

# Income Inequality and Native Hawaiian Communities in the Wake of the Great Recession: 2005 to 2013

Ho‘okahua Waiwai (Economic Self-Sufficiency) Fact Sheet, Vol. 2014, No. 2

## KA WAIWAI O KA ‘OHANA (Building Family Wealth)

Native Hawaiians have a deep history of economic self-sufficiency, stretching back to ancient communities. Sustainable agriculture and aquaculture systems were based on the flow of wai (fresh water). Wai brought abundant life from mauka (uplands) to makai (ocean areas) and formed the foundation of this economy. A person who maintained access to wai was considered to be a wealthy person. Thus, waiwai became the Hawaiian word for “wealth” or “prosperity.”

After the arrival of Euro-American explorers and traders in the late 1700s, Native Hawaiians began to incorporate western principles into the traditional economic system and a dramatic process of change was initiated. The culminating effects of an estimated 82% decrease in Native Hawaiian population from 1778 to 1878, land privatization beginning in 1848, and the overthrow of the Hawaiian government in 1893, led to the subversion of the traditional Native Hawaiian economy. Conversely, the formation of commercial sugar plantations, the inclusion of cash in taxation laws, and the influx of tourism, resulted in the institutionalization of capitalism as the economic system in Hawai‘i. This rapid transformation had a severe impact on the self-sufficiency of Native Hawaiians.



Photo by Kai Markell

Wailele (cascade or waterfall) is a metaphor for the flow of wealth throughout Hawai‘i.

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### Office of Hawaiian Affairs (OHA)

As a public agency with a high degree of autonomy, the OHA mission is to build a strong and healthy Hawaiian people and nation. In striving to fulfill this mission, OHA created the 2010–2018 Strategic Plan. One of the six priorities within this plan is the support of Ho‘okahua Waiwai (Economic Self-Sufficiency) to provide choices and a sustainable future for Native Hawaiians. Aligned with this priority is the result of increasing Native Hawaiian Median Family Income to be equal to, or greater than, 92% of the statewide Median Family Income by 2018.

The purpose of this fact sheet is to contextualize this result through an exploration of the impact of the Great Recession of 2008 on Native Hawaiian income and income equality.

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Within the current economic system of the State of Hawai‘i, the socioeconomic status of a population remains tied to opportunities and challenges in education, housing, and health. Individual, family, and household income continue to be strong indicators of socioeconomic status. This fact sheet will provide a historical context by demonstrating how the Great Recession of 2008 disproportionately impacted Native Hawaiian income in comparison to the total population of Hawai‘i, and explores the effects of these global economic trends within specific portions of Native Hawaiian communities.

### The Great Recession of 2008

In 2008, the most dramatic economic downturn in the United States since the Great Depression, known as the “Great Recession of 2008,” triggered tumbling stocks and housing markets, erased more the \$15 trillion in national wealth and caused the loss of millions of jobs (Thompson, 2013). In 2009, however, the effects of the Recession reached the shores of Hawai‘i as revenue from tourism sharply declined. Although, by some measures, the U.S. halted its economic decline in the summer of 2009, the resulting impact on income in Hawai‘i continued to be felt through 2011. For this reason, this report will discuss income measures over three time periods

- Pre-Recession (2005–2008);
- Recession Impact Period (2008–2011); and
- Recovery (2011–2013).

Throughout these periods, the difference or disparity between Native Hawaiian income and that of the total Hawai‘i State population (referred to as Hawai‘i state), varied greatly. The inequality between incomes of different groups is known as an “income gap.” As the difference between groups increase, the gap widens and income inequality is greater. Multiple economic indicators must be analyzed to develop the complex picture of Native Hawaiian experiences of the Recession, including Median Family Income (MFI); Median Household Income (MHI); Per Capita Income (PCI); annual earnings; factors which impact income levels, such as population age distribution, family and household size, unemployment rates, and educational attainment levels; and Poverty Rates. For detailed definitions of the income measures used, see page 12.

The data used for the analysis in this report include a comparison of annual statistics available from the U.S. Census Bureau’s American Community Survey from 2005–2013.

### Current State of Income Inequality and Native Hawaiian Communities

Many reports have outlined the social inequalities and hardships faced in Native Hawaiian homes and communities due to low incomes and disparity between the economic status of Native Hawaiians and Hawai‘i State (Kamehameha Schools, 2014; Asia Pacific Exchange & Development, 2010). Table 1 outlines key income measures, the difference or gap between Native Hawaiians and Hawai‘i State, and the Native Hawaiian statistics as a percent of Hawai‘i State, as measured in 2013.

**Table 1.** Comparison of Key Income Measures of Native Hawaiians in Hawai‘i and Hawai‘i State, 2013

Income Measures:	Native Hawaiian	Hawai‘i State	Difference	Percent NH/ State
Median Family Income	\$72,762	\$80,316	-\$7,554	90.6%
Median Household Income	\$65,688	\$68,020	-\$2,332	96.6%
Per Capita Income	\$20,472	\$29,577	-\$9,105	69.2%
Percent Female to Male Earnings	87.8%	83.3%	4.5%	n/a*
Median Individual Earnings: Female	\$36,707	\$40,370	-\$3,663	90.9%
Median Individual Earnings: Male	\$41,821	\$48,440	-\$6,619	86.3%
Family Median Income: Single-Mother	\$47,927	\$50,333	-\$2,406	95.2%
Family Median Income: Single-Father	\$59,099	\$60,859	-\$1,760	97.1%
Family Median Income: Married-Couple	\$82,768	\$89,396	-\$6,628	92.6%
Poverty Rate: Individuals	14.3%	10.8%	3.5%	n/a*
Poverty Rate: Families	10.6%	7.1%	3.5%	n/a*

**Source.** U.S. Census Bureau (2014). **Note.** Percentages of Native Hawaiian population not calculated as percent of Hawai‘i State.

Family income counts the income of all related members of the household 15 years and older and includes earnings and public cash assistance. In 2013:

- Native Hawaiian families had a median income of \$72,762; the lowest median income of all major ethnic groups throughout the state.
- Native Hawaiian median family income was 90.6% of the Hawai‘i state median of \$80,316.

When exploring the effects of the Recession in Hawai‘i through the measure of median family income (MFI), the picture of the experiences of Native Hawaiian communities becomes exceedingly complex.

**Pre-Recession**

As seen in Figure 1, prior to the Recession (2005–2008), family incomes were increasing across Hawai‘i. The MFI of Native Hawaiians, however, was increasing at an even greater rate than that of Hawai‘i State, moving from 84.9% of the state median in 2005 to 92.8% in 2007, improving income equality and narrowing the income gap.

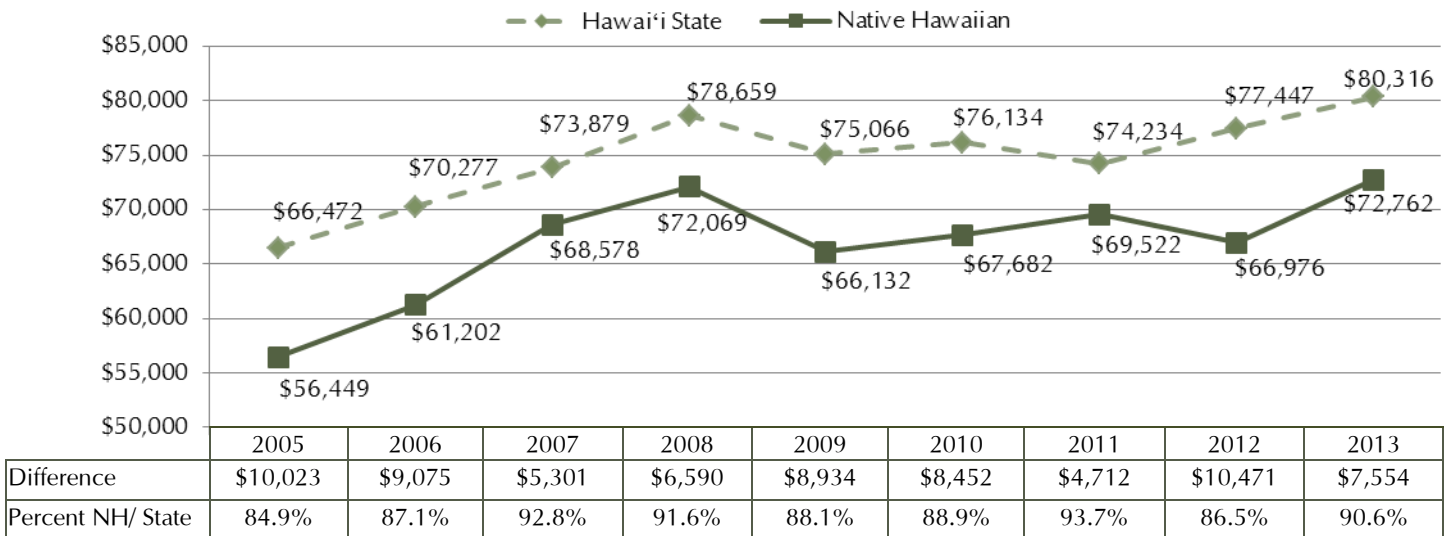
**Recession Impact Period**

In 2009, there was a dramatic drop of \$5,937 in Native Hawaiian MFI to 88.1% of Hawai‘i State MFI, increasing income inequality and widening the income gap.

**Recovery**

Over the last few years of the Recession impact period, instability has been reflected in Native Hawaiian MFI, showing some improvement in 2010 and 2011, only to again dramatically decrease by \$2,546 in 2012 to 86.5% of the state MFI. In 2013, an income gap of \$7,554 was still reflected in the MFI indicator.

**Figure 1.** Comparison of Median Family Income of Hawai‘i State and Native Hawaiians, 2005–2013



**Source.** U.S. Census Bureau (2006–2014). **Note.** Axis depicts a range of \$50,000–\$85,000.

Although Native Hawaiian MFI as a percent of the state total is commonly accepted as an appropriate indicator of economic equality, over the period of the Recession and its aftermath, a more complex and nuanced narrative emerges. For example, in 2011 Native Hawaiian family income was 93.7% of the statewide median, the highest percentage reached over the past 9 years. This peak, however, reflected the continuing decrease in family median income across Hawai‘i, rather than any sustainable improvement in income equality. Therefore, this report will continue with an analysis and discussion of several additional measure of income.

HOUSEHOLD INCOME

Median Household Income (MHI) is an alternative measure of financial capability commonly used, as it counts the income of all members of the household if they are related or not and individuals living alone.

**Pre-Recession**

As seen in Figure 2, prior to the Recession (2005–2008) the income of Native Hawaiian households and all households statewide was steadily increasing. Although income inequality existed, the Native Hawaiian MHI was increasing 11.1% faster than the state median. Similar to data on Median Family Income (MFI), MHI statistics indicate that Native Hawaiians were making substantial progress to reach income equality during this time period.

**Recession Impact Period**

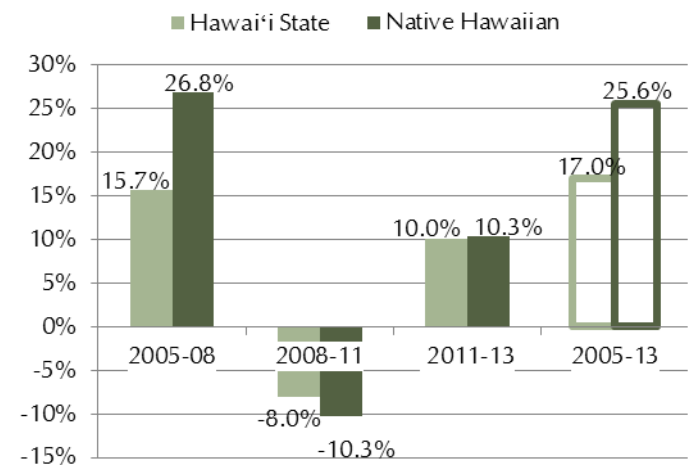
During the years of the Recession (2008–2011) however, household incomes across the state began to decrease and Native Hawaiian households were even more dramatically affected as incomes dropped by 10.3%, 2.3% more than the state MHI (see Figure 2).

**Recovery**

As the economy began to recover in 2012, income growth continued to be unstable. As seen in Figure 2, overall statewide and Native Hawaiian household incomes have risen at a similar rate of 10% and 10.3%, respectively. While positive overall, this consistency between statewide and Native Hawaiian income growth rates indicates that income disparity persisted through the economic recovery.

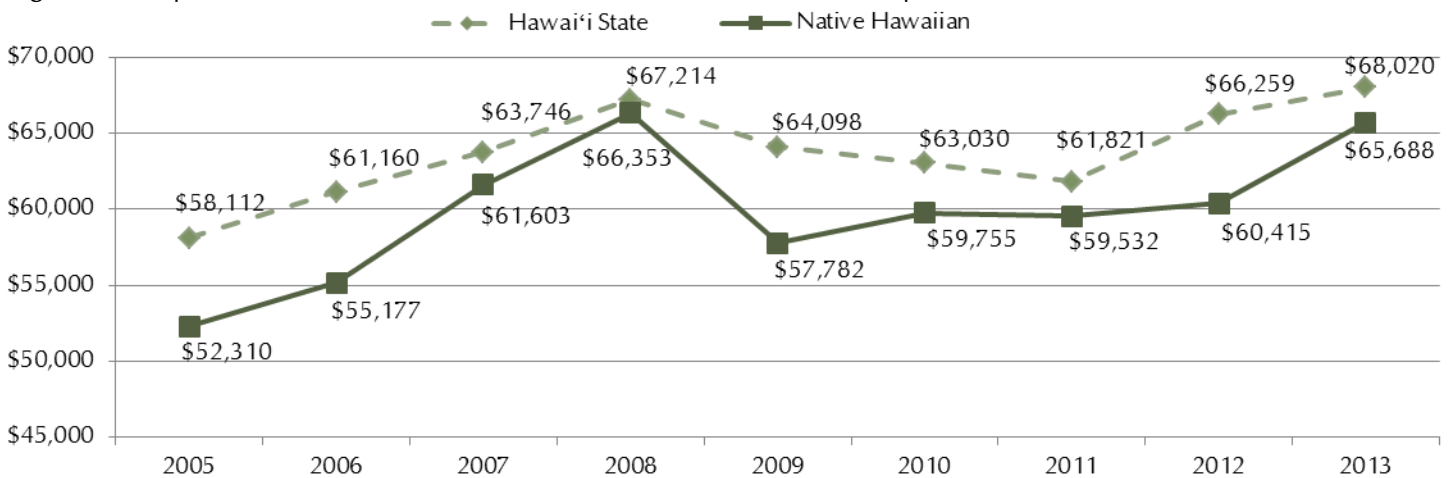
As seen in Figure 3, in 2013, Native Hawaiian MHI was \$2,332 less than Hawai'i State MHI or 96.6%. Notably, the disparity between Native Hawaiian and Hawai'i state is less for MHI than for MFI.

**Figure 2.** Percent Change in Median Household Income, Hawai'i State and Native Hawaiians



Source. U.S. Census Bureau (2006–2014).

**Figure 3.** Comparison of Median Household Income of Hawai'i State Total Population and Native Hawaiians



Source. U.S. Census Bureau (2006–2014). Note. Axis depicts a range of \$45,000– \$70,000.

**Mōhala i ka wai ka maka o ka pua.**  
 Pukui, 1983, #2178  
 Unfolded by the water are the faces of the flowers.  
 Flowers thrive where there is water, as thriving people are found where living conditions are good.

Although a comparison of Family Median Incomes and Median Household Incomes points to persistent disparity between Native Hawaiian and Hawai'i State since the Recession, it does not account for family and household size.

- In 2013, the average size of a Native Hawaiian family was 4.04; 0.4 larger than the State average.
- In 2013, the average size of a Native Hawaiian household was 3.51; 0.5 larger than the State average.

Per Capita Income (PCI) is the mean income computed for every man, woman, and child in a particular group and is calculated by dividing the total income of the group by the total population of the group. When calculated on a PCI basis, the income disparity between Native Hawaiian communities and Hawai'i State becomes greater, indicating that, per person, substantially less income is supporting Native Hawaiian people. In fact, in 2013, Native Hawaiian PCI was \$20,472, \$9,105 less than PCI statewide (69.2%); the lowest of all major ethnic groups in Hawai'i. An analysis of PCI over time, clarifies the same trends are evident as represented in Median Family and Household Income data but with even greater disparity reflected.

**Pre-Recession**

As seen in Figure 4, prior to the Recession, Native Hawaiian PCI was increasing 11.5% faster than statewide PCI and the income gap was closing to a point of 73.5% of the statewide PCI.

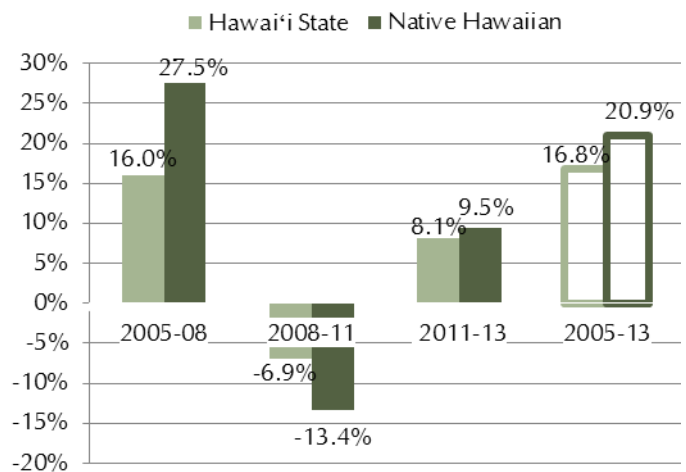
**Recession Impact Period**

During the Recession, however, Native Hawaiian PCI decreased more drastically than the state by 6.5%, to \$8,653, again representing an increased income gap. In 2010 Native Hawaiian PCI was \$18,222 or 66.2% of the statewide figures.

**Recovery**

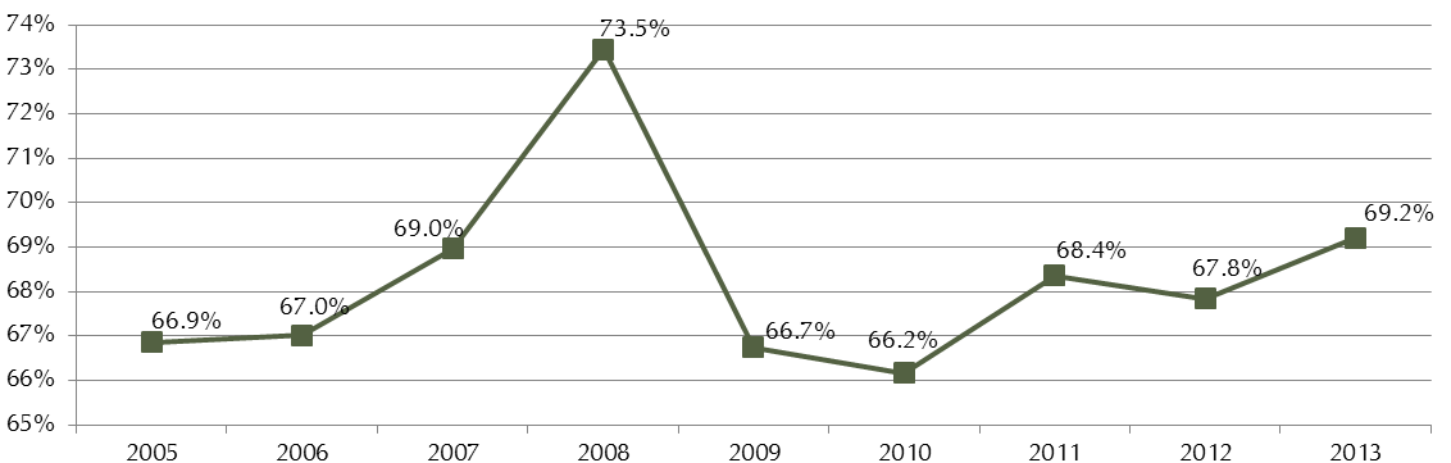
As seen in Figure 5, during the economic recovery period, per capita growth rates of Native Hawaiian and Hawai'i State populations have remained more parallel, with a difference of only 1.3%. These figures underscore the relative persistence of income disparity through the economic recovery period.

**Figure 4.** Percent Change in Per Capita Income, Hawai'i State and Native Hawaiians



Source. U.S. Census Bureau (2006–2014).

**Figure 5.** Native Hawaiian Per Capita Income as Percent of Hawai'i State Per Capita Income



Source. U.S. Census Bureau (2006–2014). Note. Axis depicts a range of 65%–74%.

INCOME VARIATION: GENDER

Although income distribution is relatively equal within Native Hawaiian communities (Naya, 2007), some variations emerge when comparing the effects of the Recession on specific segments of the population. This section will highlight deviations from expected trends based on Native Hawaiian income as a whole from 2005 to 2013.

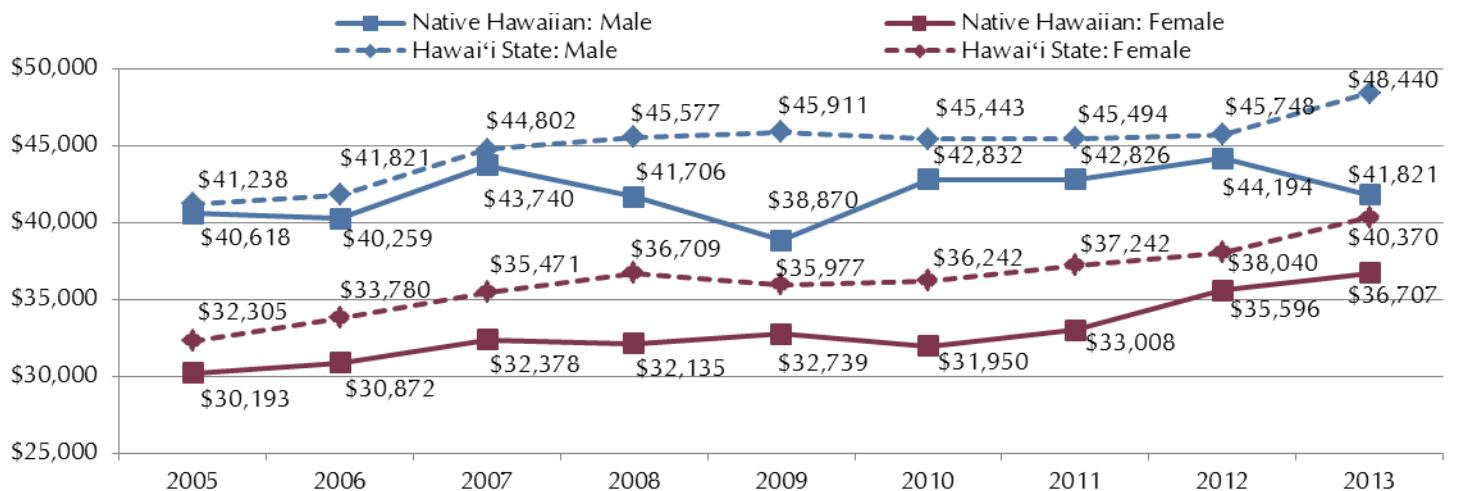
**Female Earnings**

To assess differences between genders, annual earnings or only the income from wages and salaries are compared. In 2013 women in Hawai'i earned 83.3% of men's earnings. Within Native Hawaiian communities, the gender income gap was smaller, with Native Hawaiian women earning 87.8% of men's earnings. When compared over time, the statewide gender income gap decreased by 5% from 2005 to 2013, while the Native Hawaiian gender income gap decreased by 13.4%. As seen in Figure 6, Native Hawaiian women have continued to increase their earnings by 11.2% and narrow the income gap to a difference of \$3,663.

**Male Earnings**

Although trends appear positive in terms of gender income equality, the reason for the smaller difference is the relative stagnation of Native Hawaiian men's earnings. As seen in Figure 6, even prior to the Recession, Native Hawaiian men's median earnings were increasing at a slower rate (2.7%) compared to men's earnings across Hawai'i (10.5%), a difference of \$2,251. During the Recession, the growth rate of Native Hawaiian men's earnings remained inconsistent, as their income continued to dramatically drop in 2009 before leveling out. Since the Recession, however, Native Hawaiian men's income has actually decreased by 2.3%, widening the income gap between themselves and men across the state to a difference of \$6,619.

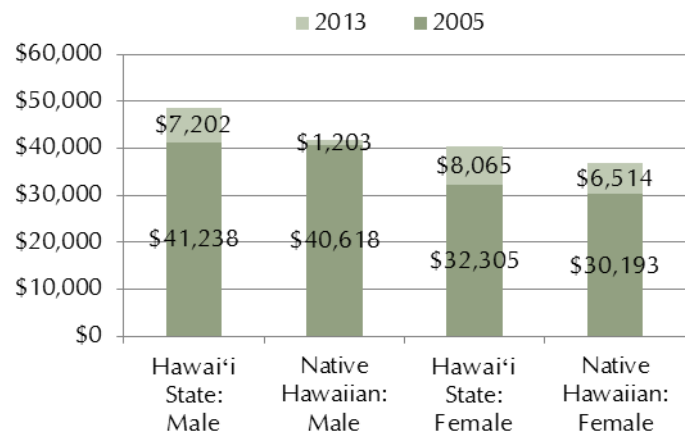
**Figure 6.** Comparison of Median Earnings of Hawai'i State Total Population and Native Hawaiians, by Gender



Source. U.S. Census Bureau (2006–2014). Note. Axis depicts a range of \$55,000–\$50,000.

As seen in Figure 7, from 2005 to 2013, the earnings of Native Hawaiian men have increased by only 3%, while the statewide increase was 17.5% and Native Hawaiian women's increased by 21.6%.

This data demonstrates that although a gender income gap still exists within Native Hawaiian communities, Native Hawaiian men's earnings are not increasing at a rate equivalent to the rest of the population.



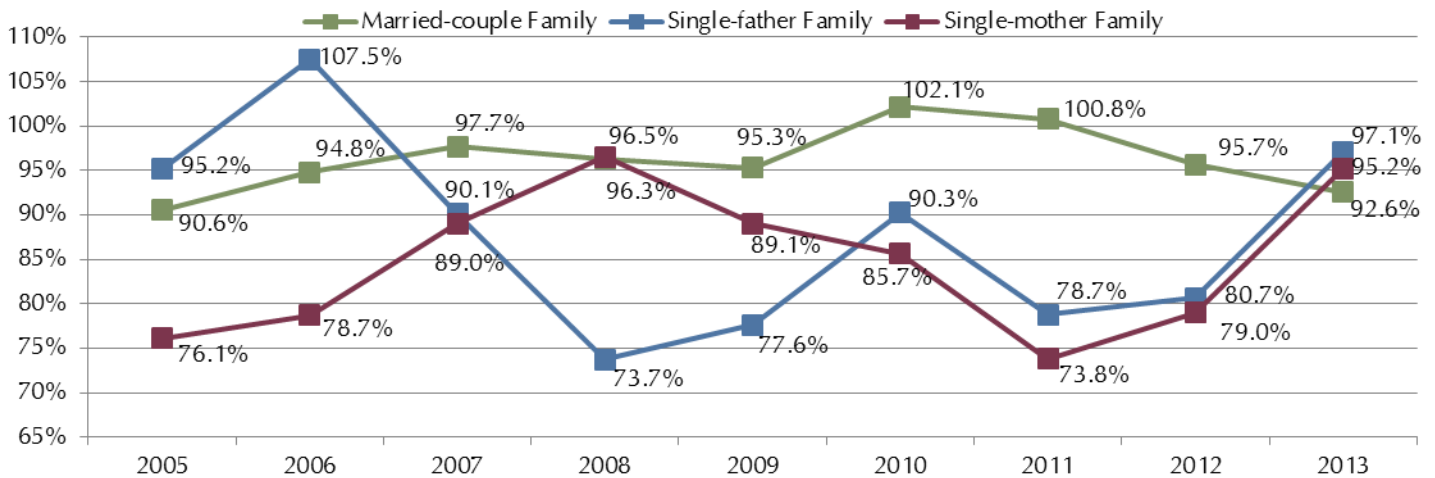
**Figure 7.** Increase in Individual Earnings from 2005 to 2013, for Native Hawaiian and Hawai'i State, by Gender

Source. U.S. Census Bureau (2006–2014).

Differences between Native Hawaiian and statewide family income are also clearly linked to the composition of the family and number of employed adults within the family. In 2013, single-father families throughout Hawai‘i had a median income of \$60,859 or 68.1% of married-couple families’ median income, and single-mother families had a median income of \$50,333 or 56.3% of married-couple families’ income.

Major trends still emerge in an analysis of Native Hawaiian income by family type, including the narrowing of the income gap prior to the Recession, the increased disparity during the Recession and inconsistent growth from 2011 to 2013. However, as seen in Figure 8, it is clear that Native Hawaiian families experienced the Recession differently.

**Figure 8.** Native Hawaiian Family Income as Percent of Hawai‘i State Family Income, by Family Type



**Source.** U.S. Census Bureau (2006–2014). **Note.** Axis depicts a range of 65%–110%.

### Single-Mother Families

The median income of Native Hawaiian single-mother families followed standard trends; increasing by \$17,730 (60.2%) from 2005–2008, decreasing by \$15,167 (32.1%) during the Recession, and improving by \$15,917 (49.7%) during two years of recovery. Likewise, the income gap between Native Hawaiian single-mothers and single-mothers statewide narrowed prior to the Recession, widened during the Recession, and improved in the two years of recovery; narrowing to 95.2% of the statewide median in 2013.

### Single-Father Families

The median income of Native Hawaiian single-fathers, however, revealed a very different experience. Like trends revealed in Native Hawaiian male earnings, single-fathers’ median income began dramatically decreasing prior to the Recession of 2008. From 2005 to 2008, these families’ median income decreased by \$4,021 (8.2%). From 2010 to 2013, income growth has remained inconsistent for Native Hawaiian single fathers, peaking in 2010, only to drop again in 2011. From 2011 to 2013, these families’ income has increased by \$13,495 (29.6%), narrowing the income gap between Native Hawaiian and statewide single-father families to 97.1%

### Married-Couple Families

Native Hawaiian married-couple families’ median income steadily increased prior to the Recession by 22.8%, 7.3% faster than married-couple income statewide. During the Recession impact period, these families’ income levels remained relatively consistent. However, during the recovery period the median income of married-couple families actually decreased by 2%. By 2013, Native Hawaiian married-couple families had a median income that was 92.6% of the statewide family median income, leaving these Native Hawaiian families with the greatest disparity of all family types.

## CONTRIBUTING FACTORS TO INCOME INEQUALITY

Several demographic factors are commonly cited to explain the disparity between Native Hawaiian income levels and those of Hawai'i State, including population age, family/ household size, employment measures and education attainment levels. Table 2 outlines these key demographic factors and the difference or gap between Native Hawaiians and the Hawai'i State, as measured in 2013.

**Table 2.** Comparison of Factors Related to Income Inequality of Native Hawaiians in Hawai'i and Hawai'i State, 2013

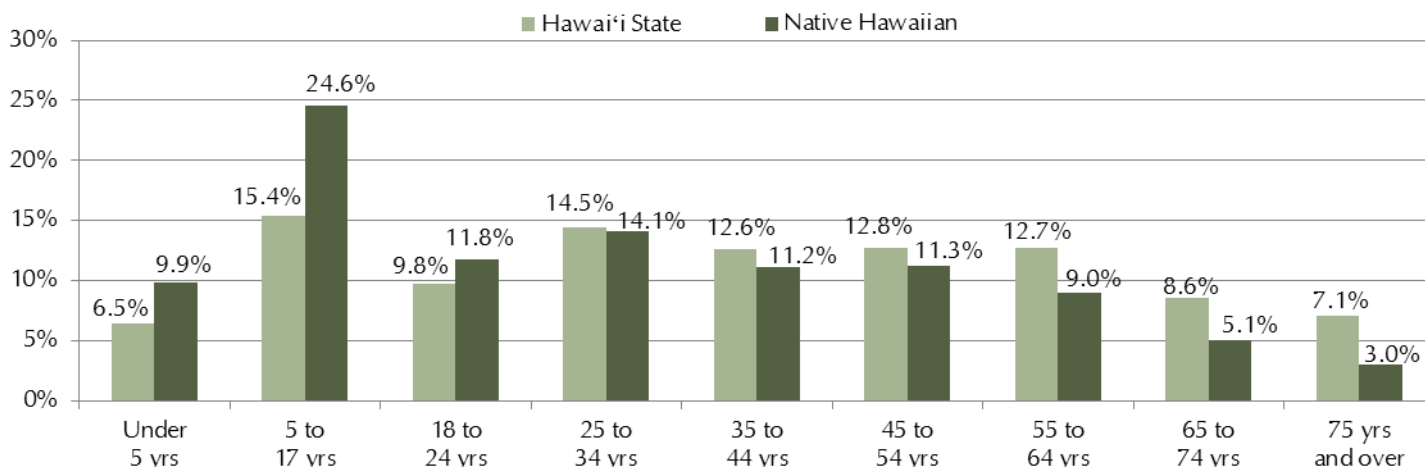
Factors	Native Hawaiian	Hawai'i State	Difference
Age, median	27.5 years	38.1 years	10.6 years
Family size, median	4.04	3.61	-0.43
Single-mother, % of population	24.8%	17.0%	-7.8%
Single-father, % of population	10.2%	7.4%	-2.8%
Unemployment Rate	10.2	6.1	-4.1
Management and Professional Positions, % of population	25.3%	34.2%	8.9%
Self-employment, % of population	4.5%	7.0%	2.5%
Bachelor Degree or higher, % of population to attain	17.2%	31.2%	14.0%

Source. U.S. Census Bureau (2014).

### AGE

As depicted in Figure 9, in 2013, the age distribution of the Native Hawaiian population was much younger than that of the state. In addition to a median age 10 years lower than the state median, 46.3% of the Native Hawaiian population was under the age of 25, 14.6 percentage points more than the state total (see Figure 9). Youth and young adults typically have not established the higher income levels of older and more experienced workers.

**Figure 9.** Comparison Age Ranges of Hawai'i State and Native Hawaiians, 2013



Source. U.S. Census Bureau (2014).

### HOUSEHOLD COMPOSITION

Native Hawaiians also had larger families and households on average, contributing to a greater distribution of limited wealth within the home. Likewise, 1 in 3 Native Hawaiian families were headed by a single parent, making these families more likely to have a single income source than families statewide.

### EMPLOYMENT INDICATORS

In 2013, unemployment rates among Native Hawaiians were 4.1 percentage points higher than Hawai'i State. Additionally, the portion of the Native Hawaiian workforce engaged in higher-earning management and professional occupations was 8.9 percentage points lower than the statewide population. Furthermore, the rate of self-employment was 2.5% less within Native Hawaiian communities compared to the total state workforce.

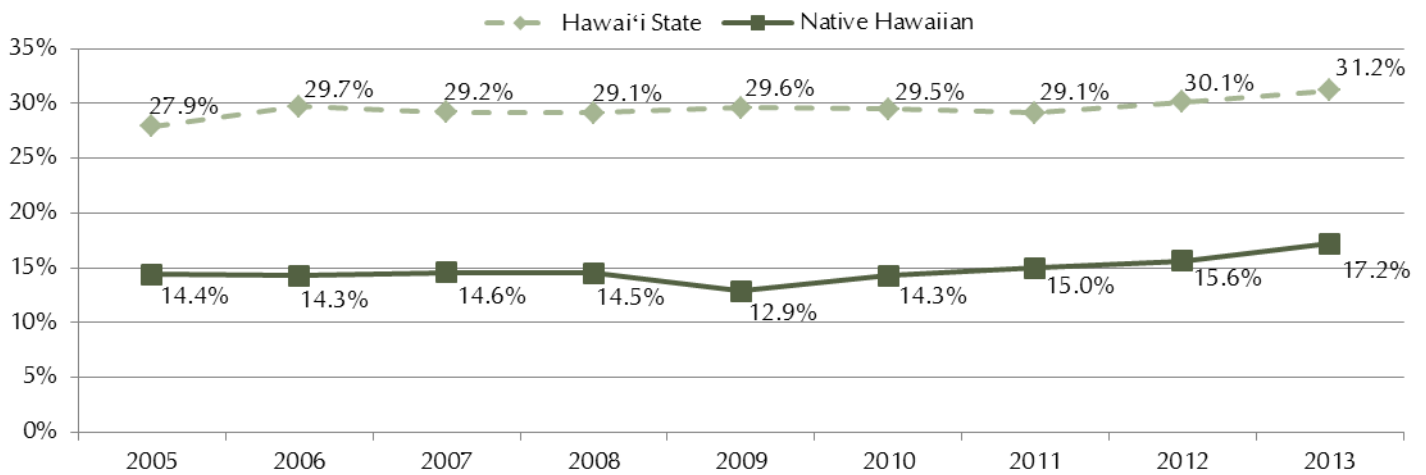


**EDUCATION**

Varying levels of educational attainment can be seen as both a cause and effect of economic disparity and is often regarded as a key factor contributing to an adult’s income level. In Hawai‘i, an adult with a Bachelor’s Degree earns on average \$22,763 more than an adult without (Kamehameha Schools, 2014).

Compared to the total state population, a substantially lower percent of Native Hawaiians 25 years and older earn a Bachelor’s Degree or higher. In 2013, Native Hawaiians had the lowest percent of its population obtain a Bachelor’s Degree or higher of all major ethnic groups in Hawai‘i. As seen in Figure 10, this education gap has not diminished from 2005 (difference of 13.5 percentage points) to 2013 (difference of 14 percentage points).

**Figure 10.** Comparison of Percent of Population to Attain a Bachelor’s Degree or higher of Hawai‘i State Total Population and Native Hawaiians



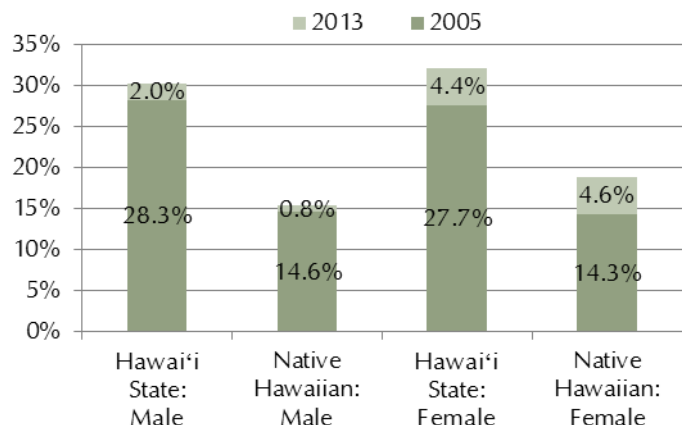
Source. U.S. Census Bureau (2006–2014).

**Female**

When data are disaggregated by gender, relevant trends emerge which may also be reflected in earnings data. The percent of Native Hawaiian women who have an educational level of a Bachelor's Degree or above increased by 4.6 percentage points to 18.8% from 2005 to 2013; 0.2 percentage points more than women statewide (see Figure 11). Therefore, among women in Hawai‘i the education attainment gap between Native Hawaiian and Hawai‘i State was slightly narrowed.

**Male**

Among men in Hawai‘i, however, the gap between education achievement levels appears to have widened from 2005 to 2013. The percent of Native Hawaiian men who have an education level of a Bachelor's Degree or above increased by only 0.8 percentage points to 15.4%; an increase of 1.2 percentage points less than the state population as a whole (see Figure 11).



**Figure 11.** Increase in Percent of Population to Attain a Bachelor's Degree or higher from 2005 to 2013, of Hawai‘i State and Native Hawaiians, by Gender

Source. U.S. Census Bureau (2006–2014).

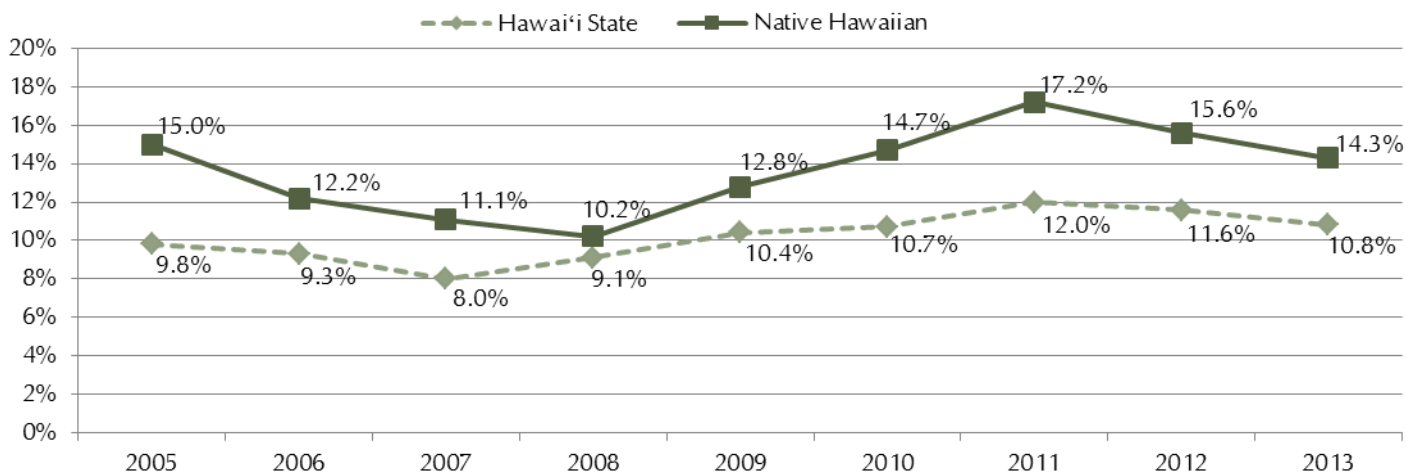
IMPACT OF INCOME DISPARITY: POVERTY

Poverty rates indicate the percent of a population whose family income fell below the poverty level, which is based on the number of family members. The impact of the Recession and the decrease in income was reflected in poverty rates statewide, but particularly within Native Hawaiian communities. As shown in Figure 12, trends in poverty rates echoed those seen in income data.

**Recession Periods**

From 2005 to 2008, the percent of the Native Hawaiian population living in poverty decreased by 4.8 percentage points, 4.1 more than the decrease within the total state population. Due to the disproportionate impact of the Recession on the economic status of Native Hawaiians, poverty rates increased by 7 percentage points from 2008 to 2011, 4.1 more than the increase within the total state population; demonstrating the increased inequality during this time period. At the lowest point of the Recession in 2011, 17.2% of the Native Hawaiian population was living in poverty. In the two years of the post-recession period, the percent of Native Hawaiians living in poverty decreased by 2.9 percentage points, a 1.7 greater decrease than the total state population.

**Figure 12.** Comparison of Poverty Rates of Hawai'i State and Native Hawaiians, 2005–2013



Source. U.S. Census Bureau (2006–2014).

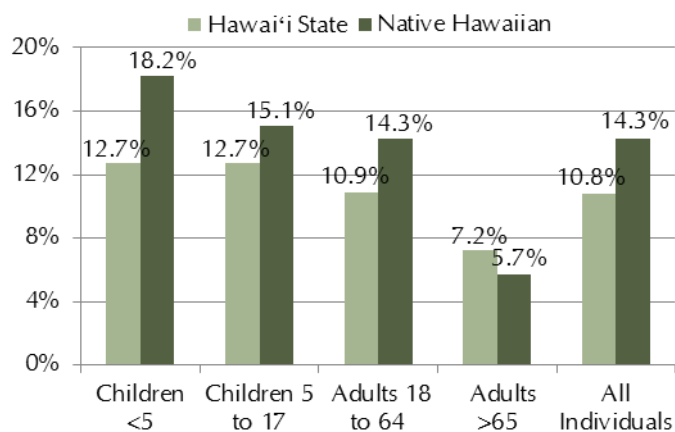
**Age**

Within Native Hawaiian communities, the Recession greatly impacted vulnerable populations. In 2011, 23.1% of Native Hawaiian children under five years old were living in poverty, an increase of 11.1 percentage points from 2008. In 2012 and 2013, poverty rates decreased across Hawai'i by 1.2 percentage point and within the Hawaiian population by 2.9 percentage points, slightly narrowing the poverty gap.

As seen in Figure 13, as of 2013 a disproportionate percent of Native Hawaiians lived in poverty. The greatest disparity existed between Native Hawaiian children under the age of five, reflecting a difference of 5.5 percentage points from the statewide percentage. Notably, the poverty rate among Native Hawaiian adults over 65 years was 1.5 percentage points lower than the statewide percentage.

These rates indicate that the impact of income inequality was felt most by the youngest members of Native Hawaiian communities.

**Figure 13.** Comparison Poverty Rates of Hawai'i State and Native Hawaiians, by Age Groups, 2013



Source. U.S. Census Bureau (2006).

**SUMMARY OF KEY FINDINGS:**

- Of the measure of income equality considered, Per Capita Income reflects the greatest disparity between Native Hawaiian and the total state population, as it accounts for the larger family and household size prevalent in Native Hawaiian communities.

**Income Inequality through Recession Periods**

- Prior to the Great Recession of 2008, the income gap between Native Hawaiians and the total state population was narrowing with some measures nearing equality.
- The Recession had a disproportionate impact on Native Hawaiian income levels, evidenced by the widening gap between Native Hawaiians and the total state population by most indicators of income.
- In the Recovery period, from 2011 to 2013, income throughout the state improved, but the income gap persists.

**Variation by Gender**

- The earnings of Native Hawaiian men were more negatively impacted by the Recession than the total male population of Hawai‘i. Their earnings growth has been inconsistent since the Recession.
- From 2005 to 2013 the education attainment gap between Native Hawaiians and the total state population did not diminish; among Native Hawaiian men this gap seems to have widened.

**Variation by Family Type**

- Native Hawaiian single-mother and single-father families still earn substantially less than married-couple families.
- The greatest income disparity is seen between Native Hawaiian married-couple families and married-couple families statewide. This trend persists through the recovery period.

**Variation by Age**

- Native Hawaiian children, particularly children under five years of age, were most greatly impacted by the Recession as disproportionate numbers lived in poverty.

**CONCLUSION**

The scars of the worst economic recession since the Great Depression are still seen in Native Hawaiian homes and communities. Although, the impact of the Great Recession of 2008 was felt throughout the state of Hawai‘i, Native Hawaiians were disproportionately affected with greater decreases in income and higher rates of poverty. When these data are disaggregated by gender, family type, and age, the heterogeneity of the Native Hawaiian population is revealed and the specific needs of each group are highlighted.

Further research is needed on the wealth, assets, and employment benefits of Native Hawaiians to determine the effects these factors may have on the population’s ability to weather economic downturns. Additionally, in order to determine the extent to which economic disparity can be attributed to demographic factors, these differences need to be explored in greater detail.

In 2013, only two years after the lowest economic period, the status of Native Hawaiians remains complex and uncertain. OHA continues its commitment to the examination of these data, in order to better meet the economic needs of diverse Native Hawaiian communities.

**O ke kāne huawai, Akua kēnā.**

The man with the water gourd container is like a god.  
Beckwith, 1951, p.133



Photo by Kai Markell

# OFFICE OF HAWAIIAN AFFAIRS RESEARCH DIVISION

## DEFINITIONS

**Earnings:** The sum of wage or salary income and net income from self-employment. "Earnings" represent the amount of income received regularly for people 16 years old and over, before deductions for personal income taxes, Social Security, bond purchases, union dues, Medicare deductions, etc (U.S. Census, 2014).

**Family Income:** The incomes of all members 15 years old and over related to the householder are summed and treated as a single amount. A family consists of a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption. Although the family income statistics cover the past 12 months, the characteristics of individuals and the composition of families refer to the time of interview (U.S. Census, 2014).

**Household Income:** The income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not. Because many households consist of only one person, average household income is usually less than average family income. Although the household income statistics cover the past 12 months, the characteristics of individuals and the composition of households refer to the time of interview (U.S. Census, 2014).

**Income:** The sum of amounts reported separately for wages, salary, commissions, bonuses, or tips; self-employment income from businesses; interest, dividends, net rental income, royalty income, or income from estates and trusts; Social Security or Railroad Retirement income; Supplemental Security Income (SSI); any public assistance or welfare payments from the state or local welfare office; retirement, survivor, or disability pensions; and any other sources of income received regularly such as Veterans' payments, unemployment compensation, child support, or alimony (U.S. Census, 2014).

**Median Income:** The median divides the income distribution into two equal parts: one-half of the cases falling below the median income and one-half above the median. For households and families, the median income is based on the distribution of the total number of families including those with no income (U.S. Census, 2014).

**Native Hawaiian:** "any individual who is a descendant of the aboriginal people who, prior to 1778, occupied and exercised sovereignty in the area the now constitutes the State of Hawai'i," (U.S. Public Law 103-150).

**Per Capita Income:** This figure is the mean income computed for every man, woman, and child in a particular group including those living in group quarters. It is derived by dividing the aggregate income of a particular group by the total population in that group (U.S. Census, 2014).

**Poverty Status:** The Census Bureau uses a set of dollar value thresholds that vary by family size, composition and age of members to determine who is in poverty. If a family's total income is less than the appropriate threshold, then that family and every individual in it are considered to be in poverty. Similarly, if an unrelated individual's total income is less than the appropriate threshold, then that individual is considered to be in poverty (U.S. Census, 2014).

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## SUGGESTED CITATION

Hostetter, C.J. (2014). *Income Inequality and Native Hawaiian Communities in the Wake of the Great Recession: 2005-2013* (Ho'okahua Waiwai, Economic Self-Sufficiency Fact Sheet, Vol. 2014, No. 2). Honolulu, HI: Office of Hawaiian Affairs, Research Division, Special Projects.

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