



Ho'owaiwai O'ahu

Introduction

Ho'owaiwai O'ahu – A Policy Roadmap for Family Economic Resiliency is designed to guide the City and County of Honolulu, private, non-profit organizations, and island citizenry as it partners with families and communities to act on asset policy strategies that help increase the self-sufficiency and well-being of O'ahu families. The policy roadmap is grounded in the belief that good public policy and strategy development must:

- Be informed by those who are to be impacted – by those who stand to lose or benefit;
- Address local needs and experiences; and
- Take into account issues of implementation and realities of existing systems in addition to best practices.

More than 75 keiki, youth, parents and kupunas from 19 communities were engaged through the 'Ohana Dialogue – a talk story and listening sessions – which was followed by Research & Analysis, Demonstration Projects, and the Vetting of the Findings to shape and establish a holistic asset-building framework of policies, actions, and networks that support family economic resiliency.

Early Success

O'ahu Ho'owaiwai Network members worked to develop and help advance state level legislative support for the passage of the following asset building initiatives:

- Removal of asset limits for families on TANF
- Increasing the minimum wage
- Identifying social determinants of health for the State Planning Act

Network members are continuing to push on the following initiatives:

- Establishing Universal Children's Savings Accounts
- Omnibus Tax – Low-Income Tax Credit, State Earned Income Tax Credit, Refundable Food/Excise Tax Credit, Low-Income Household Tax Credit

Result from various Ho'owaiwai demonstration project have also shown significant improvement in participant awareness of finance, budgeting, and savings:

- *Hawai'i Island Kids Savings Initiatives* engaged 2,005 children from 26 participating schools to collectively save \$376,867 dollars (as of Feb. 2014) and with research showing students with savings accounts in their own names are seven times more likely to attend and complete college than peers with no savings accounts of their own, the results from multi-sector collaboration are encouraging (Elliot III 2012).
- *Hawai'i VITA & Financial Empowerment Coalition* has seen a 1,025% increase in number of sites since beginning in 2006:
 - processing 16,871 tax returns
 - helping Hawai'i's families claim \$23,794,536 in tax refunds
 - saving families approximately \$2,780,000 in fees associated with commercial tax preparation.

- *Peer-to-Peer Learning & Leveraging Technology* – establishing family to family learning circle utilizing emerging social technology – Spendsafe.ly – catalyzed participants to eliminate student debt, curb gaming habits and reduction in daily expenses.

Findings from Research, Analysis and ‘Ohana Dialogue

A stable society and robust economy depend on public policies that encourage the creation of wealth at all levels (Pickett and Wilkinson 2011). From the Great Depression in the 1930s through the late 1970s there was a substantial democratization of wealth. The trend then inverted, with a share of total household wealth owned by the top 1% increasing to 22% in 2012 from 7% in the late 1970s. For the bottom 90% of families, real wage gains (after factoring in inflation) were very limited over the past three decades and the saving rate of middle-class and lower-class families have collapsed over the same period (Saez and Zucman 2014).

Meanwhile, the eighty-five richest people in the world have more wealth than the collective assets of three and a half billion people – or roughly half the world population (Oxfam 2014). In the United States, six heirs to the Walmart fortune have more wealth than the poorest 42% of Americans - roughly 126 million people (Allegretto 2012). The asset building policies at the federal level – tax breaks, loopholes, and subsidies – have effectively transferred wealth from households to large industries and corporations (CFED 2010). Research by Giles and Page (2014) confirm how average citizens have little or no independent influence on the national policy, as economic elites and groups representing corporate interest dictate how U.S. government policy is shaped and implemented.

The pattern of lopsided growth is similar in the State of Hawai‘i. Between 1979 and 2007 the top 1% benefitted from a disproportionate share of income growth - 70.9%, eclipsing the income growth of the bottom 99% whose raise was meager when divided over three decades. Average income in 2011 for the top 1% was \$635,052, which is 12.1 times greater than the remaining average income of 99% of island citizen at \$52,294 (Sommeiller and Price 2014). On the other hand, the living expense in Hawai‘i continues to grow unabated with the Island of Oahu now facing another round of “Cost of Living Crisis” with policymakers and practitioners frantically engaging in a dialogue to identify and implement solutions.

Today, 26.6% (one in four) of O‘ahu’s families are asset poor – meaning that they do not have enough assets to live for three months at the federal poverty level should they lose their income. Additionally, 17.3% of the population is living in extreme asset poverty, which means that the household has no wealth or negative net worth. These households have no financial cushion with which to invest in their future, and a small financial bump can quickly become a crisis.

The stories from the ‘Ohana dialogues mirror the findings from the research and analysis. Many people face challenges surviving on the islands – high living cost, low wages and difficulty savings - and doubt the promise of the “American Dream.” Yet they still find a way to live and survive because of the support and a connection to the island people and places. Families also shared stories of their dreams and aspiration:

- Hope to see a brighter future for their children;
- Capability to be financially secure through good and bad times;
- Living in a healthy community that values taking care of each other and ‘aina.

Despite these aspirations, many families are caught in a cycle, where they are just getting by rather than taking steps to move towards their dreams. Hard work and sacrifice by today’s families are only half the battle. Better policies, education, and engagement are needed to fulfill their aspirations for opportunity and the chance to thrive as island people.

A Framework for Family Economic Resilience

Ho‘owainai O‘ahu – A Policy Roadmap for Family Economic Resiliency focuses on asset-building policies and actions that help island families and communities to increase their self-sufficiency and ability to exercise choice and control over their future. The continuum of asset-building efforts to achieve this goal can be characterized by the Annie E. Casey Foundation’s framework of:

- *Earn It* – families are earning a living that allows them to survive and thrive in their community by qualifying for a job, finding and keeping that job, and advancing in a career that pays a family-sustaining wage.
- *Keep It* – working families access a full range of financial services through mainstream bank accounts, tax credits, and training programs that protects their income.
- *Grow It* – working families are accumulating and maintaining their assets through higher education, home purchases, small business creation, and other asset leveraging actions.

However, while economic security is a key component to wealth creation, asset-building strategies must also give equal consideration to building natural, human, cultural, and social assets that are the foundation of community wealth. It must also be understood that, for some, wealth is the ability to share possessions rather than just accumulate them for one self. It is for this reason that the Native Hawaiian concept of *ho‘owainai* (meaning “to enrich”) underlies O‘ahu’s asset policy effort. *Wai* means “water” and *wainai* means “wealth”. In old Hawai‘i, it was everyone’s *kauleana* or “responsibility” to *malama i ka wai* or “to take care of the water” because it affected the livelihood of the entire village. If you had a sufficient supply of *wai*, you were considered wealthy.

Recommendations for O’ahu Asset Policy Strategies & Actions

Establishing and sustaining asset building strategies require integration and embedding appropriate and relevant policies, programs, and services within - the City & County of Honolulu, private businesses and community-based nonprofit organizations. Maximizing the impact of current services needs a concerted and coordinated effort to integrate viable asset building strategies to sustain a more comprehensive approach to supporting families to move towards economic resiliency. Table 1 below provides an overview of key policy recommendations.

Table 1 - Overview of Recommendations

Integrate & Embed Asset Building Strategies into Existing Programs & Services	Integrate & Embed Equitable Development Strategies in Transit Oriented Development
<p><i>Earn It</i></p> <ul style="list-style-type: none"> a. Earned Income Tax Credits b. Create Living Wage Jobs c. Employer Based Ho’owaiwai Empowerment Service Centers <p><i>Keep It</i></p> <ul style="list-style-type: none"> a. Increase Financial Capability Resources & Tools – Including Access to Kūpuna Asset Building Resources & Addressing Senior Financial Fraud b. Address Unbanked & Underbanked c. Access Healthy, Affordable, Local Food Sources & Affordable & Efficient Energy <p><i>Grow It</i></p> <ul style="list-style-type: none"> a. Youth Savings – integrate youth savings components into existing programs and services b. Increase Access to Affordable Homeownership & Rentals Through Incentivized Savings c. Develop Affordable Homeownership & Rentals – including developing shared ownership and demand side strategies to increase access to affordable housing. d. Encourage Entrepreneurial Opportunities – including through local procurement policies. <p><i>Share & Sustain It</i></p> <ul style="list-style-type: none"> a. Ho’owaiwai Network – O’ahu 	<p><i>Earn It</i></p> <ul style="list-style-type: none"> a. Access to a Range of Transportation Options b. Anchor Institutions – develop partnerships between anchor institutions (large employers and institutions) to leverage their redevelopment, hiring, and purchasing power. <p><i>Keep It</i></p> <ul style="list-style-type: none"> a. Construction Period Programming – develop and implement support programs to mitigate negative impacts to businesses and residents. b. Aging In Place <p><i>Grow It</i></p> <ul style="list-style-type: none"> a. Access to Affordable Homeownership & Rentals – including streamlining affordable housing finance applications; adjust affordable housing length of time requirements to better match public funding levels.

Implementation Consideration

The issue of addressing asset poverty and economic stability for families and communities is a daunting challenge. No one entity can do it. Thus, a network approach should be used to develop and implement the policy and action strategies that will emerge from the policy roadmap development process and the implementation of demonstration projects. The idea that loose systems with a common cause can more effectively change large systems underlies the network approach to asset building in Hawai‘i.

The City & County of Honolulu can play a powerful role in building family and community assets by playing the role of connector, weaver, collaborator, and facilitator of others promoting and acting on strategies to effectively support families as they pave their own pathway to increased economic self-sufficiency. This approach uses distributed leadership where organizations are leading in different issue areas, which allow the city to increase its effectiveness and also to learn from and solicit feedback from grassroots efforts. By supporting a network approach to asset building the City can better ensure the long-term sustainability of collective actions to build assets across the island.

Furthermore, the reinvigoration of statewide Ho‘owaiwai Network (www.assetshawaii.org) - comprised of private and public organizations, community practitioners, financial institutions, and families and youth in Hawai‘i – must begin to help organize actions that address asset poverty, wealth building and financial stability of Hawai‘i’s working families. Ho‘owaiwai Network members can continue to build strategies and tools to increase family and community assets within the unique context of Hawai‘i.

Finally, embedding the network approach to build family and community economic resiliency is often challenging and sometimes counter intuitive. Communities of Practice (COP) can provide a space for reflection, dialogue, information sharing, and build relationship that help practitioners to lift up best practices and lessons learned to inform and guide their work in the field. It creates the space to more deeply understand the complex issues related to building networks to develop specific tools and strategies that work best in a range of contexts and situations.

Tools and Resources for Stakeholder

The policy roadmap provides a menu of tools and resources for stakeholders to learn various approaches to Asset Building and Community Based Economic Development such as:

- Integrating Children’s Savings Accounts to Existing Initiatives
- Ho‘owaiwai Empowerment Center Service Model and Example for Hawai‘i County
- Resources for Kūpuna and Housing
- Employer-Based Asset Building Strategies
- Community Based Economic Development
- Potential Funding & Financing Sources

These tools and resources move towards the State Asset Policy Agenda goals to help families move from just getting by to getting ahead for themselves and future generations by: making work pay, teaching asset building, breaking down barriers to asset-building, helping people save, helping people start and own business and assisting people to buy home, so they can find stability in security in the rapidly changing world.

Ho'owaiwai O'ahu

OVERVIEW

Helping individuals and families achieve economic security and resilience has never been more critical than it is today. O'ahu families - through 'Ohana Dialogue - shared stories of their dreams and their struggles: their hope for a bright future for their children; being financially secure through good and bad times; and having a healthy community that values taking care of each other and 'āina. Many families expressed how they are caught in a cycle, where they are just getting by rather than taking steps toward getting ahead because of low wages, high living cost and lack of access to build savings & assets. Better policies are needed to fulfill their aspirations for opportunity and the chance to thrive as island people.

Ho'owaiwai O'ahu – A Policy Roadmap for Family Economic Resiliency is designed to guide the City and County of Honolulu as it partners with families and communities to act on asset policy strategies that help increase the self-sufficiency and well-being of O'ahu families.

Background

While strategies to help families improve their financial situations have proliferated in the nonprofit sector for over two decades, these issues – especially in the light of accelerating wealth inequality – are moving into the forefront for municipal government across the United States. Cities and County governments are starting to identify programs and policies that encourage wealth building at all levels to maintain social stability. Efforts by city governments to shore up residents' economic security have focused on increasing residents' income through job creation and provision of subsidies for housing and other basic goods. However, evidence suggests that to fundamentally change their economic prospects, families not only need income, they also need financial capability; incentives to encourage savings and investment; and protections in the financial marketplace to preserve assets.

However, while economic security is a key component to wealth creation, asset-building strategies must also give equal consideration to building natural, human, cultural, and social assets that are the foundation of community wealth. It must also be understood that, for many families, true wealth is the ability to share possessions rather than just accumulate them for one self. It is for this reason that the Native Hawaiian concept of *ho'owaiwai* (meaning “to enrich”) underlies O'ahu's asset policy effort. *Wai* means “water” and *waiwai* means “wealth”. In old Hawai'i, it was everyone's kuleana or “responsibility” to *malama i ka wai* or “to take care of the water” because it affected the livelihood of the entire village. If you had a sufficient supply of wai, you were considered wealthy.

Early Success

Early result from various Ho'owaiwai demonstration projects has demonstrated the potential of asset building as a key strategy for family economic resilience.

- *Hawai'i Island Kids Savings Initiative* engaged 2,005 children from 26 participating schools to collectively save \$376,867 (as of Feb. 2014).
- *Hawai'i VITA & Financial Empowerment Coalition* has seen a 1,025% increase in number of sites since beginning in 2006, processing 16,871 tax returns and helping

KEY HIGHLIGHTS

26.6%

of Honolulu County households live in asset poverty

17.3%

of Honolulu County households live in extreme asset poverty

47.3%

of Honolulu County residents have subprime credit scores

54.5%

of Honolulu County renters are cost burdened

\$13,009

is the average credit card debt of Hawaii borrowers

\$10.92/hr

is a single adult wage of the most popular job in Hawai'i

\$15.68/hr

is a single adult wage required for self-sufficiency in Honolulu County

Hawaii’s families claim \$23.8 million in tax refunds with families saving approximately \$2.78 million fees associated with commercial tax preparation.

MOVING FORWARD

City & County of Honolulu

The City & County of Honolulu can foster a powerful role in building family and community assets by playing the role of connector, weaver, collaborator, and facilitator to promote and act on strategies to effectively support families as they pave their own pathway to increased economic self-sufficiency.

- *Department of Community Services* – embed and integrate asset building initiatives into existing programs and services.
- *Department of Planning and Permitting* – asset building and social equity indicators should be used to determine the success of Transit Oriented Development (TOD) initiatives.
- *City Council* – encourage the effort to increase local residents’ financial capability through public promotion of VITA/EITC, funding Children’s Savings Accounts and Ho’owaiwai Empowerment Services.

The table provides the overview of goals and strategies based on the Ho’owaiwai framework – learn and protect it, earn it, keep it, grow it, and share it.

Goal	City & County Strategies
Learn and Protect It! Improve access to high quality financial information, education and counseling	<ul style="list-style-type: none"> ▪ Financial education and counseling networks and related referral structures ▪ Neighborhood-based Ho’owaiwai one-stop centers or services ▪ Incorporate financial education into social service and workforce programs ▪ Standardize and credential financial education services and providers ▪ Increase financial capability resources and tools – Including access to kūpuna asset building resources and addressing senior financial fraud
Earn It! Increase access to high level wages, income-boosting supports and tax credits	<ul style="list-style-type: none"> ▪ Leverage technology to streamline public benefits screening and uptake ▪ Access points for benefits screening in high-need communities ▪ Funding for free/low-cost tax prep services ▪ VITA & EITC public awareness campaigns ▪ Develop partnerships between anchor institutions (large employers and institutions) to leverage their redevelopment, hiring, and purchasing power ▪ Encourage entrepreneurial opportunities through local procurement policies
Keep It! Connect residents to safe, affordable financial products and services and help reduce living expense	<ul style="list-style-type: none"> ▪ Create and promote low-cost transaction and savings products through partnership with financial institutions ▪ Affordable credit products (small dollar, refund anticipation, auto refinance loans) ▪ Encourage employers to use direct deposit ▪ Develop shared ownership and demand side strategies to increase access to affordable housing and streamline rental housing finance application ▪ Provide multi-model transportation options ▪ Adjust affordable housing time requirements to match public funding levels ▪ Expand ‘ohana housing and Accessory Dwelling Unit (ADU) ordinances ▪ Carry out more detailed rent control studies ▪ Access to healthy, affordable, local food sources and affordable and efficient energy
Grow It! Create opportunities to build savings & assets	<ul style="list-style-type: none"> ▪ Integrate youth savings components into existing programs and services ▪ Short-term and emergency savings products ▪ Incentivized savings accounts (Individual Development Accounts (IDAs), college savings accounts, or other accounts for asset building goals)

	<ul style="list-style-type: none"> ▪ Expand access to small business capital and training ▪ Shared-equity homeownership
Share It! Celebrate success & enhance the potential of sharing economy	<ul style="list-style-type: none"> ▪ Develop a public promotional and social media campaign through short video clip ▪ Reinvigorate the Ho‘owaiwai Network – O‘ahu ▪ Investigate technology that maximize the utility of assets via renting, lending swapping, bartering and giving for local residents ▪ Launch ‘Sharing City Honolulu’ initiative to generate and diffuse ‘sharing city’ infrastructure

Employers

Employers can foster a powerful role in building family and community assets through local advocacy for policy development and incorporation of strategies that help promote the process of saving.

For example, employee with access to automatic payroll deductions and an employer match save significantly more. In addition, large anchor institutions can optimize their resource use, invest in its people, and leverage their purchasing power to develop the local economy. Anchor institutions like schools, hospitals, churches, resorts, and public utilities are becoming key partners in community development due to their purchasing power. These entities can: purchase locally made goods and services; incubating develop new businesses - including social enterprise among nonprofits; serve as an advisor or network builder; and use pension and endowment funds to invest in local job creation strategies.

Ultimately employers must continue to innovate its product and services by investing in human, social, physical and natural capital. A city’s economic prospects depend on a flexible and well-trained workforce, access to technology and capital, cultural and natural amenities, and a strong civic infrastructure, including relationships that foster problem-solving and collective action within the community and greater region. The table provides the overview of goals and strategies based on the Ho‘owaiwai framework - learn and protect it, earn it, keep it, grow it, and share it.

Goal	Employer-Based Strategies
Learn and Protect It! Improve access to high quality financial information, education and counseling	<ul style="list-style-type: none"> • Support Employee Financial Education & Counseling via one-on-one sessions, workshops and seminars, distributing information by print materials, emails or text messages, internet tutorials (Khan Academy) and Employee Assistance Providers
Earn It! Promote access to income-boosting tax credits	<ul style="list-style-type: none"> ▪ Sponsor free/low-cost tax prep services, VITA & EITC public awareness campaigns ▪ Advocate for incentives and subsidies for anchor institutions (large employers and institutions) to leverage redevelopment, hiring, and purchasing power
Keep It! Connect residents to safe, affordable financial products and services and help reduce living expense	<ul style="list-style-type: none"> ▪ Offer direct deposit ▪ Provide alternative transportation credit ▪ Advocate for tax credit or incentives to develop employee housing for larger employers and institutions ▪ Offer tele-commuting ▪ Advocate for more public intervention to increase middle income housing around the rail station
Grow It! Create opportunities to build savings & assets	<ul style="list-style-type: none"> ▪ Individual Development Accounts (IDAs) ▪ Automatic Enrollment ▪ Auto Save ▪ Employee Stock Purchase Plan (ESPP)

	<ul style="list-style-type: none">▪ Employee Stock Ownership Plan (ESOP)▪ Savers Clubs
Share It! Enhance the potential of sharing economy	<ul style="list-style-type: none">▪ Investigate profit sharing plan to increase employee productivity and moral while decreasing turnover