## Table 14.12-- COST OF LIVING ANALYSES FOR HONOLULU AND THE UNITED STATES AVERAGE: JULY 1, 2012

[This formulation assumed consumption patterns vary according to earnings level. It compares the 'base city' to a the 'destination' using the same pattern but at the destination's prices. This profiles a cost-of-living model rental (approximates the rental equivalent of owner-occupied housing) situations for a family of 4, annual earnings of \$76,000, a 2,000 sq. ft. home, with 3 vehicles having a total value \$30,000 and driven a total of 30,000 miles annually. The Institute model may be considered as an evolution of the U.S. Department of Labor's "Urban Family of Four" model which the Bureau of Labor Statistics discontinued in 1981]

| Category                          | Honolulu        | Percent of total        | U.S.<br>average | Percent of total | Honolulu<br>indexed to<br>U.S. average |
|-----------------------------------|-----------------|-------------------------|-----------------|------------------|--|
| Total, earnings level #1          | 76,000          | 100.0                   | 41,014          | 100.0            | 185.3                                  |
| Goods and services                | 29,388          | 38.7                    | 21,283          | 51.9             | 138.1                                  |
| Consumables                       | 20,850          | 27.4                    | 14,212          | 34.7             | 146.7                                  |
| •                                 | 20,650<br>6,150 | 27. <del>4</del><br>8.1 | 5,040           | 12.3             | 122.0                                  |
| Transportation<br>Health services | ,               | 3.1                     | ,               | 5.0              | 117.6                                  |
|                                   | 2,388           | _                       | 2,031           |                  | 212.9                                  |
| Rent, utilities, insurance        | 46,686          | 61.4                    | 21,929          | 53.5             |  |
| Income and payroll taxes          | 17,917          | 23.6                    | 15,793          | 38.5             | 113.4                                  |
| Miscellaneous 1/                  | -17,991         | -23.7                   | -17,991         | -43.9            | 100.0                                  |
| Exhibit: monthly rent 2/          | 3,442           | 54.3                    | 1,551           | 45.4             | 221.9                                  |
| Total, earnings level #2          | 114,519         | 100.0                   | 76,000          | 100.0            | 150.7                                  |
| Goods and services                | 42,682          | 37.3                    | 31,044          | 40.8             | 137.5                                  |
| Consumables                       | 29,031          | 25.4                    | 19,722          | 26.0             | 147.2                                  |
| Transportation                    | 10,851          | 9.5                     | 8,931           | 11.8             | 121.5                                  |
| Health services                   | 2,800           | 2.4                     | 2,391           | 3.1              | 117.1                                  |
| Rent, utilities, insurance        | 46,686          | 40.8                    | 21,929          | 28.9             | 212.9                                  |
| Income and payroll taxes          | 17,917          | 15.6                    | 15,793          | 20.8             | 113.4                                  |
| Miscellaneous                     | 7,234           | 6.3                     | 7,234           | 9.5              | 100.0                                  |
| Exhibit: monthly rent 2/          | 3,442           | 36.1                    | 1,551           | 24.5             | 221.9                                  |

<sup>1/ &#</sup>x27;Miscellaneous' includes charitable contributions, tuition for dependents or child care, insurance premiums, personal savings, investments, credit card debt payments, vacations, etc. A negative value suggests that the spending pattern is 'too rich' for the earnings level.

Source: ERI Economic Research Institute, Relocation Assessor, "Relocation Analysis Report" (July 11, 2012) and calculations by Hawaii State Department of Business, Economic Development & Tourism.

<sup>2/</sup> Percent of total is calculated based on annual rent.