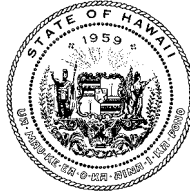


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GOVERNOR

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COUNCIL ON REVENUES

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

August 19, 2010

The Honorable Linda Lingle
Governor, State of Hawaii
Executive Chambers
State Capitol, Fifth Floor
Honolulu, HI 96813

Dear Governor Lingle:

This report supplants August 5, 2010 report. The Council on Revenues has updated the growth rate estimate of Hawaii total personal income to be 2.3% for calendar year 2010 and forecasts 3.0% for calendar year 2011.

According to the latest estimates from the U.S. Bureau of Economic Analysis, total personal income grew at a rate of 2.3% during the first quarter of 2010, after being almost flat in 2009. The Council's forecasts reflect improved growth in personal income and other economic conditions discussed by the members, including a rebound in visitor numbers during the first half of this year.

The revised total personal income data for calendar years 2005 through 2009, as well as the forecasts for 2010 and 2011, are listed below:

<u>Calendar Year</u>	<u>Millions of Dollars</u>	<u>% Growth From Previous Year</u>
2005	\$45,332	7.21%
2006	\$49,124	8.36%
2007	\$52,253	6.37%
2008	\$54,175	3.68%
2009	\$54,304	0.24%
2010 (Forecast)	\$55,553	2.30%
2011 (Forecast)	\$57,220	3.00%

Please advise us if we can be of further assistance or if we can answer any questions you may have concerning the foregoing estimates.

Sincerely,

JACK P. SUYDERHOUD, Ph.D.
Vice-Chair, Council on Revenues