livable income is an aggregation across each household’s unique livable income threshold.

*Note: Due to rounding, some percentages may not sum exactly to 100.
• In 2009, Native Hawaiian households were the least likely to have a livable income and the most likely to live in poverty of all the major ethnic groups in Hawai‘i.

• In 2009, about half (56.8 percent) of Native Hawaiian households had a livable income, compared with seven in ten Japanese and White households (71.9 percent and 69.8 percent, respectively).

• Among the major ethnic groups in Hawai‘i, Native Hawaiians experienced the greatest decline in the percentage of households with a livable income (10.5 percentage point decrease between 2003 and 2009, shown in Table 2.1).

• For all major ethnic groups in Hawai‘i, the gap group was the fastest growing income category. The data suggest that growth in the gap group is largely attributable to the decrease in the number of households with a livable income from 2003 to 2009 (Table 2.1). \(^{11}\)

• The difference between the livable income rates of Native Hawaiian households and households of other major ethnic groups in Hawai‘i grew from 2003 to 2009. For example, the percentage of Native Hawaiian and non-Hispanic White households with a livable income differed by 8.2 percentage points in 2003 and 13.0 points in 2009 (Table 2.1).

---

\(^{11}\) These trends are based on cross sections rather than longitudinal data that track the same group of respondents over time; therefore, our assumption that households are regressing from the livable income category into the gap group cannot be conclusively confirmed.
FIGURE 2.21 Livable income among family households
[as a percentage of all family households by race/ethnicity and income category, 3-year weighted averages, selected years, Hawai‘i]

- Native Hawaiian family households were the least likely to have a livable income compared with the other major ethnic groups in Hawai‘i. Based on 2009 data, 57.7 percent of Native Hawaiian family households had a livable income, compared with the statewide average of 66.7 percent—a difference of 9.0 percentage points.

- During the past decade, the proportion of Native Hawaiian family households in poverty has decreased slightly from 12.3 percent to 10.6 percent; however, the proportion subsisting on less than a livable income has increased.

- Similar decreases in livable income rates are apparent among the state’s other major ethnic groups (Table 2.1). However, the rate of decline is greatest among Native Hawaiians.

- Family households were more likely to have a livable income than nonfamily households by an average of 10 percentage points (not shown). In addition, the decrease in the percentage of households with a livable income between 2003 and 2009 was slightly smaller among family households than among nonfamily households (not shown).

Source: Hong 2013.
- Roughly two-thirds (64.1 percent) of Native Hawaiian family households with young children did not have a livable income in 2009.

- Family households with young children were least likely of all household types to have a livable income and most likely to live in poverty. (Household types include all family households, family households with young children, family households with school-age children, and nonfamily households.)
Family households with school-age children were more likely to have a livable income than were family households with young children.

**FIGURE 2.23 Livable income among family households with school-age children**

[as a percentage of all family households with children ages 5–17, by race/ethnicity and income category, 3-year weighted averages, selected years, Hawai’i]

- Half (49.9 percent) of Native Hawaiian family households with school-age children had a livable income in 2009, compared with 35.9 percent of Native Hawaiian family households with young children (Figure 2.22).

- The decrease in livable income rates among Native Hawaiian family households with school-age children was greater than that of other household types. Between 2003 and 2009, the livable income rate among Native Hawaiian family households with school-age children fell 11.2 percentage points (from 61.1 percent to 49.9 percent), compared with a 7.2 percentage point decrease among Native Hawaiian family households with young children (Figure 2.22).
## TABLE 2.1  Trends in livable income among households
[distribution across income categories, by race/ethnicity and household type, 3-year weighted averages, selected years, Hawai’i]

<table>
<thead>
<tr>
<th>Household type</th>
<th>Native Hawaiian</th>
<th>Chinese</th>
<th>Filipino</th>
<th>Japanese</th>
<th>Non-Hispanic White</th>
<th>Hawai’i Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>All households</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Livable income</td>
<td>67.3 63.3 56.8</td>
<td>27.3 69.1 66.2</td>
<td>66.3 64.5 59.5</td>
<td>81.0 77.1 71.9</td>
<td>75.5 75.1 69.8</td>
<td>72.3 69.8 63.9</td>
</tr>
<tr>
<td>Gap group</td>
<td>7.5 10.9 15.2</td>
<td>7.2 9.4 11.6</td>
<td>10.1 14.2 17.7</td>
<td>4.7 5.9 9.6</td>
<td>5.2 7.0 9.2</td>
<td>5.5 8.0 11.6</td>
</tr>
<tr>
<td>Low income</td>
<td>11.8 13.7 16.0</td>
<td>9.5 11.5 12.0</td>
<td>13.5 13.0 14.0</td>
<td>7.2 9.9 10.9</td>
<td>9.3 9.8 11.4</td>
<td>10.2 11.9 13.3</td>
</tr>
<tr>
<td>Poverty</td>
<td>13.5 12.1 12.1</td>
<td>11.0 10.0 10.1</td>
<td>10.2 8.4 8.8</td>
<td>7.1 7.1 7.6</td>
<td>10.0 8.1 9.7</td>
<td>12.0 10.3 11.3</td>
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<tr>
<td>Family households</td>
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</tr>
<tr>
<td>Livable income</td>
<td>68.0 63.9 57.7</td>
<td>74.5 71.0 67.4</td>
<td>66.9 65.1 60.7</td>
<td>84.9 81.4 77.4</td>
<td>78.5 77.1 74.0</td>
<td>74.6 71.9 66.7</td>
</tr>
<tr>
<td>Gap group</td>
<td>7.3 11.6 15.7</td>
<td>7.5 10.5 12.6</td>
<td>10.7 15.6 18.5</td>
<td>4.9 6.9 10.0</td>
<td>6.1 8.1 10.2</td>
<td>6.3 9.4 13.1</td>
</tr>
<tr>
<td>Low income</td>
<td>12.4 13.5 16.1</td>
<td>9.9 10.2 11.8</td>
<td>13.7 12.5 14.0</td>
<td>5.7 7.6 8.5</td>
<td>9.6 9.7 10.4</td>
<td>10.3 11.3 12.4</td>
</tr>
<tr>
<td>Poverty</td>
<td>12.3 11.1 10.6</td>
<td>8.1 8.4 8.3</td>
<td>8.7 6.7 6.9</td>
<td>4.5 4.1 4.2</td>
<td>5.9 5.2 5.4</td>
<td>8.8 7.3 7.9</td>
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<tr>
<td>Family households with young</td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td>children</td>
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</tr>
<tr>
<td>Livable income</td>
<td>43.1 38.5 35.9</td>
<td>50.3 49.9 48.2</td>
<td>44.6 46.3 41.3</td>
<td>61.9 55.9 57.1</td>
<td>51.2 49.7 46.0</td>
<td>47.1 46.3 40.6</td>
</tr>
<tr>
<td>Gap group</td>
<td>16.5 22.3 27.2</td>
<td>22.0 21.0 26.3</td>
<td>19.0 28.0 30.1</td>
<td>16.3 23.2 23.2</td>
<td>20.3 22.7 26.4</td>
<td>16.7 22.4 27.0</td>
</tr>
<tr>
<td>Low income</td>
<td>19.2 22.0 20.6</td>
<td>16.4 16.5 13.5</td>
<td>22.5 15.6 17.7</td>
<td>12.8 14.8 12.3</td>
<td>20.1 21.3 17.8</td>
<td>20.7 19.7 18.0</td>
</tr>
<tr>
<td>Poverty</td>
<td>21.2 17.3 16.3</td>
<td>11.4 12.7 12.0</td>
<td>13.9 10.2 11.0</td>
<td>9.0 6.1 7.3</td>
<td>8.4 6.4 9.7</td>
<td>15.6 11.7 14.4</td>
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<td>Family households with school-</td>
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<td>age children</td>
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<tr>
<td>Livable income</td>
<td>61.1 55.5 49.9</td>
<td>68.1 61.1 60.9</td>
<td>60.7 58.9 52.4</td>
<td>78.1 71.3 69.8</td>
<td>71.5 67.6 66.5</td>
<td>65.4 61.9 56.9</td>
</tr>
<tr>
<td>Gap group</td>
<td>7.7 13.9 17.2</td>
<td>7.9 13.2 16.2</td>
<td>11.3 17.9 21.8</td>
<td>6.4 11.9 13.7</td>
<td>6.1 10.6 11.3</td>
<td>7.2 12.1 16.2</td>
</tr>
<tr>
<td>Low income</td>
<td>17.1 16.1 19.7</td>
<td>14.4 14.8 13.5</td>
<td>18.0 15.5 18.3</td>
<td>8.6 10.8 11.3</td>
<td>13.4 14.5 13.4</td>
<td>15.1 15.7 16.2</td>
</tr>
<tr>
<td>Poverty</td>
<td>14.2 14.6 13.2</td>
<td>9.6 11.0 9.4</td>
<td>10.0 7.8 7.6</td>
<td>6.9 5.9 5.2</td>
<td>9.0 7.3 8.8</td>
<td>12.4 10.3 10.7</td>
</tr>
</tbody>
</table>

Source: Hong 2013.

Educational attainment may be one way to address the negative trends in livable income among Native Hawaiians. Various studies find that higher levels of education are linked to higher average incomes (Cantu 2003; Federal Reserve Bank of San Francisco 2004; Goldin and Katz 2007; Symonds, Schwartz, and Ferguson 2011; Tibbetts et al. 2012). Education may also increase resilience to adverse economic conditions. Many analyses of the effect of the Great Recession demonstrated that those with the least education were most negatively impacted (Sum and Khatiwada 2010).

Higher income levels affect not only the individual, but also dependents supported by that individual. For example, “children of affluent parents . . . are eight times more likely to earn college degrees than their low-income counterparts” (Symonds, Schwartz, and Ferguson 2011).

Benefits also accrue to the communities in which more highly educated and higher-wage individuals live. Adults with higher levels of educational attainment are more likely to contribute to the social good of the community by, for example, engaging in volunteer and service activities (Institute for Higher Education Policy 1998, 2005). We posit that educated adults also provide positive role models for youth in their communities, contributing to intergenerational changes in well-being.
Figure 2.24 and Figure 2.25 show the relationship between education and income among Native Hawaiians. Similar to the analyses in previous sections, we determined whether Native Hawaiian households fell into the livable income, gap group, low income, or poverty ranges. The sample was then further categorized by highest degree attained within the household.\textsuperscript{12} The results show a clear and consistent relationship between education and household income among Native Hawaiians.

**Figure 2.24** Livable income among Native Hawaiian households by educational attainment

(as a percentage of all Native Hawaiian households, by highest degree attained within household and by income category, 3-year weighted averages, 2009, Hawai‘i)

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school diploma</td>
<td>27.4</td>
</tr>
<tr>
<td>High school diploma</td>
<td>43.4</td>
</tr>
<tr>
<td>Some college</td>
<td>47.3</td>
</tr>
<tr>
<td>Associate’s degree</td>
<td>67.4</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>74.7</td>
</tr>
<tr>
<td>Graduate degree</td>
<td>81.5</td>
</tr>
</tbody>
</table>

Source: Hong 2013.

- A total of 43.4 percent of all households with an adult with a high school diploma had a livable income, compared to 27.4 percent of households without a high school diploma. Livable income rates were even greater for households with an associate’s degree or bachelor’s degree, among which 67.4 percent and 74.7 percent had a livable income, respectively.
- Native Hawaiian households with a graduate degree were the most likely to have livable incomes (81.5 percent). These households are also the least likely to fall below poverty guidelines (1.6 percent).

\textsuperscript{12} For example, the “Graduate” group includes households in which the highest degree obtained by any member is a graduate degree.
The poverty rate for Native Hawaiian family households with less than a high school diploma (41.0 percent) was more than double that of households where the highest degree is a high school diploma (19.8 percent). Similarly, Native Hawaiian family households with a high school diploma were twice as likely to earn a livable income (44.7 percent) as were Native Hawaiian family households without a high school diploma (21.2 percent).

The livable income rate for Native Hawaiian family households with a high school diploma and those with some college differed only slightly (44.7 percent and 48.4 percent, respectively). However, a larger difference of 8.7 percentage points was apparent in the poverty rates of the two groups. Thus, family households with some college were more likely to have incomes above the poverty level than were family households with a high school diploma or less.

Educational attainment has a large impact on household income even at the lowest levels of postsecondary degree attainment. Native Hawaiian family households with an associate’s degree had nearly half the poverty rate of those with some college and were more likely to have a livable income (64.7 percent compared with 48.4 percent, respectively).

Native Hawaiian family households with a bachelor’s degree were more likely to have a livable income than those with an associate’s degree (75.6 percent compared with 64.7 percent, respectively). Native Hawaiian family households with a bachelor’s degree were more than three and a half times as likely to have a livable income as were family households without a high school diploma (75.6 percent compared with 21.2 percent, respectively).

Livable income rates were highest (81.3 percent) among Native Hawaiian family households with a graduate degree, and those with a graduate degree were least likely to live in poverty (1.7 percent).
The magnitude of education’s impact on household income differs between Native Hawaiians and non-Hawaiians, although the general relationship between educational attainment and income is consistent across the major ethnic groups. Figure 2.26 depicts the difference between Native Hawaiians and non-Hawaiians in the percentage of family households with a livable income. Negative numbers indicate Native Hawaiians lagging behind non-Hawaiians, and data are disaggregated based on the highest level of educational attainment in each household. At nearly all educational levels, Native Hawaiian family households were less likely to have a livable income. The associate’s degree category was the only group of family households within which Native Hawaiians had a higher livable income rate than non-Hawaiians.

**FIGURE 2.26** Gap analysis of livable income by educational attainment

[Difference in percentage points between Native Hawaiian family households and non-Hawaiian family households, by highest degree attained within household, 3-year weighted averages, 2009, Hawai‘i]

- In five of the six education levels reported, Native Hawaiian family households were less likely to have a livable income than were non-Hawaiian family households.
- Among family households where an associate’s degree is the highest degree obtained, the livable income rate was slightly higher (2.5 percentage points) among Native Hawaiians than non-Hawaiians.
- Native Hawaiian family households without a college degree were less likely to have a livable income than were their non-Hawaiian counterparts.
- Among households with a bachelor’s or graduate degree, the Native Hawaiian family households were less likely than were the non-Hawaiian households to have a livable income.
- The difference between the livable income rates of Native Hawaiian and non-Hawaiian family households was greatest (10.9 percentage points) in households where the highest education level is some college with no postsecondary degree attainment. This highlights the economic potential of degree completion for Native Hawaiians who enroll in postsecondary educational programs.

Source: Hong 2013.
Higher earnings among caregivers affect dependents supported by those caregivers. The higher earning potential of family households with higher educational attainment, as described in Figure 2.25, means increased access to the educational resources and basic necessities that support healthy development in children. Furthermore, educational attainment may be an important factor in sustaining a livable income as families grow in size (e.g., children are introduced) and expenditures increase. Figure 2.27 and Figure 2.28 present the income levels of family households with young and school-aged children, disaggregated by the households’ highest degree attained.

**FIGURE 2.27 Livable income among Native Hawaiian family households with young children by educational attainment**

[as a percentage of all Native Hawaiian family households with children 4 years and younger, by highest degree attained within family household and by income category, 3-year weighted averages, 2009, Hawai‘i]

- Roughly one in three Native Hawaiian family households with young children (35.9 percent) had a livable income (Figure 2.22). However, the livable income rate improved to 62.5 percent among Native Hawaiian family households with a bachelor’s degree and 75.5 percent for those with a graduate degree.
- None of the Native Hawaiian family households with young children and without a high school diploma had a livable income, nor were they present in the gap group. A total of seven in eight of these households (87.3 percent) were living in poverty; the remaining one in eight (12.7 percent) fell in the low income category (between 101 and 185 percent of the poverty guideline).

Source: Hong 2013.
Family households with school-age children also see the benefits of education on income (Figure 2.28), although the differences between levels of educational attainment are less pronounced than in family households with young children (Figure 2.27).

**FIGURE 2.28** Livable income among Native Hawaiian family households with school-age children by educational attainment
[as a percentage of all Native Hawaiian family households with children ages 5–17, by highest degree attained within family household and by income category, 3-year weighted averages, 2009, Hawai‘i]

- Among Native Hawaiian households with school-age children where the highest level of education was less than a high school diploma, 93.2 percent fell in the low income or poverty categories; just 6.8 percent had a livable income.
- College degree attainment mitigates the risk of poverty in family households with school-age children. The vast majority of households with a college degree or higher were above the poverty level.
- Among Native Hawaiian family households with school-age children, 80.3 percent of those with a graduate degree and 74.9 percent of those with a bachelor’s degree had a livable income.

Source: Hong 2013.
CONCLUSION

Native Hawaiian progress in material and economic well-being is apparent throughout this chapter. Despite the worst economic recession in recent history, Native Hawaiians have made notable gains over the last decade, including increased rates of homeownership and employment, and decreased levels of poverty and public assistance usage.

However, substantial challenges remain. Our analyses of income distribution suggest that while poverty rates are declining, significantly fewer Native Hawaiians are earning a livable income. High concentrations of economic need persist in predominantly Native Hawaiian communities and within some of the most vulnerable segments of the Native Hawaiian population: family households with young children and single-parent family households.

The data in this chapter highlight the potential of education as a vehicle of economic mobility and security. Higher levels of educational attainment among Native Hawaiians are linked to increased earnings and livable income rates. Continued investments in education and postsecondary options for Native Hawaiians will be a key driver in future improvements in material and economic well-being.