



HAWAI'I APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

For Immediate Release
September 10, 2019

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OFFICIAL POVERTY DATA OBSCURES REALITY FACED BY HAWAI'I RESIDENTS

The more accurate Supplemental Poverty Measure ranks Hawai'i at 13th highest for poverty in the nation.

HONOLULU, Hawai'i — Hawai'i has the 13th highest poverty rate among the United States according to data released by the U.S. Census Bureau today. While the [Official Poverty Rate](#) (OPR) shows Hawai'i having the 8th lowest incidence of poverty in the country, the more accurate [Supplemental Poverty Measure](#) (SPM)—which takes into account the cost of living—pushes Hawai'i's poverty rate above the national average.

Looking at the OPR, Hawai'i appears to have a poverty rate of 9.5 percent, which represents some 133,000 residents who cannot make ends meet. The OPR determines the poverty line by multiplying the cost of a minimum food diet in 1963 by three, without adjusting for differences in the cost of living between the states, or for the fact that the cost of food represents a much smaller portion of family budgets now than it did 56 years ago.

Meanwhile, the SPM factors in the cost of living for household expenses such as groceries, child care, transportation costs, utilities and medical expenses. It also includes benefits like housing subsidies, the [Supplemental Nutrition Assistance Program](#) (SNAP), low-income home energy assistance, the national school lunch program and [Women, Infants and Children](#) (WIC). Taken together, these considerations create a much more accurate representation of the economic reality in Hawai'i.

With these considerations factored in, Hawai'i's poverty rate increases by 4.2 percentage points, placing the state at the 13th highest poverty rate in the country at 13.7 percent. Those 4.2 percentage points represent an additional 59,000 people, for a total of 192,000 Hawai'i residents currently living in poverty. That 4.2 percent is also the 4th largest gap between the OPR and SPM in the nation.

“When you hear that Hawai'i has one of the lowest poverty rates in the nation, remember that's because the official rate doesn't take into account our highest-in-the-nation cost of living,” said Nicole Woo, Senior Policy Analyst at Hawai'i Appleseed Center for Law & Economic Justice. “The Census Bureau has a more accurate poverty measure, one that shows that Hawai'i actually has one of the nation's highest poverty rates, which more accurately reflects what we see here every day.”

The Census Bureau also looked at [how SNAP reduced poverty across the country](#). Hawai'i saw the 6th largest impact, with SNAP (formerly known as food stamps) reducing our SPM by 1.3 percentage points. For seniors, the benefits of SNAP were even greater: they saw a SNAP impact of 1.8 percentage points, which is the 3rd largest effect in the country.

Nearly 16,500 Hawai'i residents will [lose their food stamps and access to other benefit programs](#), such as free school lunch, if a new U.S. Department of Agriculture rule change proposal by the Trump Administration goes into effect. The change would mean the loss of nearly \$3.9 million per year in consumer spending at grocery stores and other food retailers across the state.

The proposed rule would change the way Hawai'i and many other states determine eligibility for SNAP. Under what's known as broad-based categorical eligibility—which the Trump Administration is looking to eliminate—residents of states with high costs of living, such as Hawai'i, can qualify for food assistance even if their income is higher than the standard federal eligibility cut-off.

Before such a change can go into effect, the proposal must undergo a public comment period. The federal government is currently accepting [public comments](#) on this proposal through September 23.

For more details about the differences between the OPR and the SPM, read our 2018 blog post "[Hawai'i's poverty rate climbs when factoring in cost of living](#)."

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The Hawai'i Appleseed Center for Law and Economic Justice is committed to a more socially just Hawai'i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy and coalition building.