

FORECAST OF TOTAL PERSONAL INCOME FOR CY2025-CY2026 COUNCIL ON REVENUES

July 31, 2025

Baybars Karacaovali, Ph.D.

**Acting Tax Research and Planning Officer
Hawai'i Department of Taxation**

Table 3: 2024 TPI - Actual vs. Forecasts

1

	Annual Growth Rate (%)
Council on Revenues Forecasts	
August 2024	5.00
Model Forecasts in August 2024	
<i>Annual Single Equation</i>	
Model 1a: Construction Expenditures & Visitor Arrivals	4.35
Model 1b: Construction Expenditures & Visitor Daily Census	4.33
<i>Annual Component Equation</i>	
Model 2a: Construction Expenditures & Visitor Arrivals	4.47
Model 2b: Construction Expenditures & Visitor Daily Census	4.44
<i>Quarterly Single Equation</i>	
Model 3: Construction Expenditures & Visitor Arrivals	5.18
<i>Quarterly Component Equation</i>	
Model 4: Construction Expenditures & Visitor Arrivals	5.33
Simple Average of All Models in August 2024	4.68
2024 Actual *	
June 2025 (Preliminary)	5.55
September 2025 (Revised)	n/a

Table 3: 2024 TPI - Actual vs. Forecasts Cont.

	Annual Growth Rate (%)
Council on Revenues Forecasts October 2024	5.50
Model Forecasts in October 2024	
<i>Annual Single Equation</i>	
Model 1a: Construction Expenditures & Visitor Arrivals	4.56
Model 1b: Construction Expenditures & Visitor Daily Census	4.52
<i>Annual Component Equation</i>	
Model 2a: Construction Expenditures & Visitor Arrivals	5.19
Model 2b: Construction Expenditures & Visitor Daily Census	5.14
<i>Quarterly Single Equation</i>	
Model 3: Construction Expenditures & Visitor Arrivals	5.50
<i>Quarterly Component Equation</i>	
Model 4: Construction Expenditures & Visitor Arrivals	5.63
Simple Average of All Models in October 2024	5.09
2024 Actual *	
June 2025 (Preliminary)	5.55
September 2025 (Revised)	n/a

Total Personal Income: CY2015 - CY2023

	June 2024 "Prelim"		September 2024 "Final"	
Calendar Year	TPI (\$M)	% Change	TPI (\$M)	% Change
2015	68,201	4.6	68,201	4.6
2016	70,745	3.7	70,745	3.7
2017	73,646	4.1	73,646	4.1
2018	75,266	2.2	75,266	2.2
2019	78,552	4.4	78,587	4.4
2020	82,761	5.4	82,714	5.3
2021	88,948	7.5	88,342	6.8
2022	88,973	0.0	90,054	1.9
2023	93,655	5.3	94,971	5.5

Source: United States Department of Commerce,
Bureau of Economic Analysis (BEA)

Table 4: Summary of TPI Forecasts

	Calendar Year	
	2025	2026
	(percent)	
Council on Revenues' Official Forecast in October 2024	4.80	n/a
Model Forecast in July 2025		
<i>Annual Single Equation</i>		
Model 1a: Construction Expenditures & Visitor Arrivals	4.92	4.89
Model 1b: Construction Expenditures & Visitor Daily Census	4.89	4.86
<i>Annual Component Equation</i>		
Model 2a: Construction Expenditures, Visitor Arrivals & Other Variables	5.18	3.95
Model 2b: Construction Expenditures, Visitor Daily Census & Other Variables	5.13	3.89
<i>Quarterly Single Equation</i>		
Model 3: Construction Expenditures & Visitor Arrivals	4.75	5.35
<i>Quarterly Component Equation</i>		
Model 4: Construction Expenditures, Visitor Arrivals & Other Variables	4.87	5.20
Simple Average of All Models in July 2025	4.96	4.69

Table 4: Summary of TPI Forecasts Cont.

	Calendar Year	
	2025	2026
	(percent)	
Council on Revenues' Official Forecast in October 2024	4.80	n/a
Simple Average of Model Forecasts in July 2025	4.96	4.69
Council on Revenues, General Fund Meeting of May 2025	5.79	5.15
DBEDT Forecast as of May 28, 2025	4.60	4.30
UHERO Forecast as of May 9, 2025	5.10	4.40
Average of All Independent Forecasts as of July 2025	5.11	4.64

Table 4: Summary of TPI Forecasts Cont.

	Calendar Year	
	2025	2026
	(percent)	
Council on Revenues' Official Forecast in October 2024	4.80	n/a
Simple Average of Model Forecasts in July 2025	4.96	4.69
Council on Revenues, General Fund Meeting of May 2025	5.79	5.15
DBEDT Forecast as of May 28, 2025	4.60	4.30
UHERO Forecast as of May 9, 2025	5.10	4.40
Average of All Independent Forecasts as of July 2025	5.11	4.64