

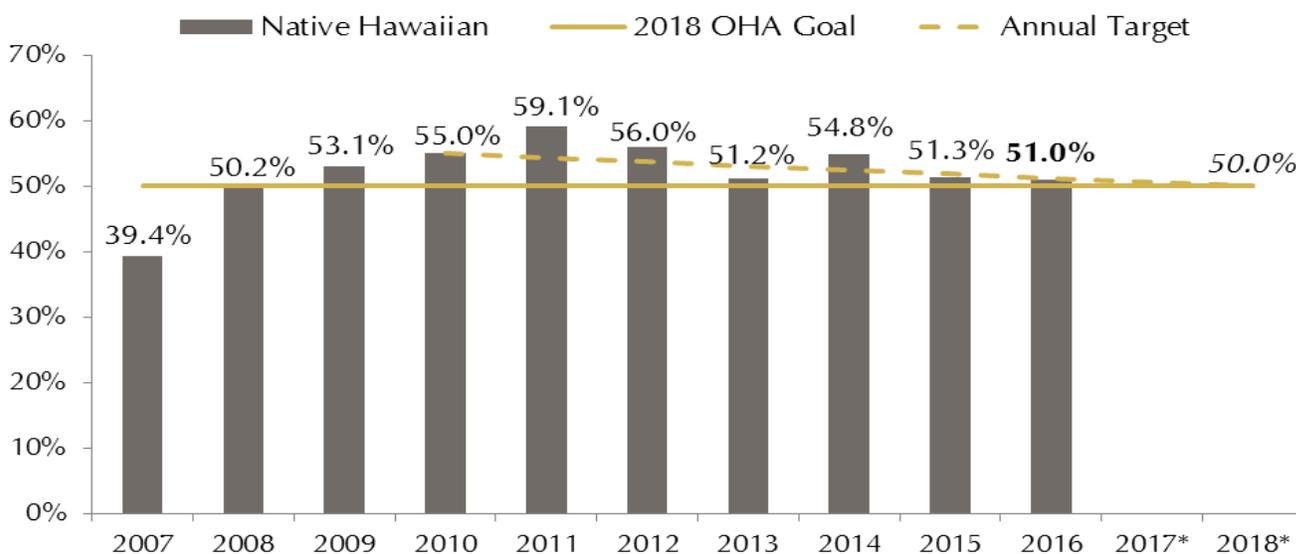
Strategic Priority: Ho'okahua Waiwai (Economic Self-Sufficiency)

Strategic Result — Increase the percent of Native Hawaiians who improve their capacity to own or rent a home by 2018.

- decreasing from 55% to 50% of Native Hawaiian renters who are paying more than the HUD standard housing cost (no more than 30% of household income).

BACKGROUND: The Department of Housing and Urban Development (HUD) defines affordability as a household paying no more than 30% of their income on housing costs. Households that spend more are considered cost-burdened because they have less to spend on other necessities (HUD, 2017). Figure 1 depicts the percent of Native Hawaiian renters who reported housing costs that exceeded 30% of their household income.

FIGURE 1. Percent of Native Hawaiian Renters Paying 30% or More of Household Income on Housing



Source: U.S. Census Bureau (2017b). Note: Data from 2007 is included to indicate pre-recession statistics.

FINDINGS

- In 2016, 51.0% of Native Hawaiian renters reported spending 30% or more of their household income on housing costs and are therefore classified as cost-burdened renters.
- **Are Native Hawaiians making progress in this Strategic Result?** Yes, slightly. Compared to 2015, the percent of Native Hawaiians paying 30% or more of their income on housing costs decreased by 0.3 percentage points, while the decrease for the total state population was 1.0 percentage point in the same year.
- **Are Native Hawaiians on track to reach the 2018 goal?** Yes, however slight given the small decrease in percentage of cost-burdened Native Hawaiian households from 2015 to 2016. The median rent paid by Native Hawaiian households increased from \$1,271 in 2015 to \$1,302 in 2016. There was also a decrease in Native Hawaiian median household income: dropping 6.5% from \$75,381 in 2015 to \$70,445 in 2016. This suggests that rental affordability has decreased in the last year due to lower household incomes and higher rent prices. The 2016 mean household income of \$70,445 indicates that rents would have to remain under \$1,761 per month to be considered non cost-burdening, which they are. Therefore, rental affordability is decreasing, but there is no current statistical evidence that this is leading to an increase in cost-burdened Native Hawaiians at this time.

TERMS:

American Community Survey (ACS) is an ongoing statistical survey by the U.S. Census Bureau sent to approximately 295,000 addresses monthly (or 3.5 million per year).

Cost-Burdened households are those who pay more than 30% of their income on housing and thus may have difficulty affording necessities such as food, clothing, transportation, and medical care. (U.S. Department of Housing and Urban Development, 2017)

Gross Rent: Gross rent is the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else). Gross rent is intended to eliminate differentials that result from varying practices with respect to the inclusion of utilities and fuels as part of the rental payment. The estimated costs of water and sewer, and fuels are reported on a 12-month basis, but are converted to monthly figures for the tabulations. Renter units occupied without payment of rent are shown separately as "No rent paid" in the tabulations (U.S. Census Bureau, 2017b).

Household Income: The sum of money income received in the calendar year by all household members 15 years old and over, including household members not related to the householder, people living alone, and other nonfamily household members. Included in the total are amounts reported separately for wage or salary income; net self-employment income; interest, dividends, or net rental or royalty income or income from estates and trusts; Social Security or Railroad Retirement income; Supplemental Security Income (SSI); public assistance or welfare payments; retirement, survivor, or disability pensions; and all other income (U.S. Census Bureau, 2017b).

Gross Rent as Percentage of Household Income: Gross rent as a percentage of household income is a computed ratio of monthly gross rent to monthly household income (total household income divided by 12). The ratio is computed separately for each unit and is rounded to the nearest tenth. Units for which no rent is paid and units occupied by households that reported no income or a net loss comprise the category, "Not computed" (U.S. Census Bureau, 2017b).

Native Hawaiian: Includes respondents who indicate their race as "Native Hawaiian" or report entries such as Part Hawaiian or Hawaiian. (U.S. Census Bureau, 2017b).

REFERENCES:

U.S. Census Bureau. (2017a). *American Community Survey (ACS). 1-year Estimates: 2007-2016.*

- Site: http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_S0201&prodType=table
- Report: S0201 Selected Population Profile in the United States, 2016 American Community Survey 1-Year Estimates (Also 2007-2015)
- Filter State: Hawai'i
- Ethnic Group Code #062: Native Hawaiian alone or in any combination (500-503) & (100-299) or (300, A01-Z99) or (400-999).
- Row/Subject: GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN THE PAST 12 MONTHS: 30 percent or more

U.S. Bureau of the Census. (2017b). *American Community Survey and Puerto Rico Community Survey: 2016 Subject Definitions.* Retrieved September 26, 2017 from https://www2.census.gov/programs-surveys/acs/tech_docs/subject_definitions/2015_ACSSubjectDefinitions.pdf

U.S. Department of Housing and Urban Development (HUD). (2014). *Affordable Housing.* Retrieved September 26, 2017 from <http://www.hud.gov/offices/cpd/affordablehousing>