

# **Current Hawaii Economic Conditions**

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Presented by

**Pearl Imada Iboshi**

**Department of Business, Economic Development & Tourism**

to the

**Committee on Ways and Means**

and

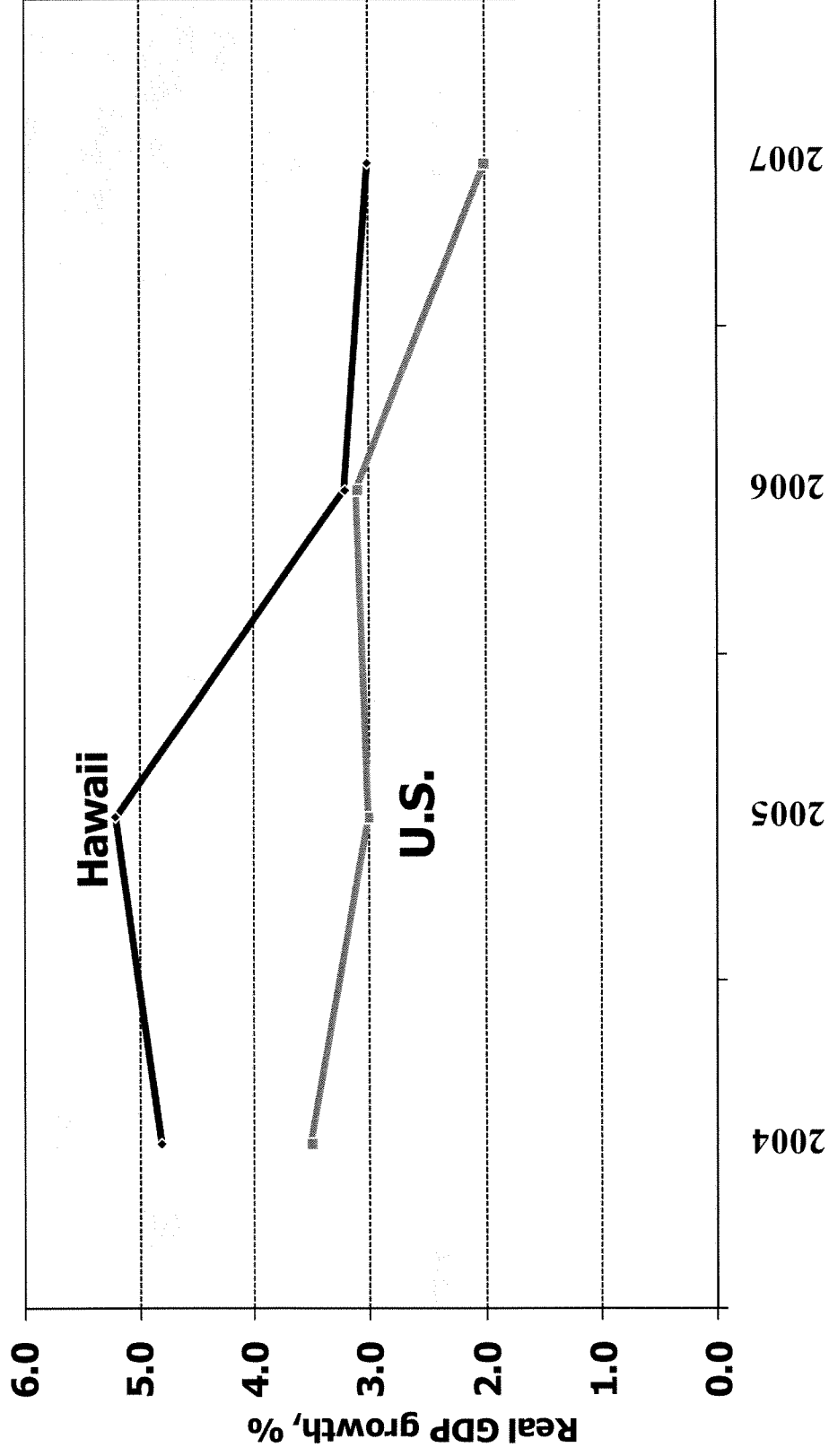
**Committee on Finance**

**Informational Briefing**

January 13, 2008

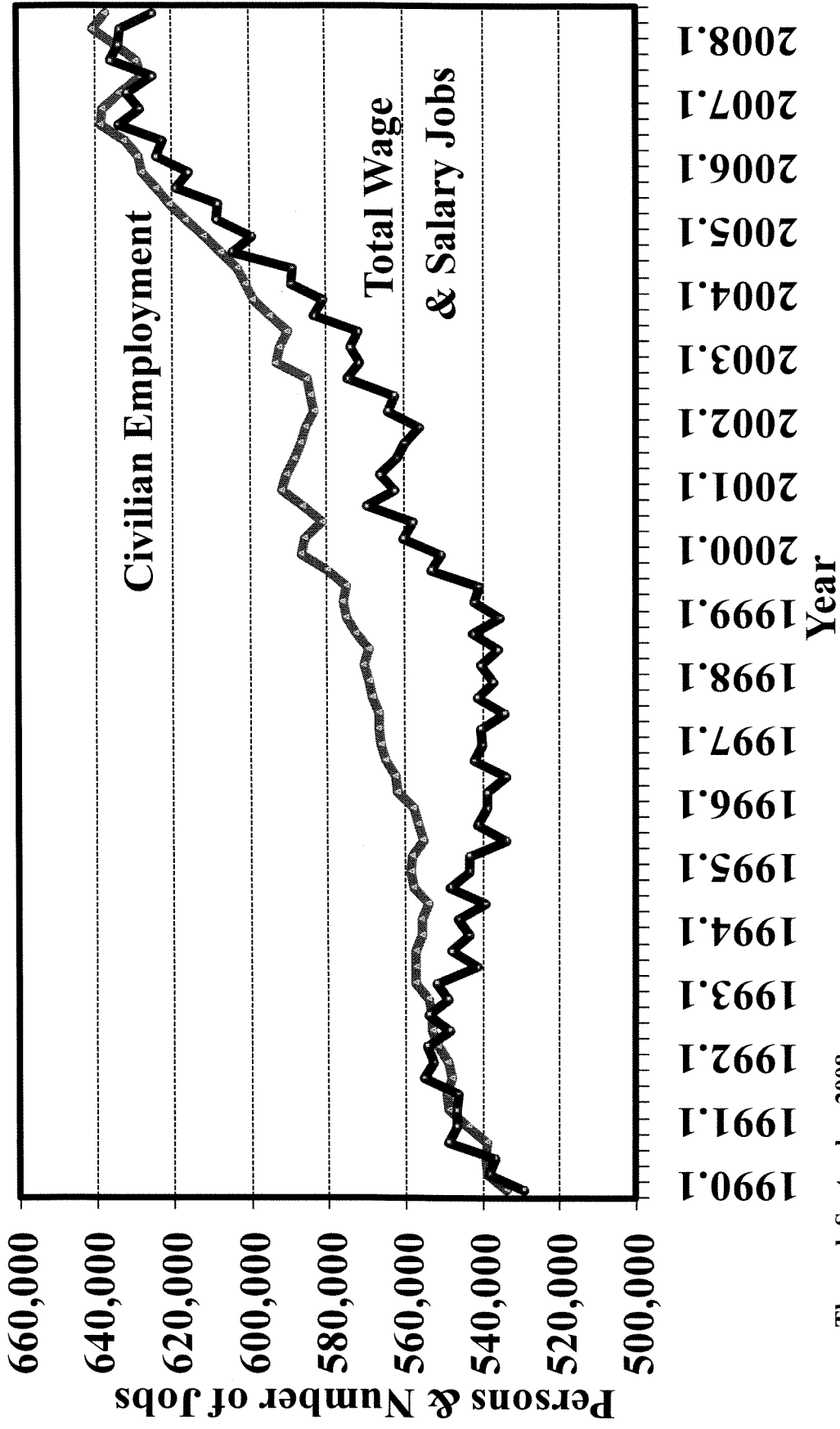
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Hawaii's economic growth rates have been higher than the nation since 2003, and ranked the 9th among 50 states in 2007



Source: U.S. Department of Commerce, Bureau of Economic Analysis

# Civilian Employment and Total Wage & Salary Jobs

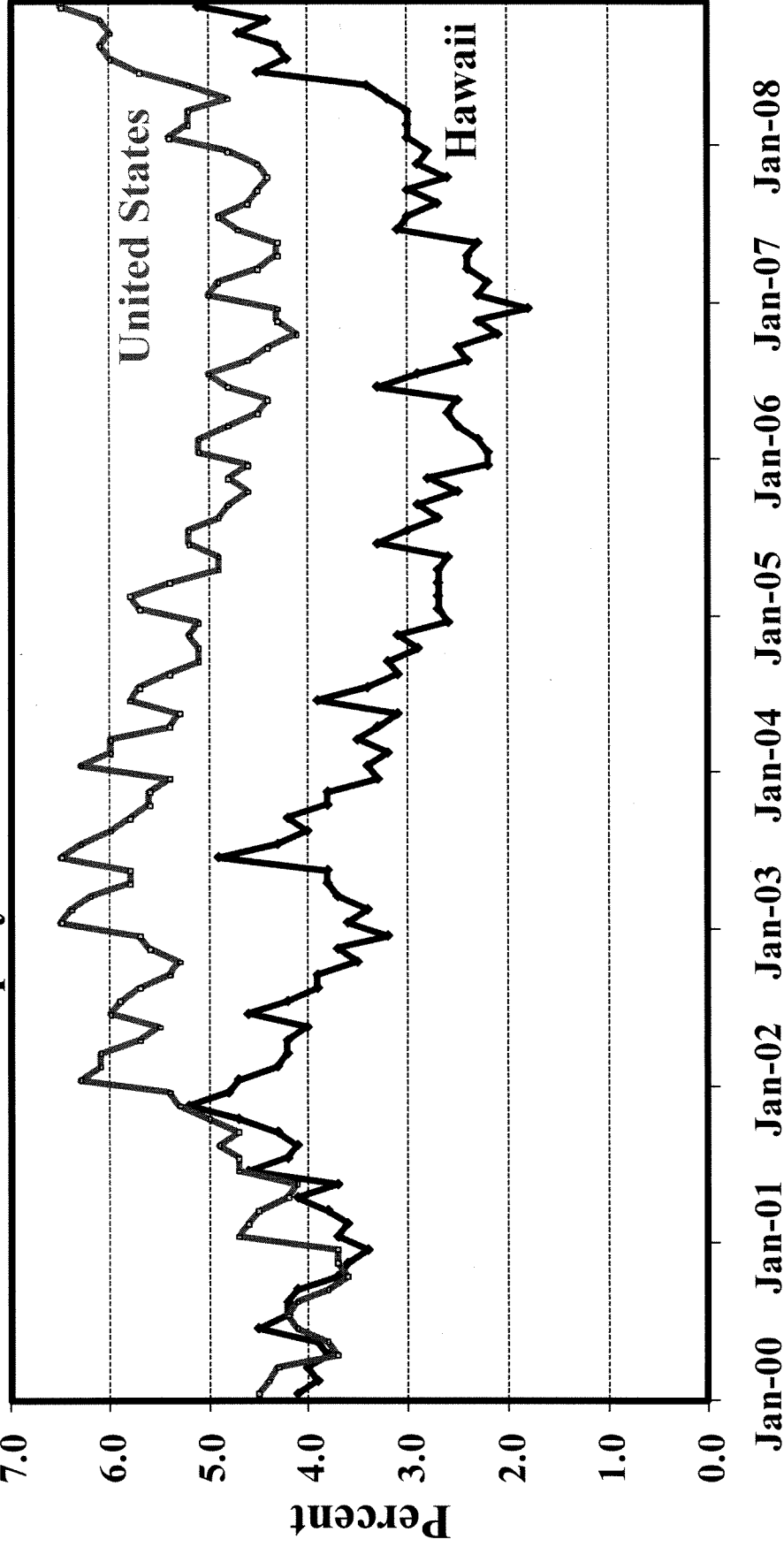


Through September 2008

Source: Hawaii State Department of Labor and Industrial Relations

# Since December 2001, Hawaii's Unemployment Rate Has Been Below the U.S. Average

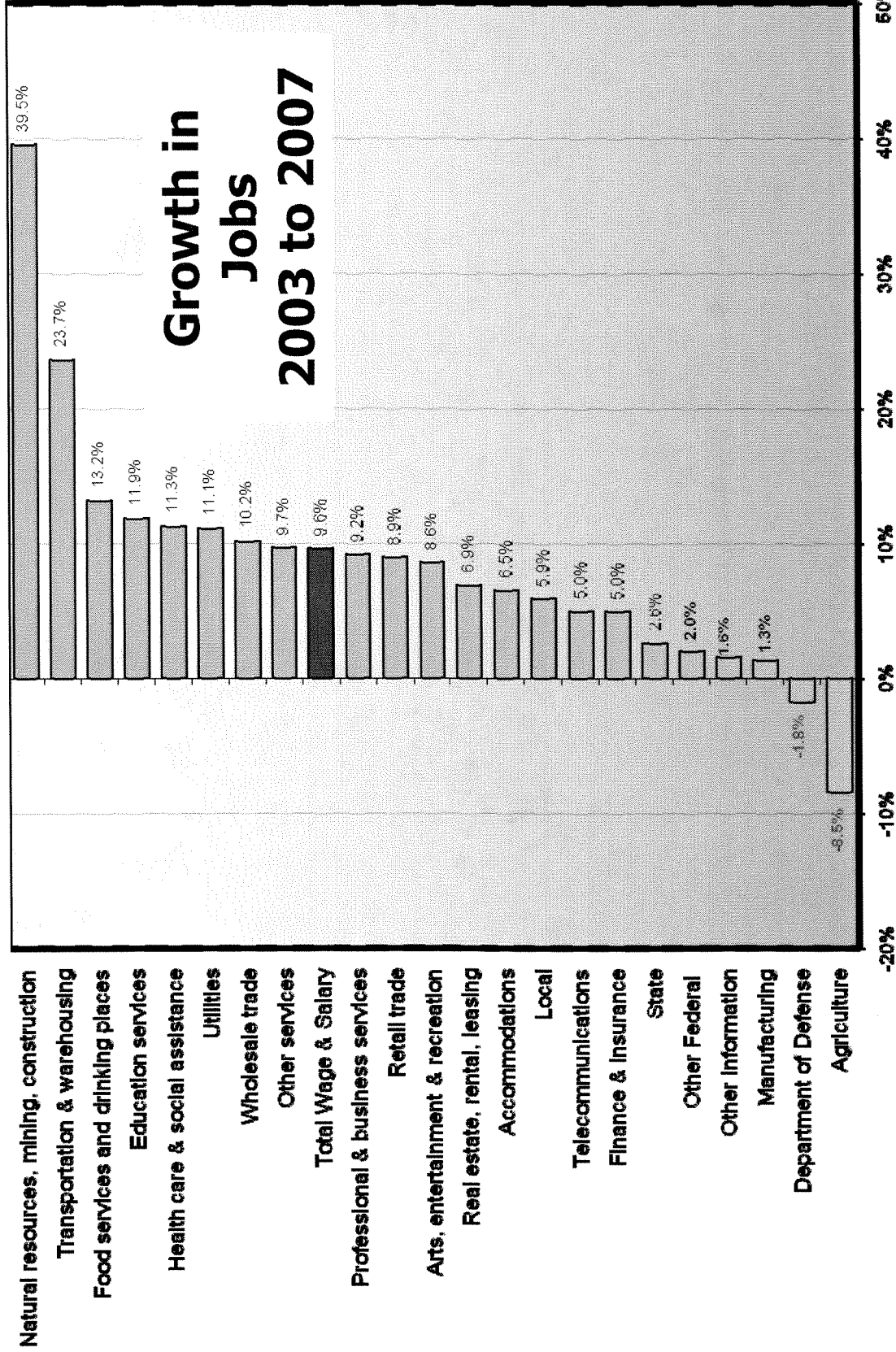
Unemployment Rates - 2000 to 2008\*



\* Though November 2008, Not seasonally adjusted.

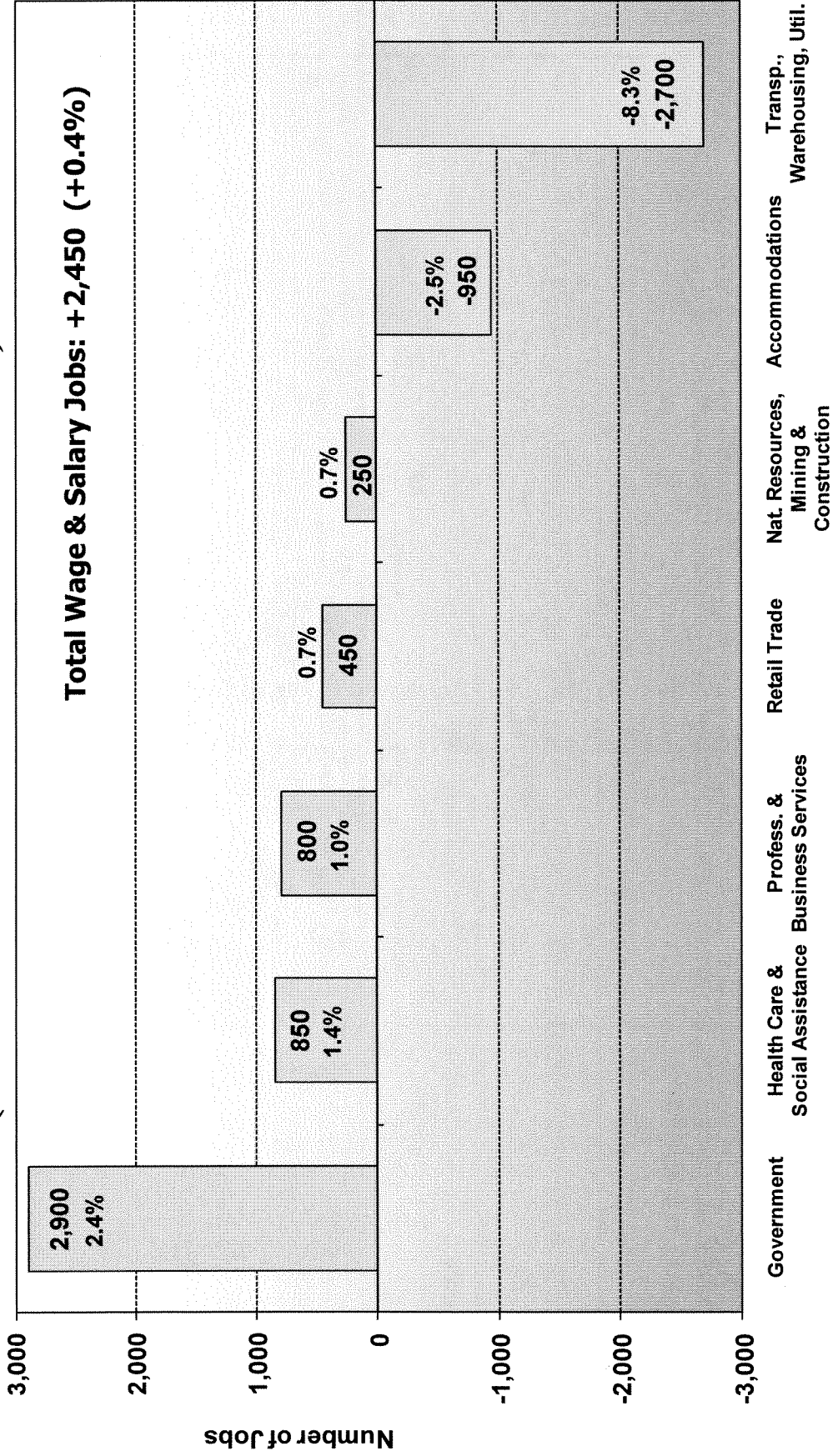
Source: U.S. Bureau of Labor Statistics

# Over the last four years, the strongest growth has been in construction and transportation



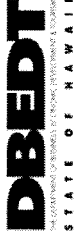
# State of Hawaii Job Growth 2008

(2007 to 2008 Year to date Job Growth)

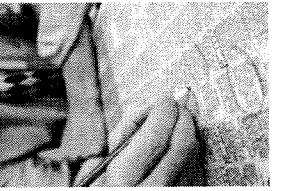
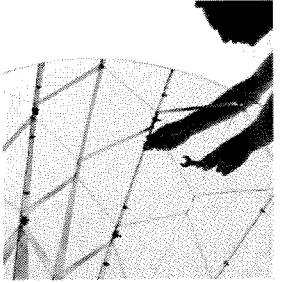
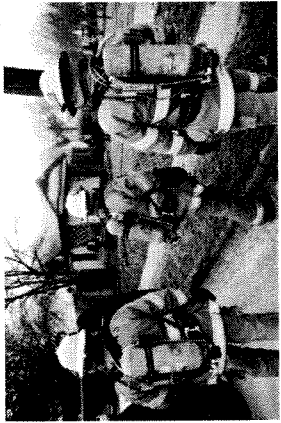
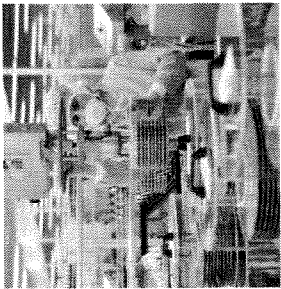


Through November 2008

Source: Hawaii State Department of Labor and Industrial Relations



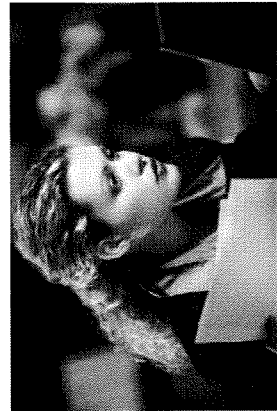
# Job Growth



2007      2008\*      2009\*

<b>Total</b>	<b>1.0%</b>	<b>0.0%</b>	<b>-0.2%</b>
<b>Wage and Salary Jobs</b>	<b>1.0%</b>	<b>0.0%</b>	<b>-0.2%</b>

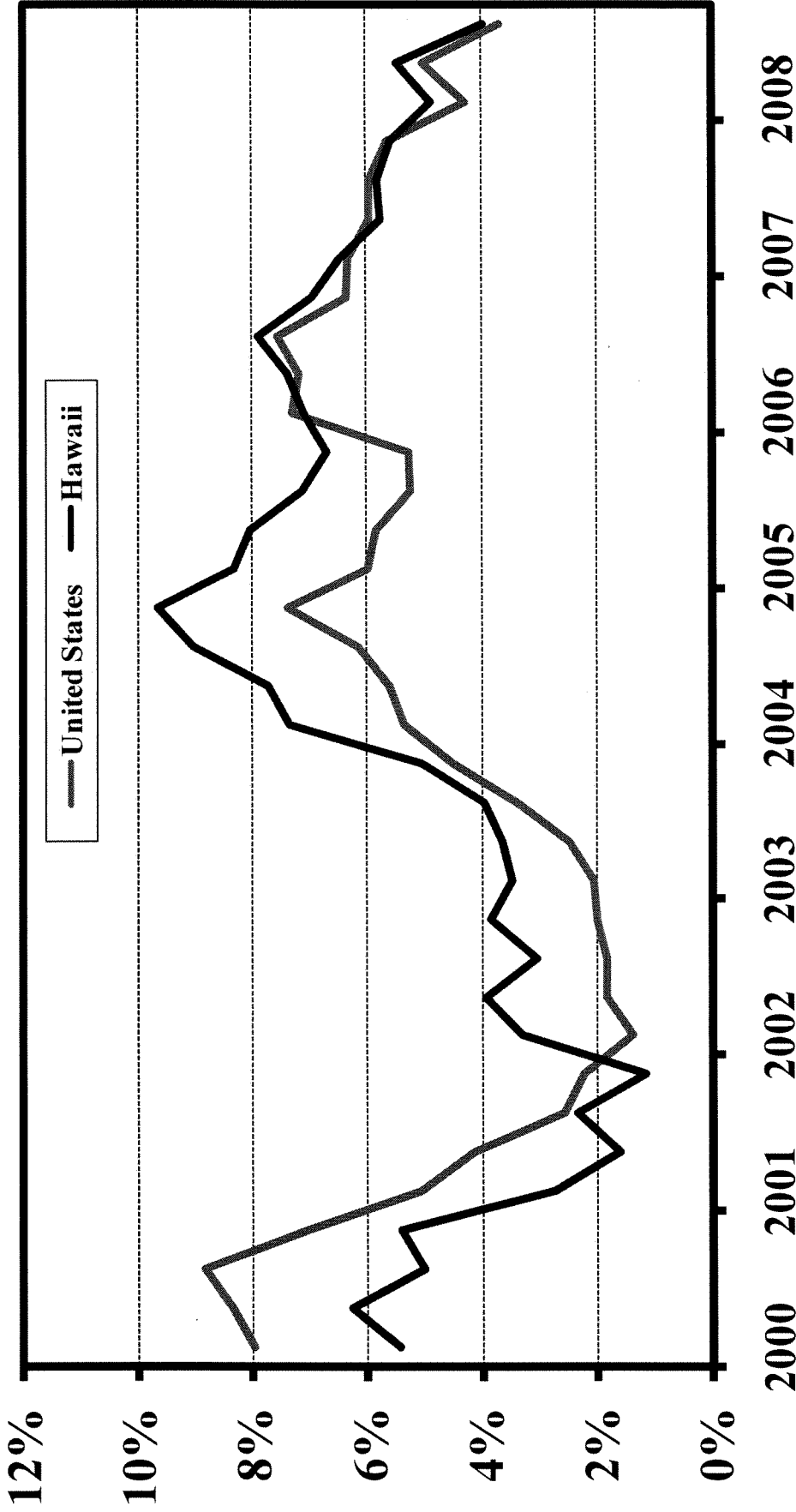
\*Forecast



# Personal Income

## Hawaii Continues to Outpace the Nation in Personal Income Growth

Quarterly Personal Income Growth - 2000 to 2008 (percentage change from previous year)

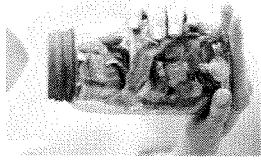
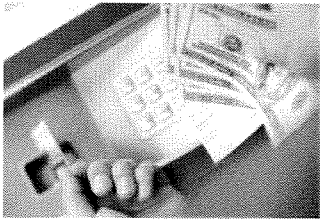


Through 3Q 2008

Source: U.S. Department of Commerce, Bureau of Economic Analysis



# Personal Income Growth

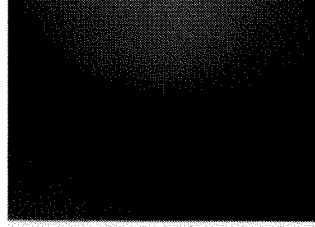
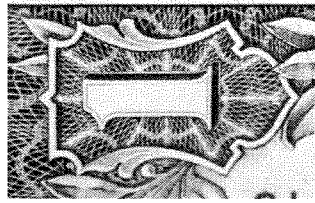
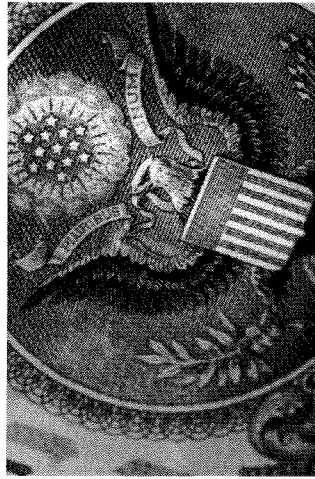


2007      2008\*      2009\*

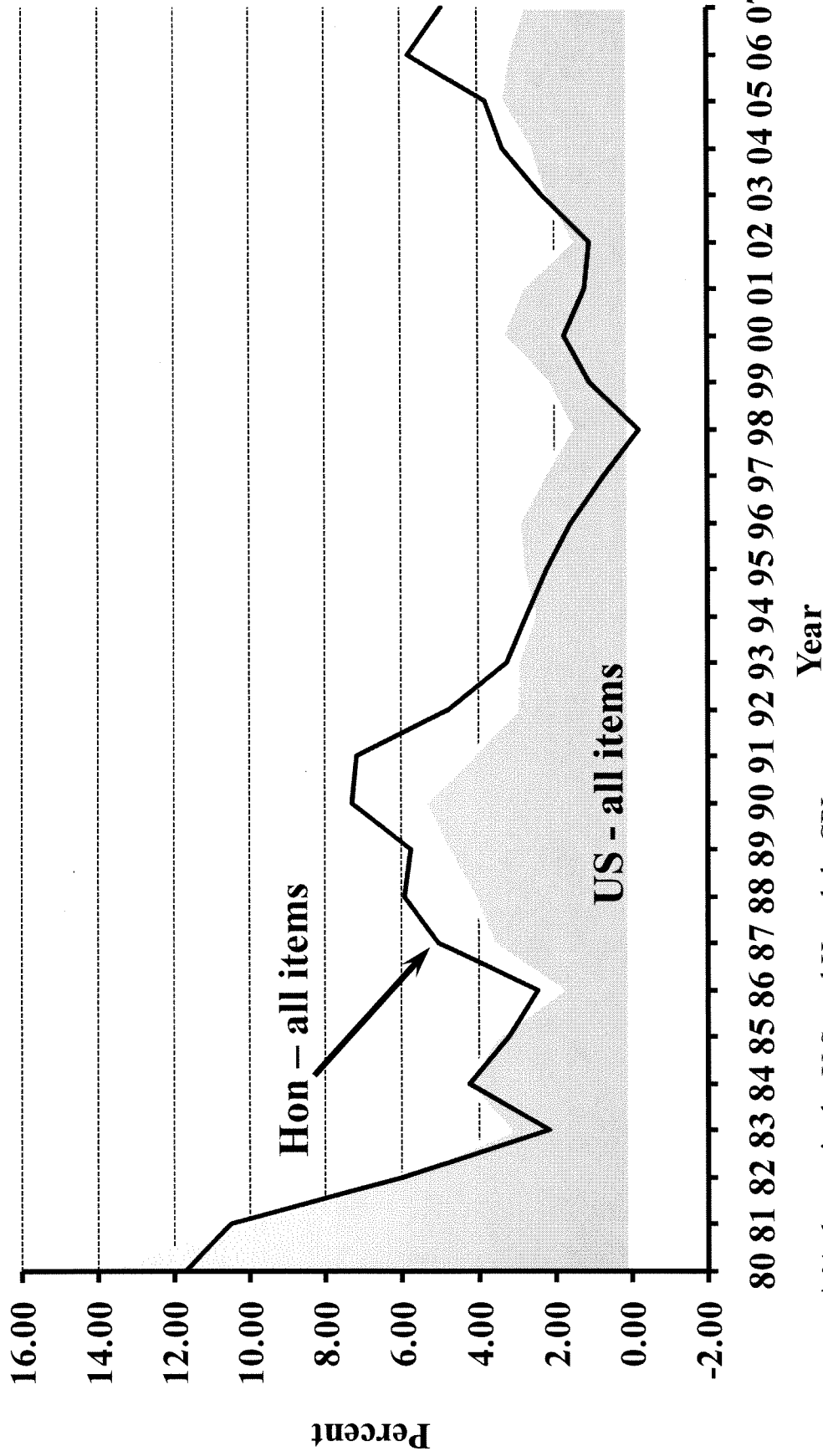
**Nominal Total**

**Personal Income      5.9%      4.0%      2.2%**

*\*Forecast*



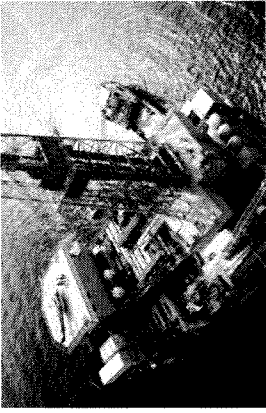
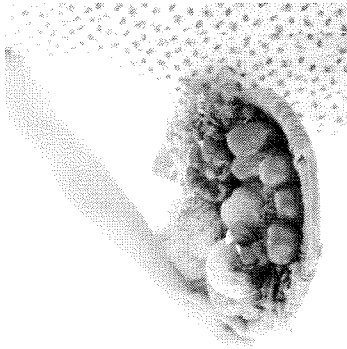
# Selected Honolulu and US Consumer Inflation Rate\*



\* % change in the U.S. and Honolulu CPI for All Urban Consumers (1982-1984=100)

Source: U.S. Department of Labor, Bureau of Labor Statistics

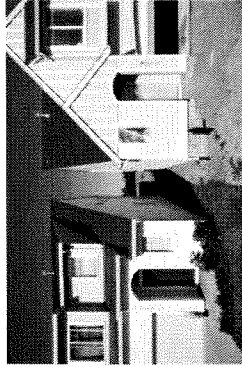
# Forecast: Slowing Increase in Prices



2007    2008\*    2009\*

Percent change in  
Honolulu CPI-U    4.9%    4.2%    2.6%

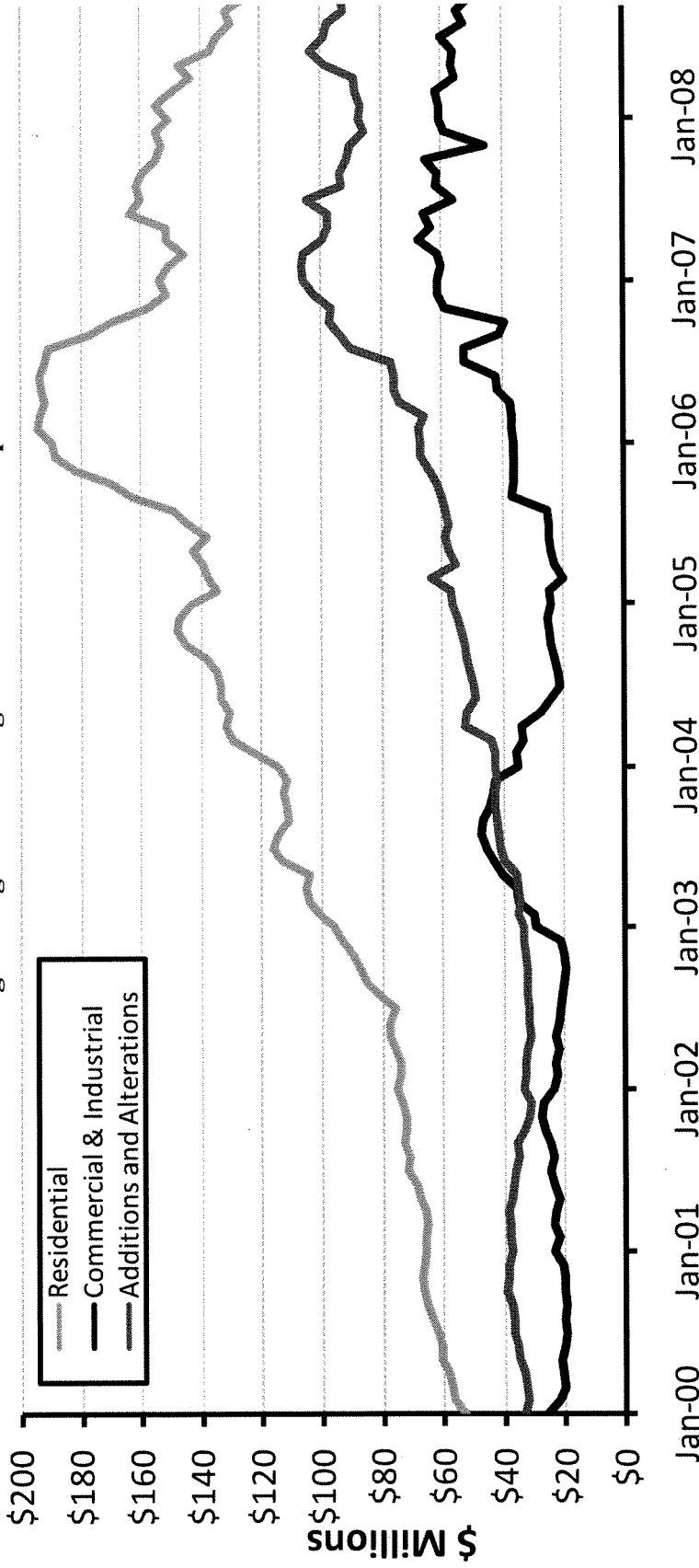
\*Forecast



# Construction & Housing

## Building Permit Authorizations Remain High

12-Month Moving Average of Building Authorization Components\*



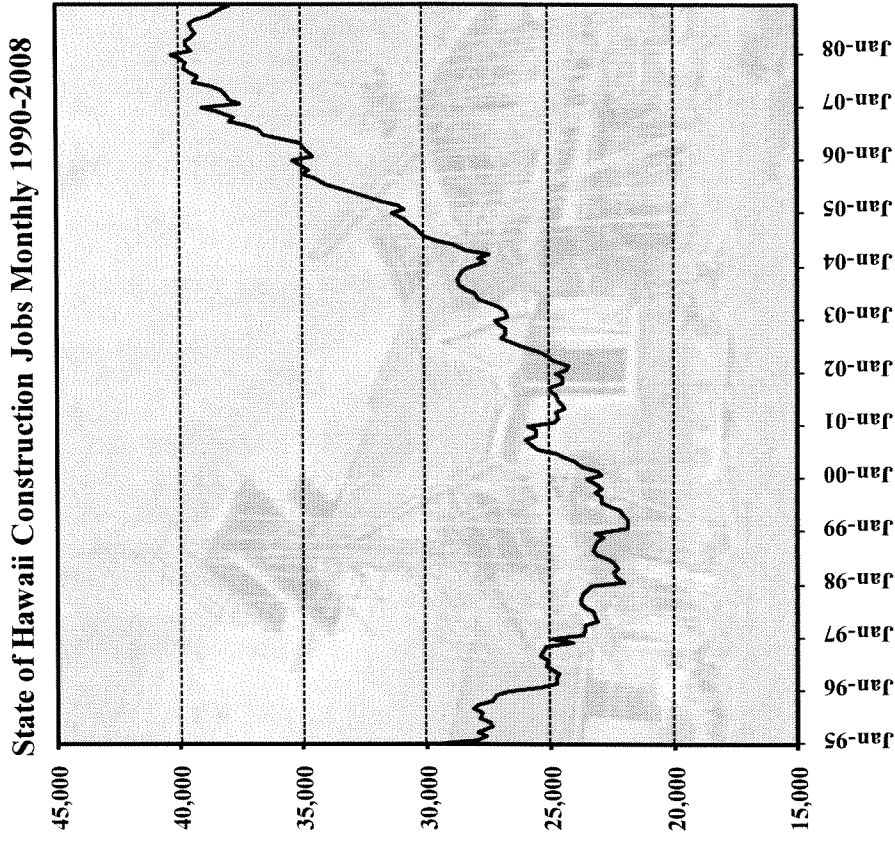
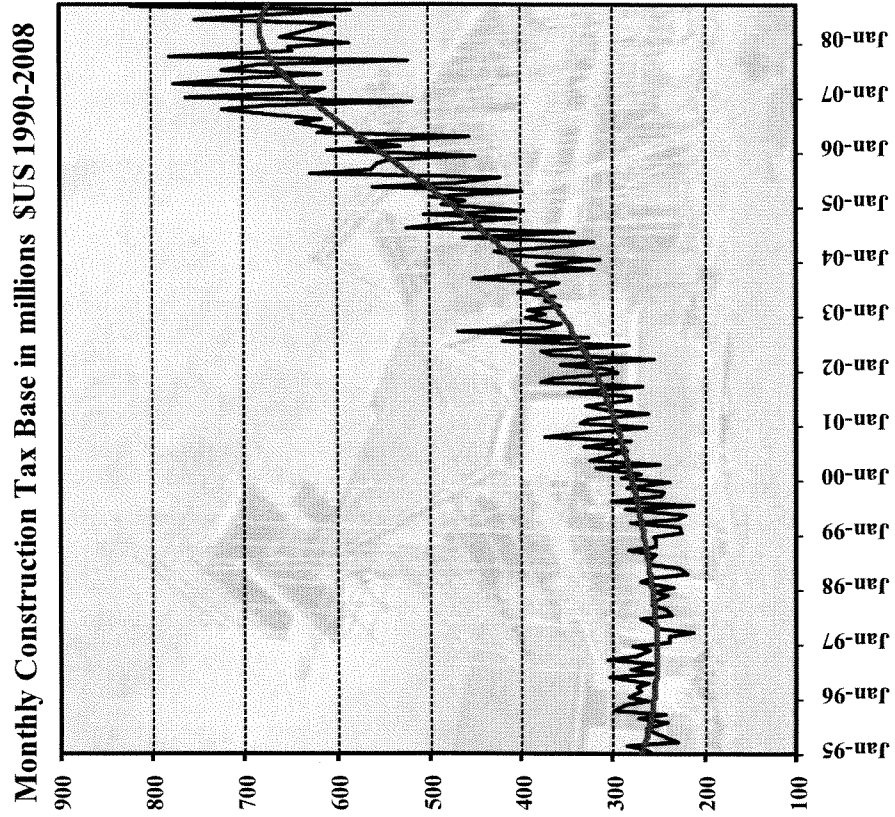
- Federal expenditures will continue to increase as planned military housing privatization is substantial at \$3.0 billion over the next ten years
  - 17,000 units planned (approx. 1500 completed by end of CY2007, and 1400 planned for each of the next few years.)

\* Additions and Alterations and Commercial & Industrial data do not include Kauai. All data through November 2008

Source: County building departments.

# Construction & Housing – Contd.

## Construction Put-in-Place and Jobs Level Out



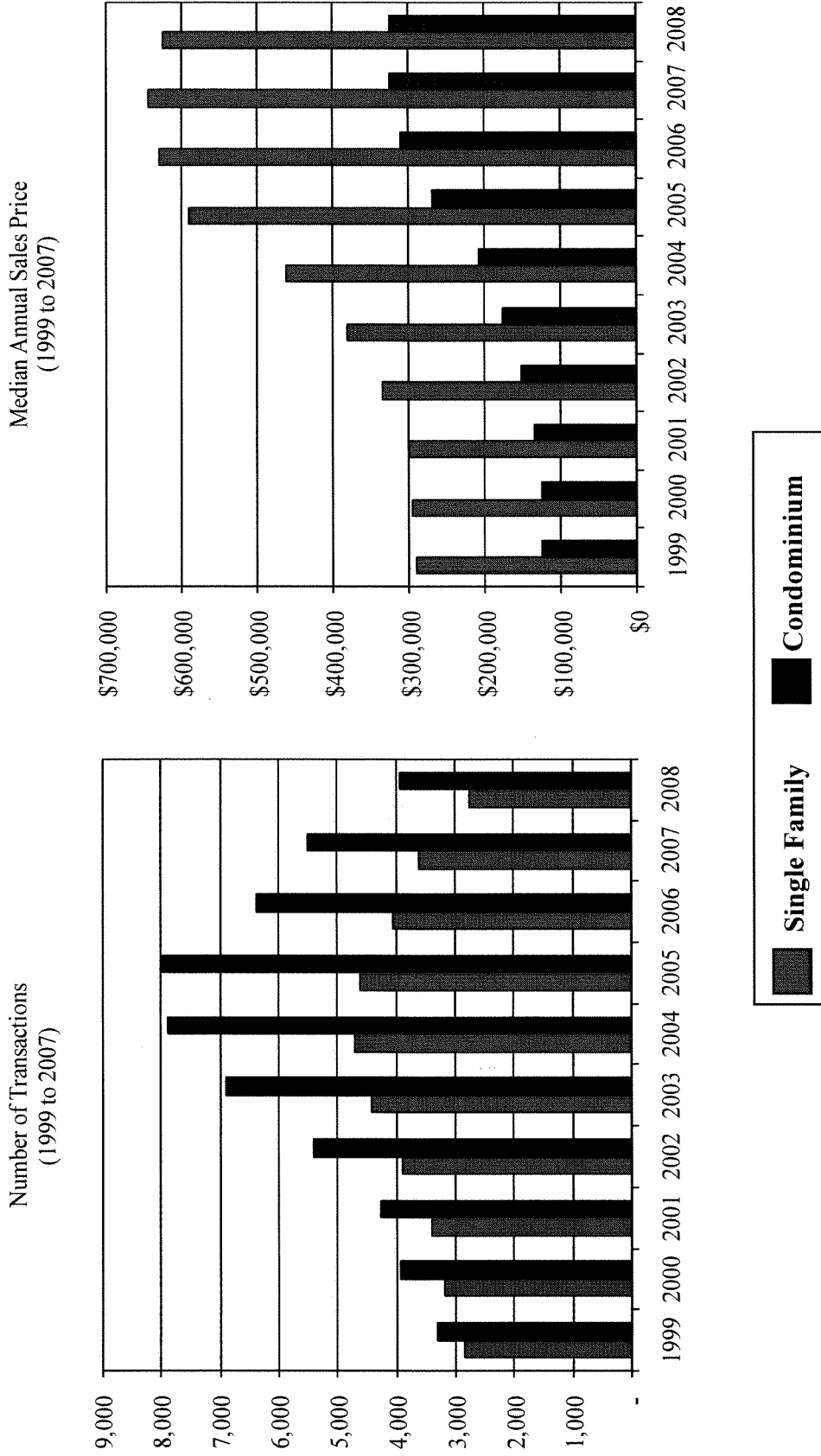
Through September 2008

Through November 2008

Source: Hawai'i State Department of Taxation and Hawai'i State Department of Labor and Industrial Relations

# Construction & Housing – Contd.

## Oahu Housing Trends

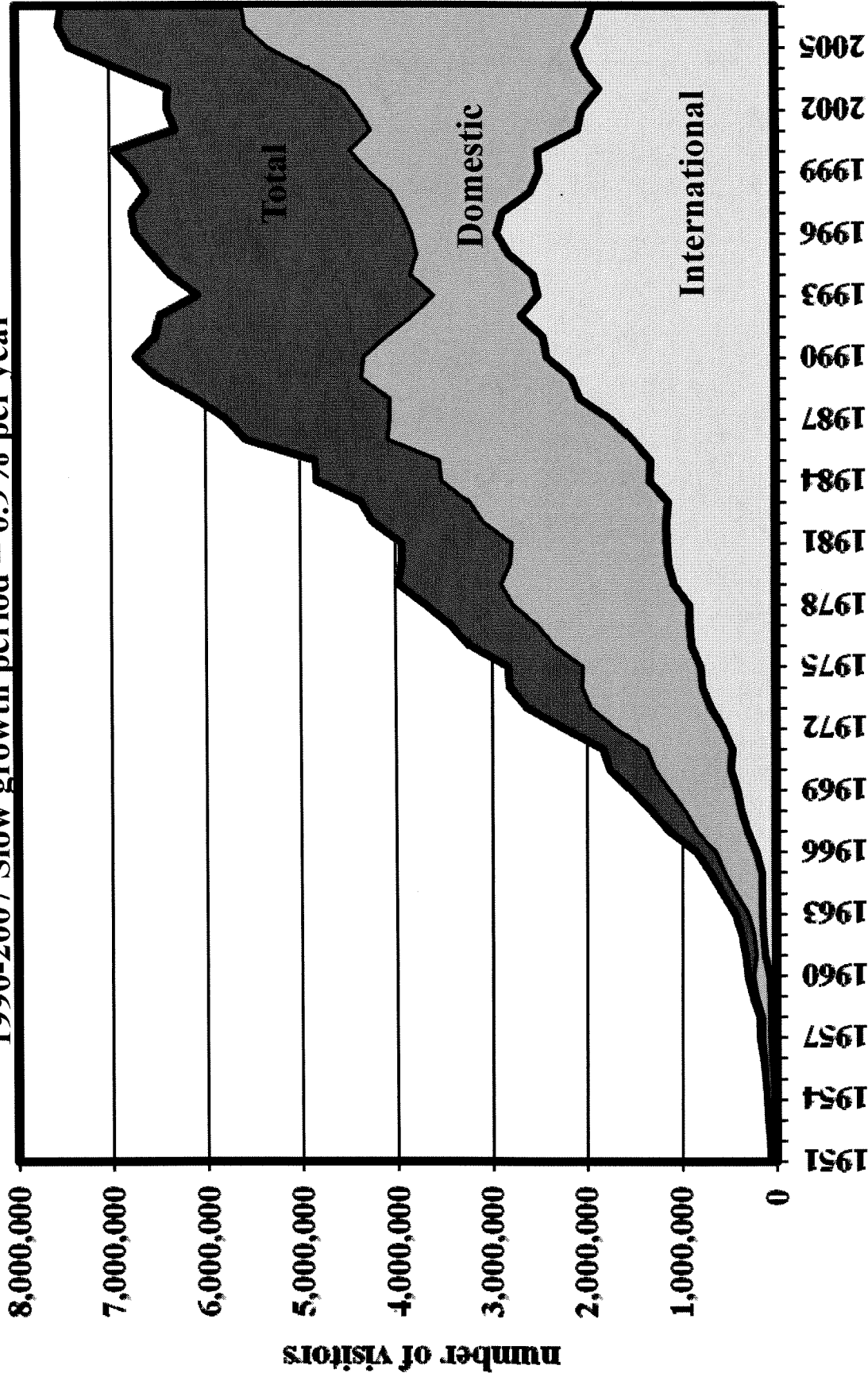


Source: Honolulu Board of Realtors, Research Department

# Visitor Arrivals to Hawaii: 1951 to 2007

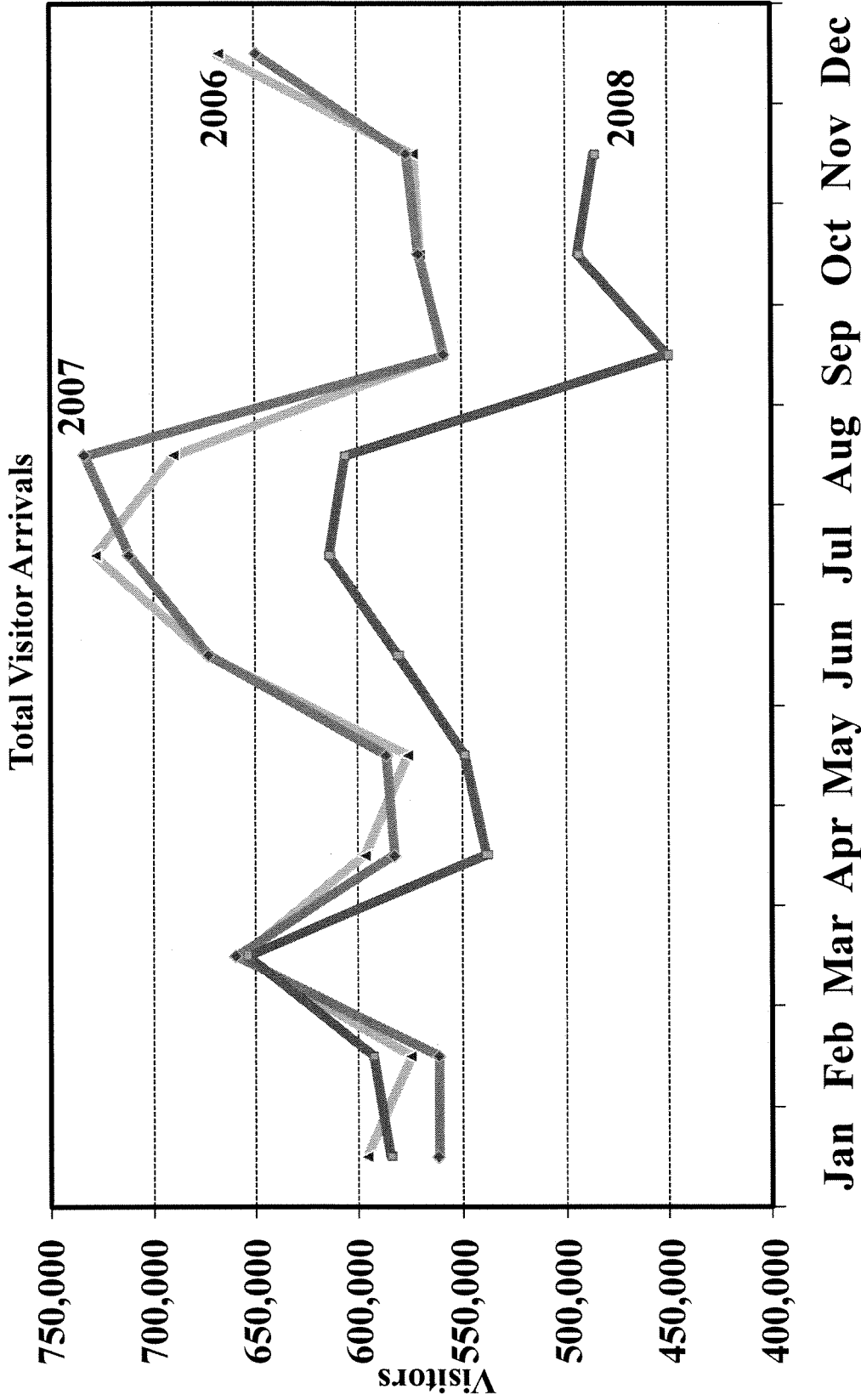
1960-1990: Fast growth period = 11% per year

1990-2007: Slow growth period = 0.9% per year



Source: Hawai'i State Department of Business, Economic Development and Tourism

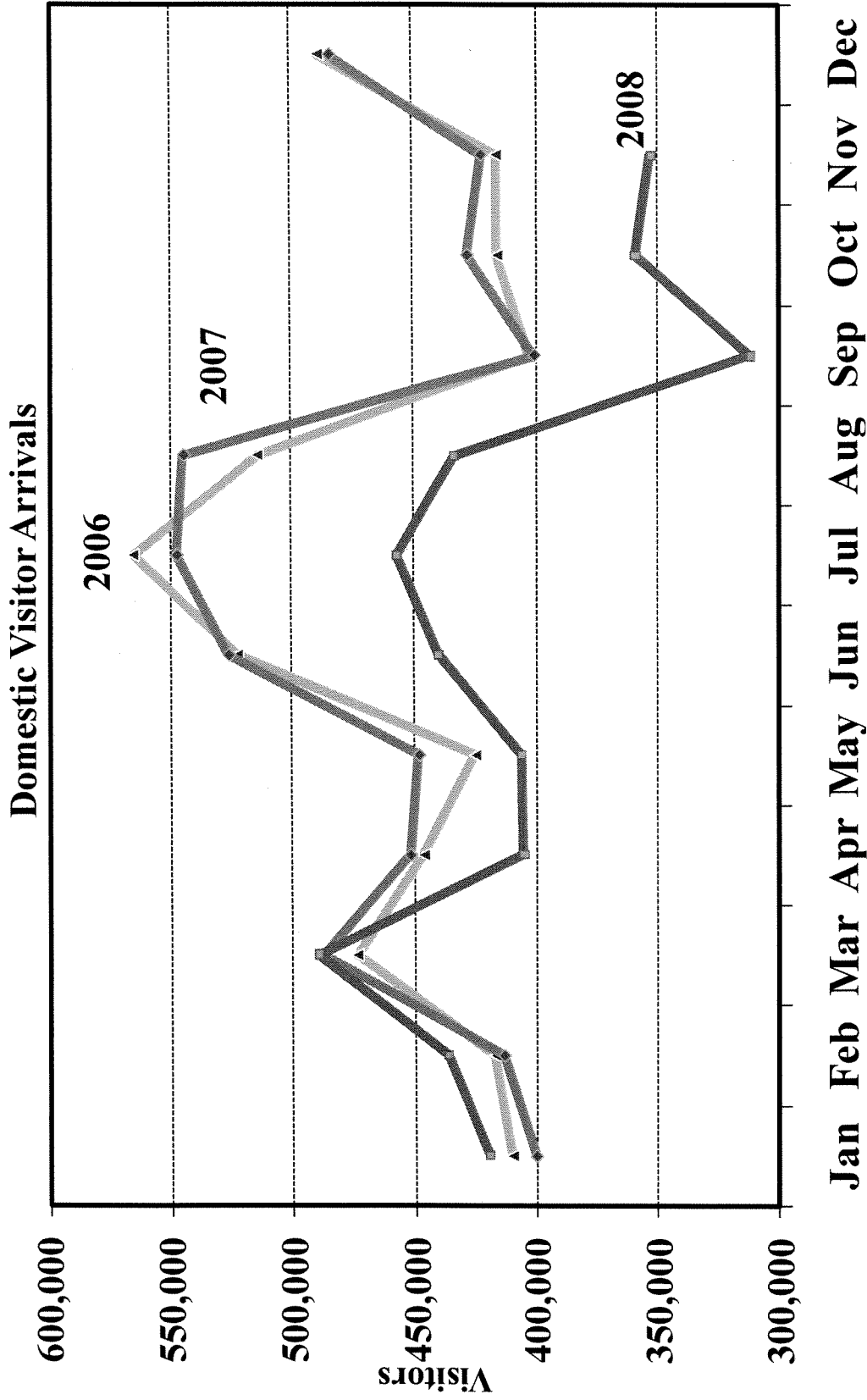
# State of Hawaii Monthly Visitor Arrivals by Air 2006 to 2008



Source: Hawai'i State Department of Business, Economic Development and Tourism

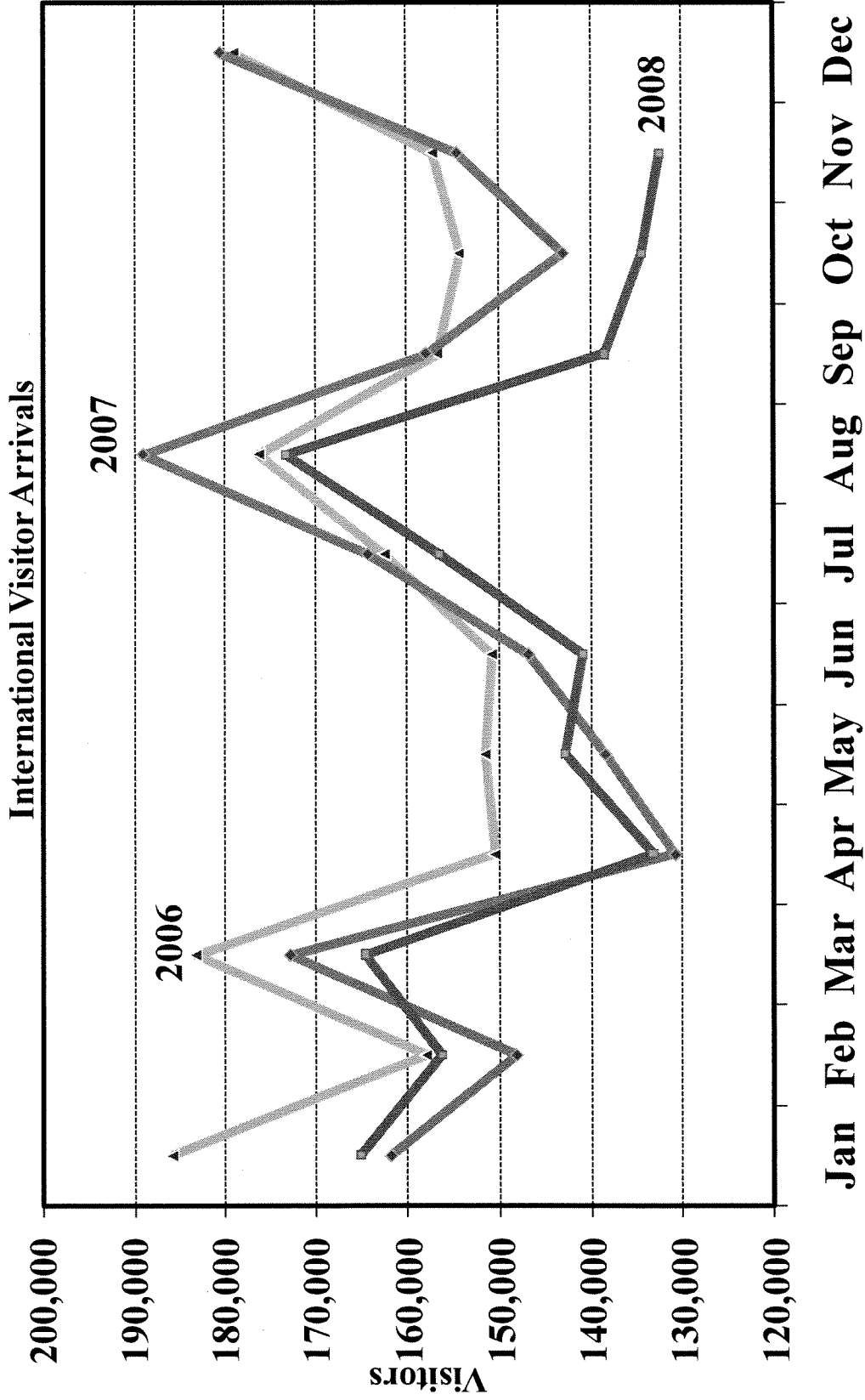


# State of Hawaii Domestic Visitor Arrivals by Air 2006 to 2008



Source: Hawai'i State Department of Business, Economic Development and Tourism

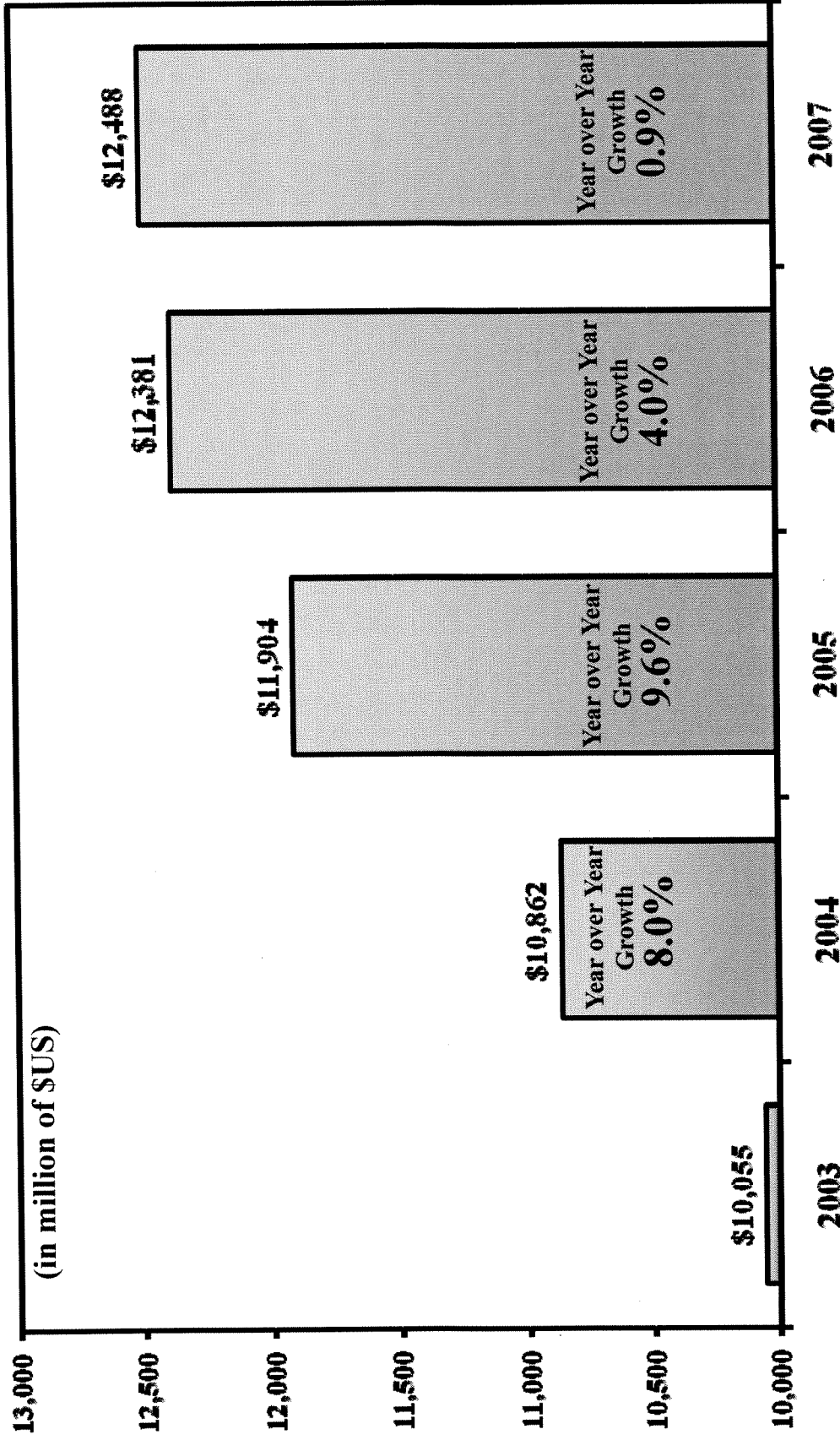
# State of Hawaii International Visitor Arrivals by Air 2006 to 2008



Source: Hawaii's State Department of Business, Economic Development and Tourism

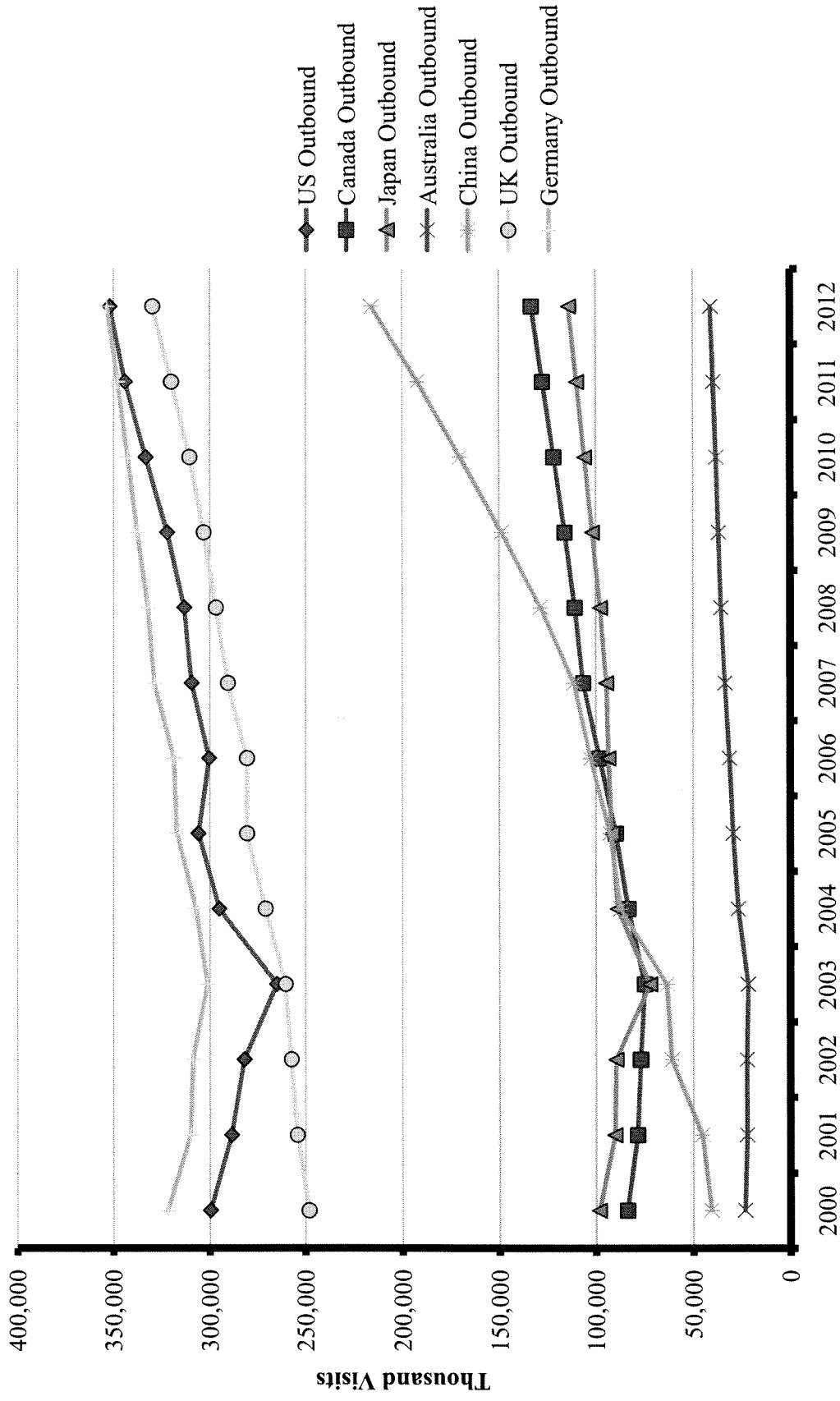


# Total Annual Visitor Expenditure: 2003 to 2007



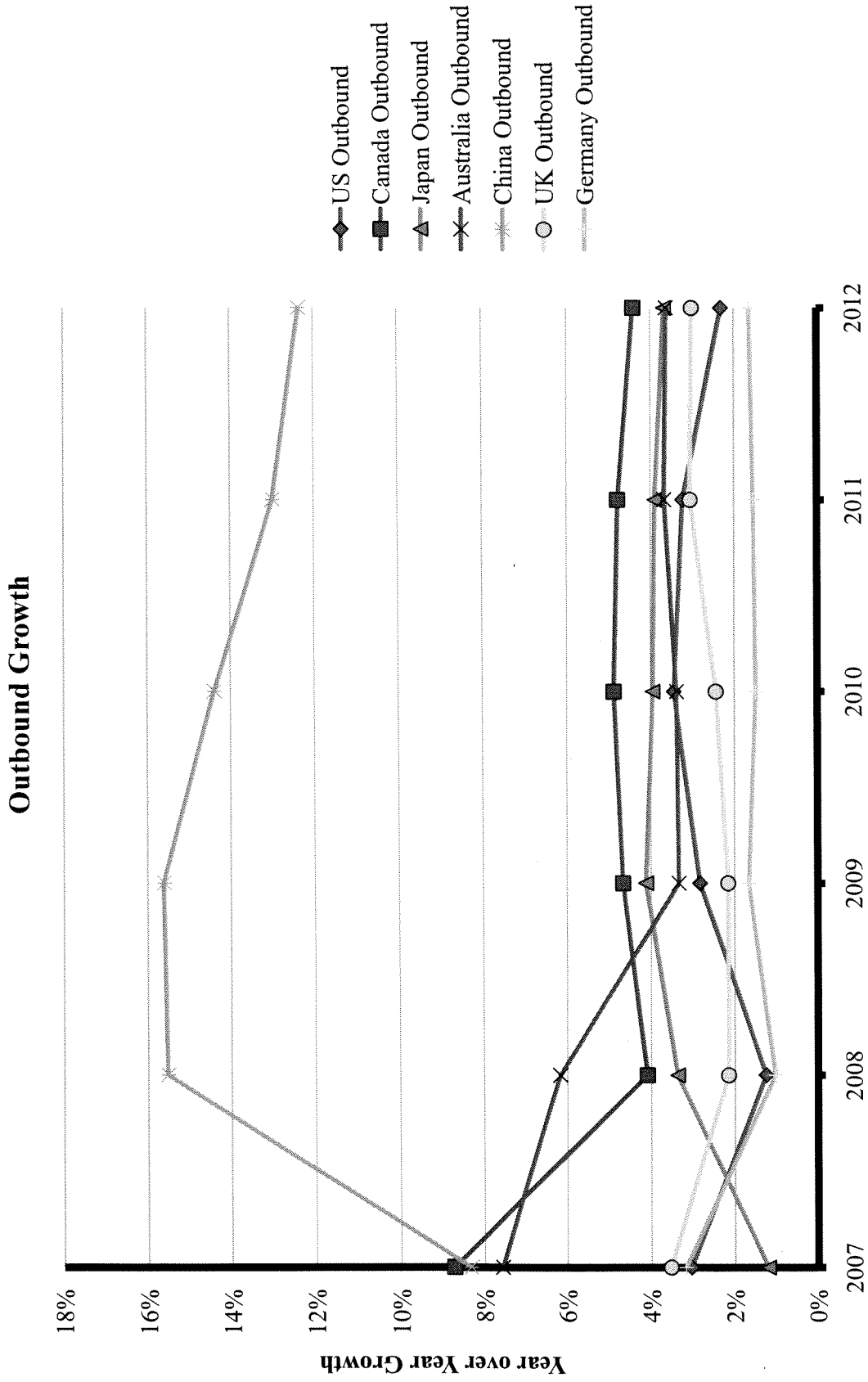
\* 2007 DBEDT Preliminary Estimate  
 Hawai'i State Department of Business, Economic Development and Tourism

# International Outbound Travel



Source: Global Insight – Global Tourism Report 2008 Issue 2

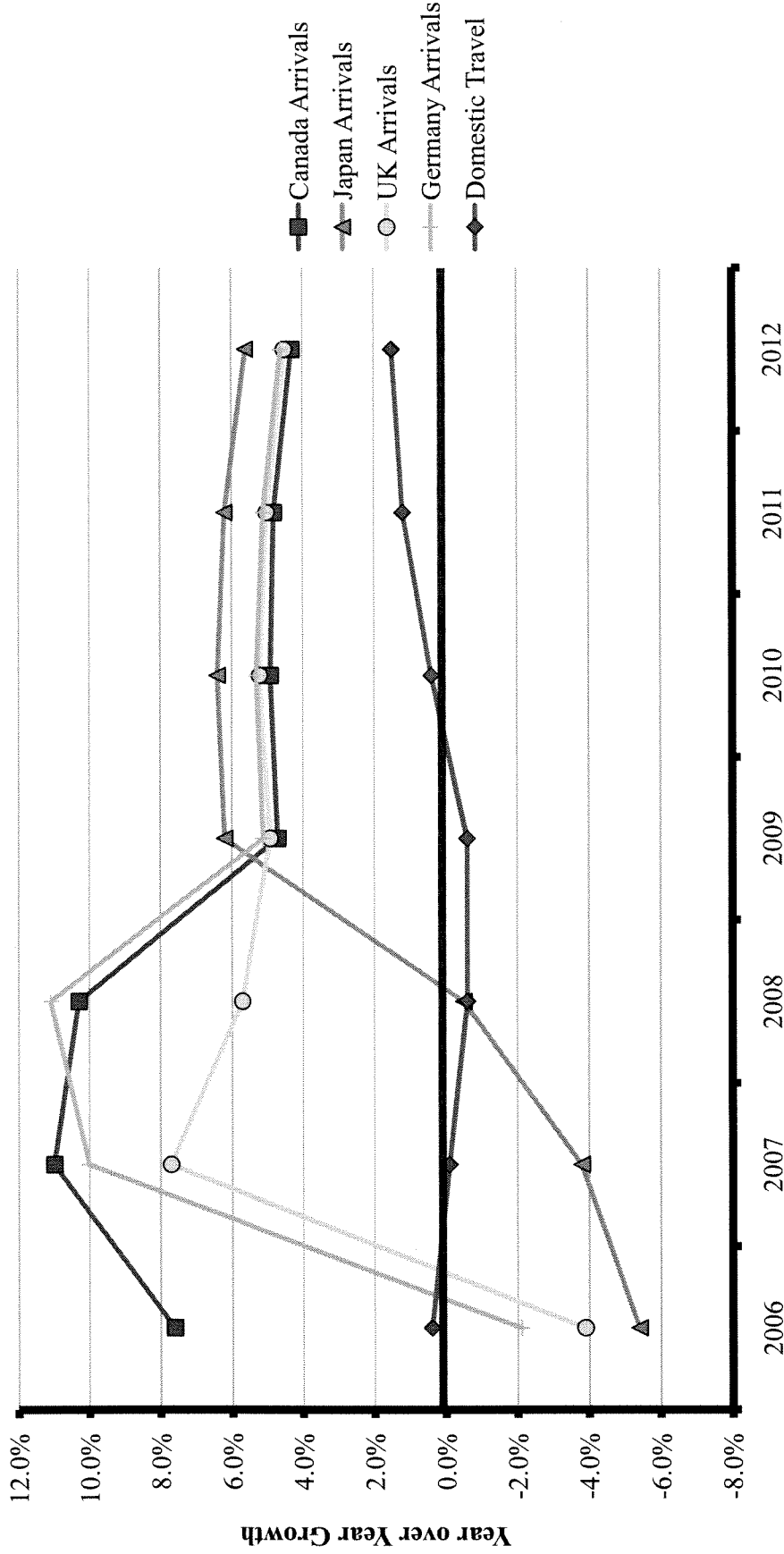
# International Outbound Growth



Source: Global Insight – Global Tourism Report 2008 Issue 2

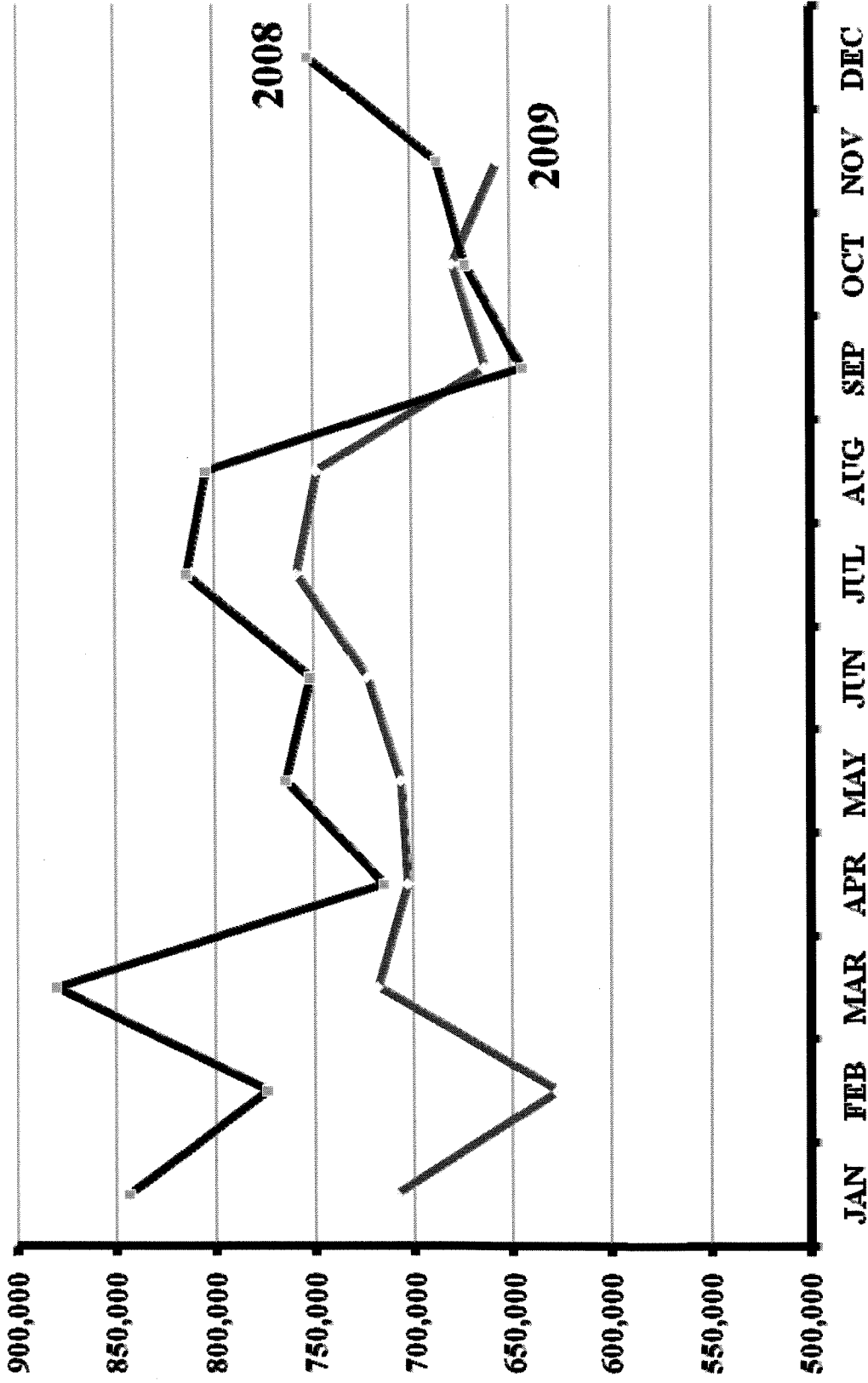
# Forecasted International Arrivals to U.S. & U.S. Domestic Travel

International Arrivals & U.S. Domestic Travel



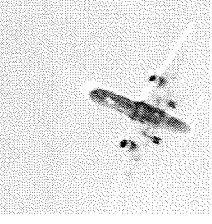
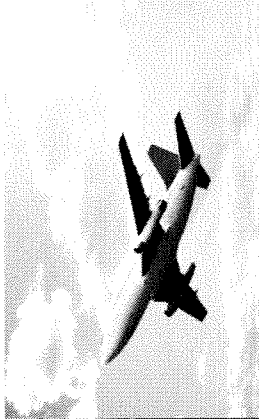
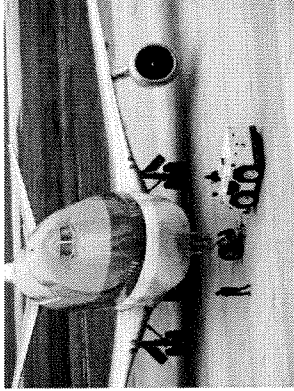
Source: D.K. Shifflet & Assoc. OTTI, Global Insight – U.S. Travel Insight October 2008

# Scheduled Airseats 2008 & 2009



Source: ADI Global Airport Industry Database / OAG Schedule Detail

# Visitor Forecast

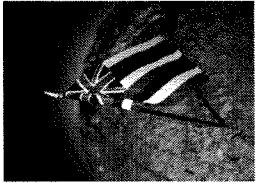
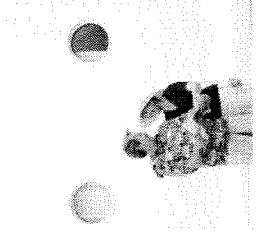


**2007      2008\*      2009\***

**Visitor Arrivals      0.0%      -10.1%      -1.9%**

**Visitor Expenditures      2.6%      -9.5%      0.7%**

\* Forecast





**External Conditions**

**Blue Chip Forecast for U.S. and Japan Real GDP Growth**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>United States</b>	<b>1.3</b>	<b>-1.6</b>	<b>2.4</b>

	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Japan</b>	<b>0.4</b>	<b>-1.4</b>	<b>1.2</b>

Source: Blue Chip Forecast, December 2008 for 2008 and November 2008 for 2008 & 2009

**Summary of Actual and Forecasted  
Key Economic Indicators for Hawaii: CY 2007 to 2009  
(Annual % Change)**

	Actual CY 2007	Forecasted CY 2008	Forecasted CY 2009
Total Population	0.4%	0.7%	0.8%
Visitor Arrivals	0.0%	-10.1%	-1.9%
Visitor Expenditures	2.6%	-9.5%	0.7%
Honolulu CPI-U	4.9%	4.2%	2.6%
Personal Income	5.9%	4.0%	2.2%
Real Personal Income	1.0%	-0.2%	-0.4%
Total Wage and Salary Jobs	1.0%	0.0%	-0.2%

Source: Department of Business, Economic Development & Tourism



**Hawaii.gov**  
Official site for the State of Hawaii

**Department of Business, Economic Development & Tourism**  
*The State of Hawaii's Business Resource Site*

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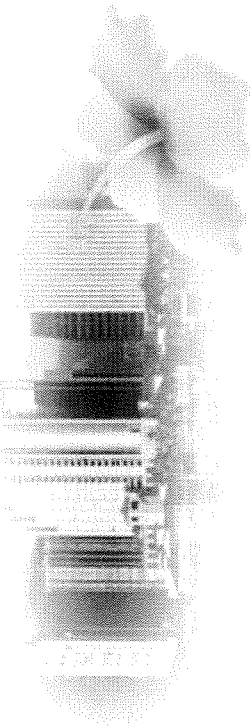


Theodore E. Liu  
Director

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