

# Tourism and Hawaii Economy

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DBEDT Research Division

This brief presents contributions of tourism to Hawaii economy, estimated using the economic relationships reflected in the 2017 State of Hawaii Input-Output (IO) model. In estimating the impacts using the IO model, “direct and indirect” impact measures the impact of visitor expenditure through all firms that contributed, directly or indirectly, to goods and services sold to visitors, while “induced” impact measures the additional impact generated through the increased household income and spending after the initial impacts. Contribution of tourism to Hawaii GDP is estimated using the latest GDP data from the U.S. Bureau of Economic Analysis (BEA) at the time of release and subject to change when the Hawaii GDP data are revised.

Table 1. Total visitor-related expenditure (\$M), 2018-2023 <sup>1</sup>

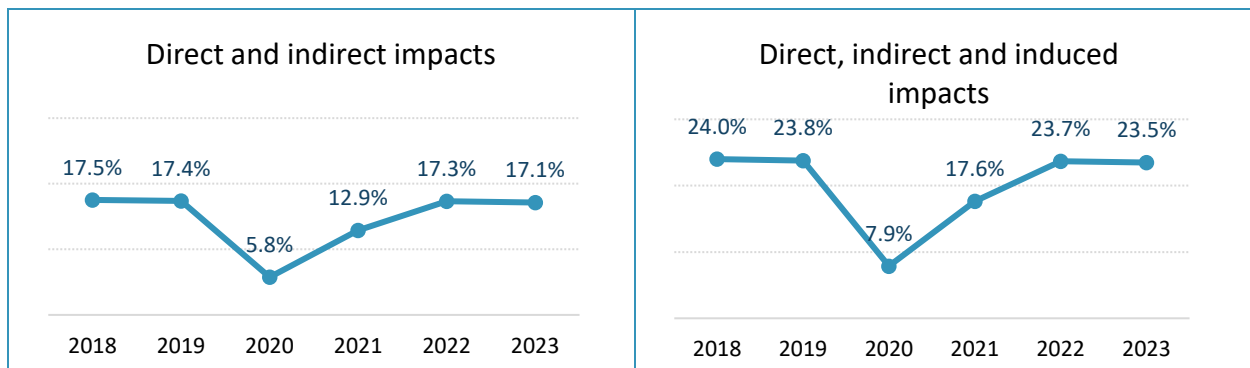
2018	2019	2020	2021	2022	2023
20,144	20,460	6,174	15,199	22,569	23,894

<sup>1</sup> Besides expenditure by visitors by air and cruise ship, it includes supplemental business expenditure and other estimated spending in Hawaii by overseas airlines and cruise lines.

Table 2. Impacts of total visitor-related expenditure on Hawaii economy, 2023

	Output (\$M)	GDP (\$M)	Tax (\$M)	Labor Income (\$M)	Total Jobs	W&S Jobs
Direct and indirect impact	32,988	18,907	2,194	10,632	176,111	139,546
Direct, indirect & induced impact	44,671	25,886	2,767	14,300	234,757	183,166

Figure 1. Contribution of tourism to Hawaii GDP, 2018-2023 <sup>1</sup>



<sup>1</sup> The percentages were calculated using the revised GDP data from BEA for 2018-2023, released in Sep. 2024

Table 3. Contribution of tourism to Hawaii GDP, statewide and by county

Year	Statewide	Honolulu	Maui	Kauai	Hawaii
<i>Direct and indirect impacts</i>					
<b>Contribution to the area's GDP (\$M)</b>					
2018	15,940	9,873	3,085	1,292	1,690
2019	16,189	10,080	3,179	1,250	1,680
2020	4,886	2,913	994	371	607
2021	12,027	7,283	2,501	923	1,319
2022	17,858	10,899	3,578	1,439	1,942
2023	18,907	11,378	3,583	1,786	2,160
<b>Percentage of the area's GDP <sup>1</sup></b>					
2018	17.5%	14.6%	29.6%	31.1%	19.3%
2019	17.4%	14.6%	29.1%	28.6%	18.4%
2020	5.8%	4.6%	10.9%	9.6%	7.5%
2021	12.9%	10.5%	23.9%	21.9%	14.0%
2022	17.3%	14.3%	30.4%	29.4%	18.7%
2023	17.1%	13.9%	29.1%	34.2%	19.5%
<i>Direct, indirect and induced impacts</i>					
<b>Contribution to the area's GDP (\$M)</b>					
2018	21,823	14,086	3,953	1,599	2,185
2019	22,165	14,370	4,070	1,549	2,175
2020	6,689	4,181	1,271	460	777
2021	16,466	10,428	3,193	1,144	1,701
2022	24,449	15,585	4,577	1,781	2,506
2023	25,886	16,309	4,597	2,200	2,780
<b>Percentage of the area's GDP <sup>1</sup></b>					
2018	24.0%	20.8%	37.9%	38.5%	25.0%
2019	23.8%	20.9%	37.3%	35.4%	23.9%
2020	7.9%	6.5%	14.0%	11.9%	9.7%
2021	17.6%	15.0%	30.5%	27.1%	18.1%
2022	23.7%	20.5%	38.9%	36.4%	24.1%
2023	23.5%	20.0%	37.4%	42.1%	25.1%

<sup>1</sup>The percentages were calculated using the 2018-2023 GDP data released in September (state) and December (counties) 2024.

Table 5. Direct and indirect contribution of tourism to Hawaii economy by sector, 2023

Sector	Output (\$M)	GDP (\$M)	Tax (\$M)	Labor Income (\$M)	Total Jobs	W&S Jobs
Total	32,988.4	18,907.3	2,193.6	10,631.7	176,111	139,546
Accommodation	8,851.9	4,189.5	934.8	2,271.5	27,086	25,964
Transportation	4,983.7	2,980.3	145.7	1,332.1	17,465	13,568
Real estate and rentals	3,814.6	2,676.2	195.0	468.1	8,647	3,358
Retail trade	3,209.5	2,107.9	209.5	1,186.4	27,862	22,084
Eating and drinking	2,876.8	1,361.3	188.6	1,087.6	27,238	25,632
Business services	2,180.1	1,290.1	160.5	1,125.1	18,492	14,864
Professional services	867.1	529.5	65.6	465.2	6,111	3,093
State and local gov't	805.4	663.9	28.8	580.4	6,228	6,228
Arts and entertainment	803.8	655.1	56.5	445.9	13,802	7,521
Mining and construction	696.2	348.2	48.2	294.4	2,771	2,106
Utilities	583.4	364.9	23.0	113.9	703	639
Wholesale trade	537.4	308.6	12.8	161.2	1,859	1,549
Information	445.6	203.0	18.5	86.6	922	744
Other manufacturing	409.4	98.7	4.4	45.8	693	460
Finance and insurance	400.0	183.3	18.3	103.5	1,525	863
Other services	384.2	173.8	21.7	185.8	4,477	2,529
Federal government	378.3	347.3	17.2	310.7	2,611	2,611
Educational services	253.1	211.0	21.1	180.7	4,228	3,332
Health services	236.9	126.4	17.6	116.7	1,331	1,114
Food processing	195.0	50.1	3.6	38.1	831	749
Agriculture	75.9	38.2	2.0	32.2	1,227	538

Figure 2. Hawaii GDP by sector, **reclassified with tourism**, 2023

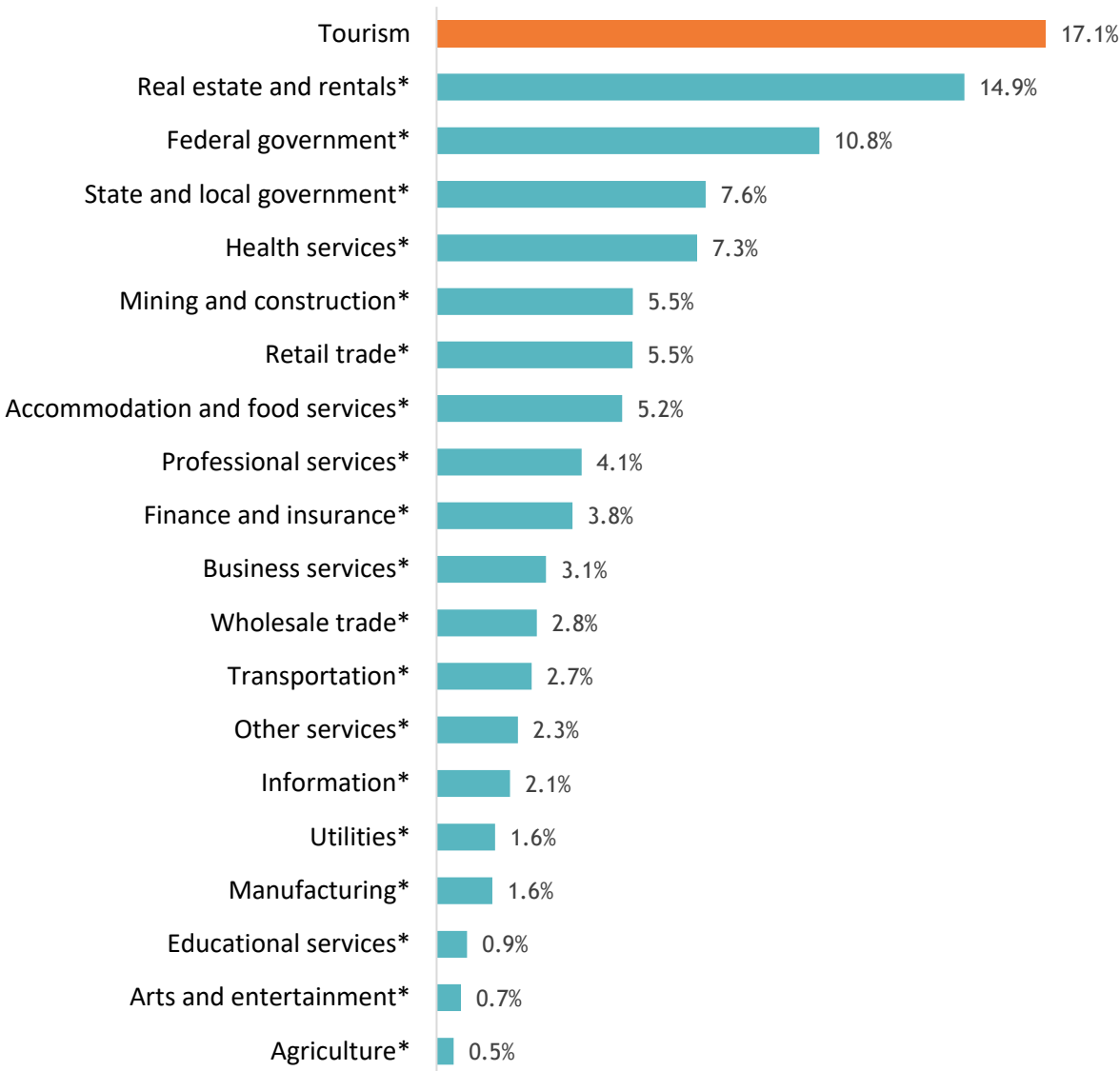
**Methodology**

Tourism is not defined in the standard industry classifications. To estimate the role of tourism in Hawaii GDP, GDP of tourism was estimated as follows and the original sectors were redefined to exclude the portion contributed by tourism.

Step 1: estimate contribution of tourism to each sector’s GDP using the 2017 Hawaii Input-Output model.

Step 2: estimate GDP of tourism sector as the sum of each sector’s GDP generated by tourism

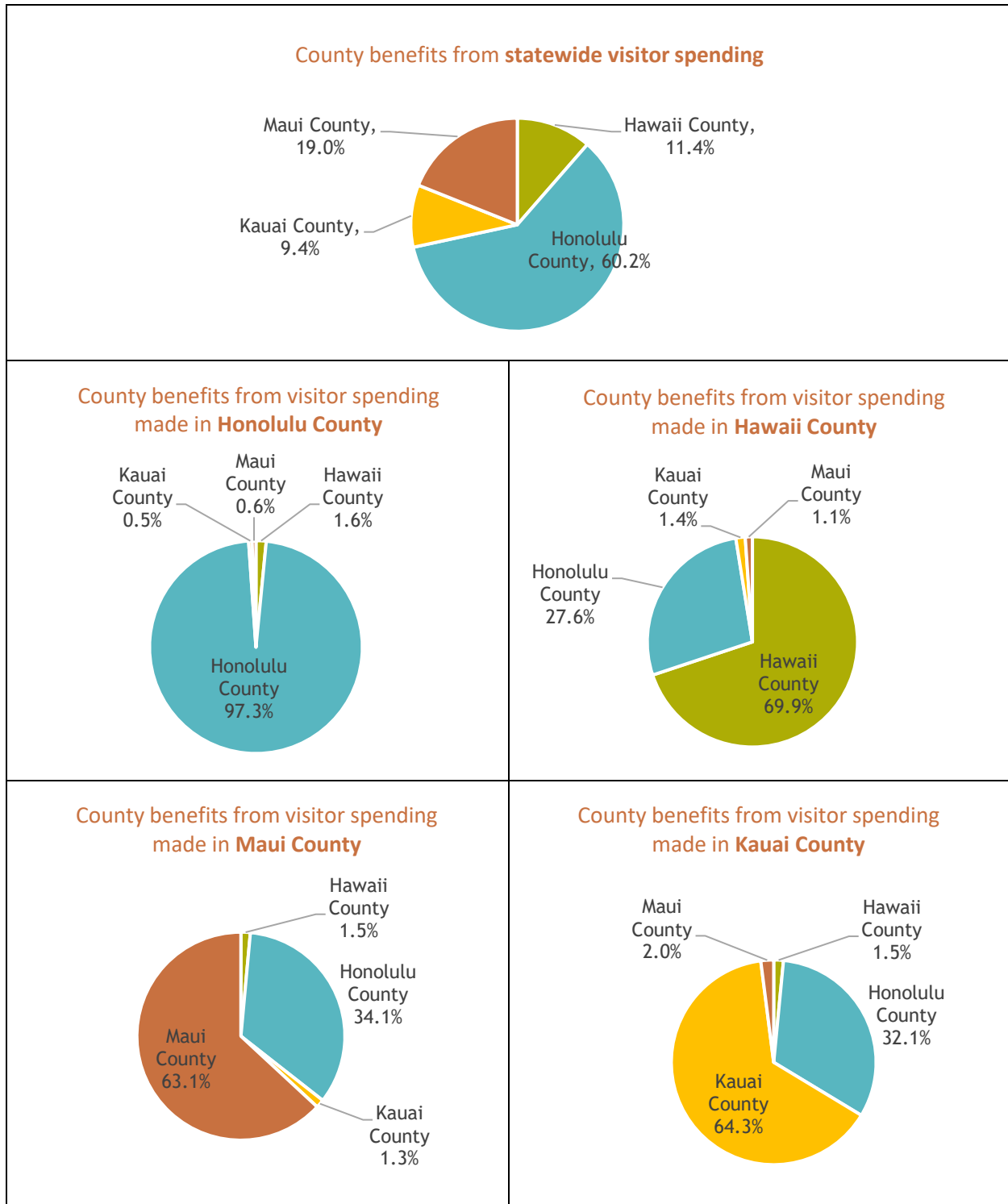
Step 3: re-estimate GDP of other sectors without tourism portion



\* non-tourism portion only (GDP generated by tourism was subtracted from the sector’s original GDP measure)

**Figure 3. GDP contribution of visitor spending by counties benefited**

- Estimated using the inter-county and inter-industry relations reflected in the 2017 Hawaii inter-county IO table by DBEDT.
- Statewide visitor spending was allocated to each county according to the actual county spending in 2023



## Estimated impacts of \$1 billion visitor spending in 2023

Table A-1. Estimated impacts of \$1 billion visitor spending in 2023 on Hawaii economy  
(Direct and indirect impacts)

Sector	Output (\$M)	GDP (\$M)	Tax (\$M)	Labor Income (\$M)	Total Jobs	W&S Jobs
Total	1,380.6	791.3	91.8	444.9	7,370	5,840
Accommodation	370.5	175.3	39.1	95.1	1,134	1,087
Transportation	208.6	124.7	6.1	55.8	731	568
Real estate and rentals	159.6	112.0	8.2	19.6	362	141
Retail trade	134.3	88.2	8.8	49.7	1,166	924
Eating and drinking	120.4	57.0	7.9	45.5	1,140	1,073
Business services	91.2	54.0	6.7	47.1	774	622
Professional services	36.3	22.2	2.7	19.5	256	129
State and local gov't	33.7	27.8	1.2	24.3	261	261
Arts and entertainment	33.6	27.4	2.4	18.7	578	315
Mining and construction	29.1	14.6	2.0	12.3	116	88
Utilities	24.4	15.3	1.0	4.8	29	27
Wholesale trade	22.5	12.9	0.5	6.7	78	65
Information	18.7	8.5	0.8	3.6	39	31
Other manufacturing	17.1	4.1	0.2	1.9	29	19
Finance and insurance	16.7	7.7	0.8	4.3	64	36
Other services	16.1	7.3	0.9	7.8	187	106
Federal government	15.8	14.5	0.7	13.0	109	109
Educational services	10.6	8.8	0.9	7.6	177	139
Health services	9.9	5.3	0.7	4.9	56	47
Food processing	8.2	2.1	0.2	1.6	35	31
Agriculture	3.2	1.6	0.1	1.3	51	23

Table A-2. Estimated impacts of \$1 billion visitor spending in 2023 on Hawaii economy  
(Direct, indirect and induced impacts)

Sector	Output (\$M)	GDP (\$M)	Tax (\$M)	Labor Income (\$M)	Total Jobs	W&S Jobs
Total	1,869.5	1,083.3	115.8	598.5	9,825	7,666
Accommodation	386.8	183.0	40.8	99.2	1,183	1,134
Real estate and rentals	284.6	203.7	11.7	27.4	519	181
Transportation	228.1	135.9	6.8	61.5	830	631
Retail trade	166.0	109.0	10.8	61.4	1,441	1,142
Eating and drinking	144.0	68.1	9.4	54.4	1,363	1,283
Business services	112.7	68.2	8.4	59.4	982	787
Health services	76.4	41.7	5.4	38.5	499	427
Professional services	53.4	32.4	4.0	27.9	377	184
State and local government	45.9	37.8	1.6	33.1	355	355
Finance and insurance	45.7	21.9	2.3	12.1	181	100
Wholesale trade	42.7	24.5	1.0	12.8	148	123
Other services	42.1	18.2	2.1	20.0	409	250
Mining and construction	38.7	19.3	2.7	16.3	154	117
Information	37.9	17.5	1.5	7.5	78	64
Arts and entertainment	37.1	30.3	2.6	20.6	637	347
Utilities	35.9	22.6	1.4	7.0	44	40
Other manufacturing	33.4	7.8	0.3	3.4	48	33
Federal government	23.8	21.8	1.1	19.5	164	164
Educational services	15.9	13.3	1.3	11.4	266	210
Food processing	13.0	3.3	0.2	2.5	55	50
Agriculture	5.5	2.9	0.2	2.5	91	42