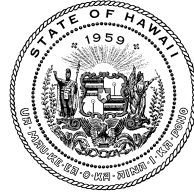


DAVID Y. IGE  
GOVERNOR

SHAN TSUTSUI  
LT. GOVERNOR



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## COUNCIL ON REVENUES

STATE OF HAWAII  
P.O. BOX 259  
HONOLULU, HAWAII 96809-0259

July 25, 2016

The Honorable David Y. Ige  
Governor, State of Hawaii  
Executive Chambers  
State Capitol, Fifth Floor  
Honolulu, HI 96813

Dear Governor Ige:

In its meeting on July 14, 2016, the Council on Revenues kept its forecast for the growth rate in Hawaii total personal income (TPI) for calendar year 2016 at 4.5%. The Council also made a forecast for TPI growth of 4.5% for calendar year 2017.

The new TPI forecasts were very slightly above the averages of the forecasts for TPI that the members had submitted for the Council's General Fund meeting of May 24, 2016. The Council noted that the rate of inflation, as measured by changes in the Honolulu Consumer Price Index, rose modestly in the second half of 2015. The growth of the tourism industry remains positive, although it is not as strong as before. Hawaii's economy is nearing full employment, so job growth has slowed. The Council also noted that the U.S. economy is growing at a rate around 2.0% and expects the Federal Reserve to leave interest rates unchanged.

The updated data for Hawaii's TPI for calendar years 2011 through 2015, along with the Council's current forecasts for 2016 and for 2017, are shown below:

<b>Calendar Year</b>	<b>Millions of Dollars</b>	<b>% Growth From Previous Year</b>
2011	\$59,179	4.3%
2012	\$61,984	4.7%
2013	\$62,437	0.7%
2014	\$65,348	4.7%
2015	\$68,452	4.8%
2016 (Forecast)	\$71,532	4.5%
2017 (Forecast)	\$74,751	4.5%

The Honorable David Y. Ige  
July 25, 2016  
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Please advise us if we can be of further assistance or if you have any questions concerning the foregoing estimates.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Kurt Kawafuchi', written in a cursive style.

KURT KAWAFUCHI  
Chair, Council on Revenues