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COUNCIL ON REVENUES

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

November 5, 2018

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

Dear Governor Ige:

In its meeting on November 1, 2018, the Council on Revenues (the "Council") lowered its forecast for the growth rate of Hawaii Total Personal Income (TPI) for calendar year 2018 to 3.3% from 3.5%. The Council also lowered its forecast for TPI growth for calendar year (CY) 2019 to 3.3%.

The new TPI forecast reflects lower than expected TPI numbers from the first two quarters of CY 2018. The Council noted the adjustments to the income figures in CY 2017 by the U.S. Bureau of Economic Analysis led to an increase in the growth rate in prior years. The Council also noted that a tight labor market is restricting wage growth. It also briefly discussed visitor activity and concluded that it remained strong.

The updated data for Hawaii's TPI for calendar years 2013 through 2017, along with the Council's current forecasts for 2018 and 2019, are shown below:

Calendar Year	Millions of Dollars	% Growth From Previous Year
2013	\$63,355	1.5%
2014	\$66,899	5.6%
2015	\$70,323	5.1%
2016	\$72,650	3.3%
2017	\$75,355	3.7%
2018 (Forecast)	\$77,842	3.3%
2019 (Forecast)	\$80,411	3.3%

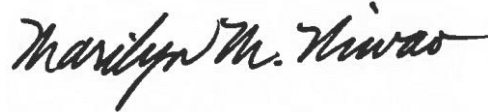
The Honorable David Y. Ige

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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 that reads "Marilyn M. Niwao". The signature is written in a cursive style with a horizontal line at the end.

MARILYN M. NIWAO, M.S.P.H., J.D., CPA, CGMA
Acting Chair, Council on Revenues