

# Join to help Hawaii's ALICE population

By Norm Baker

The bill package announced at the start of the 2020 legislative session is a promising example of what a collaborative, community-wide approach looks like in an effort to address serious systemic issues.

Within this comprehensive package, House Bill 2541 addresses one of the three top cost drivers for our families: wages and tax burden. This bill is a critical step to help build the infrastructure and develop the resources necessary to help our ALICE population.

ALICE stands for “asset limited, income constrained and employed,” describing the many hardworking residents of our state who have a job — sometimes two or three — but cannot afford the cost of living in Hawaii.

The monthly struggle to make ends meet leaves them with no “emergency fund” or safety net to fall back on in case of a health emergency, car repair or other increase in expenses.

Aloha United Way introduced ALICE in 2018 when it came out with the ALICE Report to help quantify the thousands of residents who live paycheck to paycheck, and to generate awareness of obstacles facing families and

individuals in our communities.

The ALICE Report findings are sobering: 47% of our households are barely able to provide for the six basic essentials of housing, child care, food, transportation, taxes and health care.

These families are left vulnerable because their budget — \$28,296 for a single adult and \$77,052 for a family of four — does not allow for savings and unexpected expenses.

## ISLAND VOICES



*Norm Baker is interim president/CEO of Aloha United Way.*

It could take just one incident for these households to fall into a crisis.

FOLLOWING THE great recession in 2008, more than 28,000 Hawaii households fell from financial stability into ALICE status, and more significantly, they have not recovered. By tackling the root causes of ALICE, we can improve residents' financial stability and prevent them from slipping

into poverty, increasing the demand on government support; or worse, ending up homeless, as nearly 7,000 individuals on Oahu did in 2019.

The cost of living in Hawaii is one of the highest in the nation, and as a result we are facing a decline of our population. In many cases, ALICE households are the ones that are forced to leave Hawaii. These departures take a significant toll on our

labor force, business development and government services, not to mention the lasting effects to families and communities whose loved ones leave for the mainland.

We have to do better for our families. The ALICE Report shined a light on the issues, and now it's time to galvanize all stakeholders to tackle the root causes of financial instability here in Hawaii. Partnerships with the state, Legislature, nonprofits and the private sector, including the Hawaii Executive Collaborative, give hope that together, we will solve these issues for our families.

Last year, a bill to raise the minimum wage failed in the Senate. This year, HB 2541 proposes to raise Hawaii's minimum wage with more gradual changes so that employers have time to adjust.

HB 2541 also includes tax breaks for working-class people to create a fairer taxation system for those who are paying a higher percentage of their income to taxes.

HB 2541 is being discussed in committee Thursday morning, so now is the time to make your voice heard. Contact your legislators to show your support for HB 2541, which is the first step toward changing ALICE's future. By taking action, we can make Hawaii better, stronger and more resilient for generations to come.