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Testimony of Hawai'i Appleseed Center for Law and Economic Justice  
Supporting House Resolution 166  
Scheduled for Hearing Thursday, March 20, 2014, 10:00 AM, Room 329

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*Hawai'i Appleseed Center for Law and Economic Justice is a nonprofit, 501(c)(3) law firm created to advocate on behalf of low-income individuals and families in Hawai'i on civil legal issues of statewide importance. Our core mission is to help our clients gain access to the resources, services, and fair treatment that they need to realize their opportunities for self-achievement and economic security.*

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Thank you for the opportunity to testify in **strong support** of House Resolution 166, addressing the rapid growing income inequality in Hawai'i. As a nonprofit legal organization dedicated to promoting social justice for Hawai'i's low-income and other vulnerable residents, we recognize the increasing widening gap between low-income and high-income residents in Hawai'i and struggles that occur as a result of this widening income inequality gap.

Among all states, Hawai'i has the second highest number of millionaire households per capita, a figure which has grown 18.1 percent in just three years. Yet two-thirds of single adult families with one or two children are below the self-sufficiency level. 18.5 percent of two-adult families with two children also fall below it, and our state's regressive tax system exacerbates the struggles for those who fall in this income level bracket. Hawai'i taxpayers with incomes in the bottom 20 percent pay combined state taxes at almost twice the rate of the top 1 percent.

Hawai'i's families face the highest cost of living in the highest in the nation, at almost 160% of the national average. Our residents earn the lowest wages in the country when adjusted for the cost of living, while the tax rate for low-income households is among the highest in the nation. Additionally, Hawai'i's housing costs are the highest in the nation. Our median rent is 50 percent more than the national median and 75 percent of poor households spend more than half of their income on rent. The cost of living in Hawai'i is the highest in the nation and continues to rise.

The disproportionality between the high cost of living in Hawai'i and the low wages in the state clearly indicate an income inequality between those who can afford it and those who cannot that needs to be addressed. Hawai'i Appleseed recognizes the income inequality in Hawai'i and the barriers to self-sufficiency our low-income population faces in our state. The problem must be recognized and addressed. Thank you for an opportunity to testify in support of HR 166.