



THE ECONOMIC RESEARCH ORGANIZATION
AT THE UNIVERSITY OF HAWAII

UHERO FORECAST FOR THE STATE OF HAWAII

PRESS VERSION:

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OUTLOOK MORE UNCERTAIN AS FEDERAL POLICY CHANGES LOOM

DECEMBER 13, 2024





UHERO

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AT THE UNIVERSITY OF HAWAII

UHERO FORECAST FOR THE STATE OF HAWAII

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EXECUTIVE SUMMARY

Hawaii's economic expansion continues, but slowly. Now the incoming Trump Administration introduces broad uncertainty into the outlook. Under the assumption of policy changes that are sharp but limited in scope, we will see a short-term boost to mainland tourism and local income, but there will be medium-term supply challenges and an uptick in inflation. State tax cuts will provide local support. Maui rebuilding will add to an already-buoyant construction cycle, even as home affordability woes continue.

- Because of uncertainty surrounding Trump Administration policies—and Congressional and legal challenges—for now we are adopting policy assumptions of limited magnitude. The Tax Cuts and Jobs Act will be extended and the corporate tax rate will be reduced. Tariff hikes will be more limited and targeted than many expect, resulting in a five percentage point increase in the effective tariff rate. Other countries will retaliate with similar tariff hikes. Through deportations, the Administration will be able to reduce the number of unauthorized immigrants by 350,000 people per year. The policies as a whole will provide a moderate near-term US economic boost, but will result in higher inflation and slower growth in the medium term.
- Hawaii tourism, which has flattened this year, will show modest improvement in 2025, as visitor arrivals expand nearly 3%. U.S. mainland travel will strengthen, aided by federal tax cuts, but international markets may suffer from trade tensions and a stronger dollar. Tourism revenue will be constrained by stagnant per-person spending.
- Maui's recovery continues to face challenges. Visitor numbers remain subdued, with occupancy rates at historic lows and labor force participation constrained by post-fire disruptions and outmigration. Maui has regained more than half of the jobs lost to the wildfires, but employment remains well below pre-fire levels. Rebuilding efforts will provide ongoing support, but a full tourism recovery is years down the road.
- Hawaii's overall labor market has softened, with statewide job growth just over a half-percent this year. Job gains have been uneven across counties, with Oahu and the Big Island outpacing Maui and Kauai. With the direct negative wildfire effects now behind us, Maui job growth will turn upward in 2025, while labor market gains will slow statewide. Long-term job growth will be limited by an aging population and a slow-growing labor force.
- Construction activity remains a bright spot, supported by government contracts and Maui rebuilding efforts. At the same time, resource constraints and escalating costs are a concern for the industry. Employment in the sector will peak in early-2026 before this building cycle begins to wane.
- Housing affordability continues to deteriorate. The median price of a single-family home is up 9% statewide and 15% on Maui this year, and mortgage rates hover near 7%. Rising homeowner insurance premiums, driven in part by climate risks, are another headwind to housing affordability and housing market recovery. These challenges are compounded by slow progress in addressing Maui's post-fire housing needs.
- Honolulu inflation remains elevated, as higher housing costs finally feed through to the consumer price index. While a slight moderation is expected in 2025, higher US tariffs and deportation actions will push inflation higher in the medium term, eroding to some extent real income gains for households.
- The outlook remains largely in line with the previous forecast, but policy uncertainty adds significant risks. Trade and immigration policies that are much harsher than we currently assume could have broader negative fallout here.

Forecast Summary

MAJOR ECONOMIC INDICATORS

STATE OF HAWAII FORECAST

	2023	2024	2025	2026	2027
STATE OF HAWAII					
Nonfarm Payrolls (Thou)	632.7	637.0	641.2	645.1	648.1
% Change	2.4	0.7	0.7	0.6	0.5
Unemployment Rate (%)	3.0	3.0	2.8	2.8	2.8
Real Personal Income (Mil 2023\$)	94,968.3	95,987.6	97,620.2	99,061.9	100,175.9
% Change	2.3	1.1	1.7	1.5	1.1
Real GDP (Mil 2023\$)	110,265.4	110,570.4	113,734.8	116,532.9	118,322.9
% Change	3.7	0.3	2.9	2.5	1.5
Total Visitor Arrivals by Air (Thou)	9,657.6	9,597.7	9,862.5	10,099.5	10,197.6
% Change	4.6	-0.6	2.8	2.4	1.0
Average Daily Census (Thou)	234.8	228.8	234.9	240.5	243.2
% Change	1.1	-2.5	2.7	2.4	1.1
Real Visitor Expenditures (Mil 2023\$)	20,662.8	19,783.5	19,727.5	19,869.0	19,709.8
% Change	2.1	-4.3	-0.3	0.7	-0.8
HONOLULU COUNTY					
Nonfarm Payrolls (Thou)	455.6	460.4	463.4	465.8	467.5
% Change	2.5	1.1	0.6	0.5	0.4
Unemployment Rate (%)	2.7	2.7	2.7	2.7	2.6
Inflation Rate, Honolulu MSA (%)	3.1	4.4	2.9	3.4	3.1
Real Personal Income (Mil 2023\$)	69,152.7	69,782.6	71,037.7	72,085.8	72,834.2
% Change	2.6	0.9	1.8	1.5	1.0
Total Visitor Arrivals by Air (Thou)	5,613.4	5,793.0	5,810.4	5,838.5	5,893.8
% Change	15.6	3.2	0.3	0.5	0.9
HAWAII COUNTY					
Nonfarm Payrolls (Thou)	70.9	71.9	72.1	72.5	73.0
% Change	4.1	1.4	0.2	0.7	0.5
Unemployment Rate (%)	3.0	3.0	3.0	2.9	3.0
Real Personal Income (Mil 2023\$)	10,975.8	11,173.3	11,338.5	11,539.5	11,695.0
% Change	2.0	1.8	1.5	1.8	1.4
Total Visitor Arrivals by Air (Thou)	1,779.1	1,717.2	1,814.7	1,867.6	1,886.9
% Change	6.7	-3.5	5.7	2.9	1.0
MAUI COUNTY					
Nonfarm Payrolls (Thou)	74.4	72.8	74.0	74.7	75.4
% Change	-0.3	-2.1	1.6	1.0	0.9
Unemployment Rate (%)	4.4	4.2	3.2	3.2	3.4
Real Personal Income (Mil 2023\$)	10,318.3	10,460.1	10,610.6	10,727.1	10,877.5
% Change	0.6	1.4	1.4	1.1	1.4
Total Visitor Arrivals by Air (Thou)	2,531.2	2,362.7	2,599.7	2,743.7	2,808.0
% Change	-14.8	-6.7	10.0	5.5	2.3
KAUAI COUNTY					
Nonfarm Payrolls (Thou)	31.7	31.8	31.8	32.0	32.3
% Change	3.2	0.3	0.1	0.6	0.7
Unemployment Rate (%)	2.6	2.6	2.7	2.6	2.8
Real Personal Income (Mil 2023\$)	4,523.9	4,570.9	4,627.7	4,703.9	4,768.2
% Change	1.9	1.0	1.2	1.6	1.4
Total Visitor Arrivals by Air (Thou)	1,418.7	1,379.1	1,428.4	1,469.8	1,471.9
% Change	5.4	-2.8	3.6	2.9	0.1

Note: Source is UHERO. Nonfarm Payrolls for 2023 are UHERO estimates of the March 2025 benchmark revision. Figures for 2024-2027 are forecasts.

FOURTH QUARTER HAWAII FORECAST

The outcome of the Presidential election has introduced broad uncertainty into the Hawaii outlook. Policy changes by the incoming Trump Administration will lift domestic tourism in the short term but weigh on foreign travel to the Islands. Incomes of Hawaii households are likely to see a boost from tax cuts, but tariff hikes and strict immigration policies will exert upward pressure on costs and prices and eventually weigh on demand. The restrained assumptions we have made in this forecast produce only limited aggregate impacts in Hawaii, but that could well change in the New Year.

As always, Hawaii's prospects depend not just on US and global conditions, but also on the outlook for key local industries and special factors. The recent state tax cuts will support private spending. Maui's recovery will continue to supplement what is an exceptionally strong construction cycle, driven by extensive government contracts. Affordability and property insurance challenges will restrain recovery of the battered housing market. And going forward, an aging and slower-growing population will place a lid on the state's growth potential.

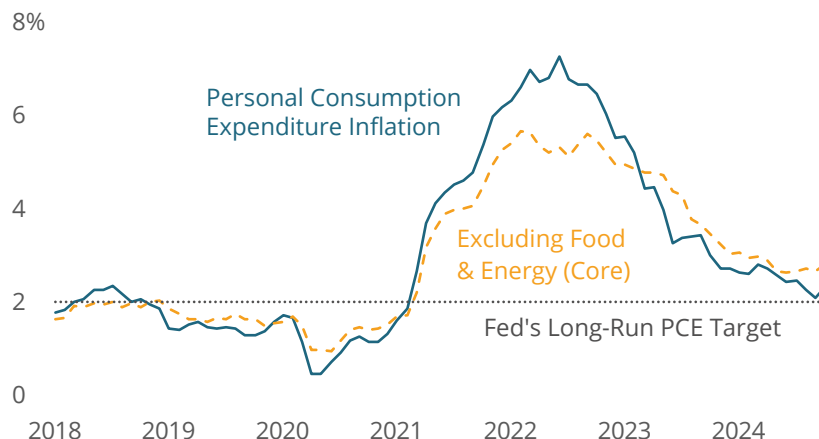
Global economy shakes off inflation, but Trump policies loom

The global economic environment is improving as inflation subsides and interest rates fall. Next year, German recovery will drive stronger Euro Area growth and consumers will help get Japan back on track. China's prospects remain poor, with the property sector dragging down demand and risking deflation. US growth will strengthen a bit next year before adverse effects of expected policies by the incoming Trump Administration are felt. US policy uncertainty also poses a downside risk to global growth.

The US consumer's resilience will be tested

The US economy expanded at a 2.8% annual pace in the third quarter, nearly matching the previous quarter. Buoyant consumption and government spending offset drag from net exports and residential investment. Despite a modest boost from anticipated tax cuts, some deceleration is expected as consumers face weakening employment conditions and rising financial stress.

PERSONAL CONSUMPTION EXPENDITURE INFLATION, TWELVE-MONTH CHANGE
Inflation is near the Fed's target, but core elements remain elevated.



Labor markets have softened over the past year. Payroll job growth has slowed, and the number of people reporting they are employed has been flat. New hires and job separations have drifted lower. Still, the unemployment rate holds steady at 4.1%; there has not been an outright downturn in labor activity.

Inflation has continued to recede, with Personal Consumption Expenditures (PCE) inflation falling essentially to the Fed’s 2% target on a year-over-year basis. Core inflation (excluding food and energy) has been more persistent, edging up to 2.8% in October. The Federal Reserve tacitly acknowledged some concern about this at their November meeting. They made an additional quarter-point rate cut, but a December rate reduction is no longer a certainty, and next year’s cuts may be slower.

Trump Administration policies will give short-term US boost but medium-term drag

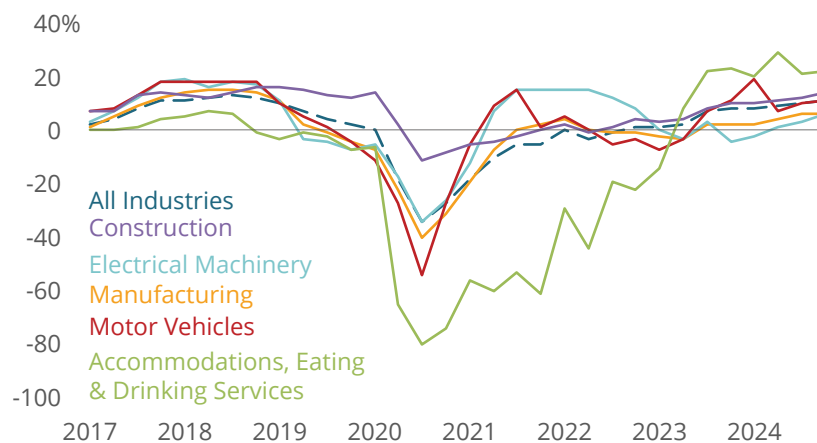
The economy faces risks from potential Trump Administration policies. These include tax cuts and extensions that would boost demand but also fuel deficits, as well as tariffs and immigrant deportations that would have sharply adverse supply-side effects. It is difficult to know which of the myriad proposals President-Elect Trump will actually push for, and which might be stymied by Congress.

In the forecast section, below, we describe the set of limited assumptions that we are making at this point and how they affect the US outlook. In a nutshell, we expect the US economy to grow by 2.3% in 2025, dropping to just 1% growth by 2027. Beyond the period most heavily influenced by new federal policies, the economy will converge to a long-run growth path that is well below 2% per year as our population and labor force growth slow.

After a slump, the Japanese outlook looks better

Our outlook for Japan is guardedly optimistic. After a year of consumer and business pullback, gross domestic product rebounded to 2.2% annualized growth in the second quarter. Preliminary data for the third quarter show somewhat weaker growth, but the second quarter in a row of expanding consumer spending.

TANKAN BUSINESS CONDITIONS PROJECTIONS, SEPTEMBER 2024
Japanese companies are more optimistic about business conditions.



The underpinnings of growth are improving, but gradually. Wage gains are generally exceeding inflation, and real disposable income has recovered to about its pre-COVID level. If this continues, consumer spending will move onto a sustainable upward path. Consumer sentiment is stable, and businesses have become more upbeat in recent months.

In response to decades-high inflation, and as growth has begun to firm, the Bank of Japan has moved away from negative interest rates. Since March, the BoJ has raised rates twice, to 0.25%. Inflation remains relatively high, so further rate hikes are likely as economic conditions permit.

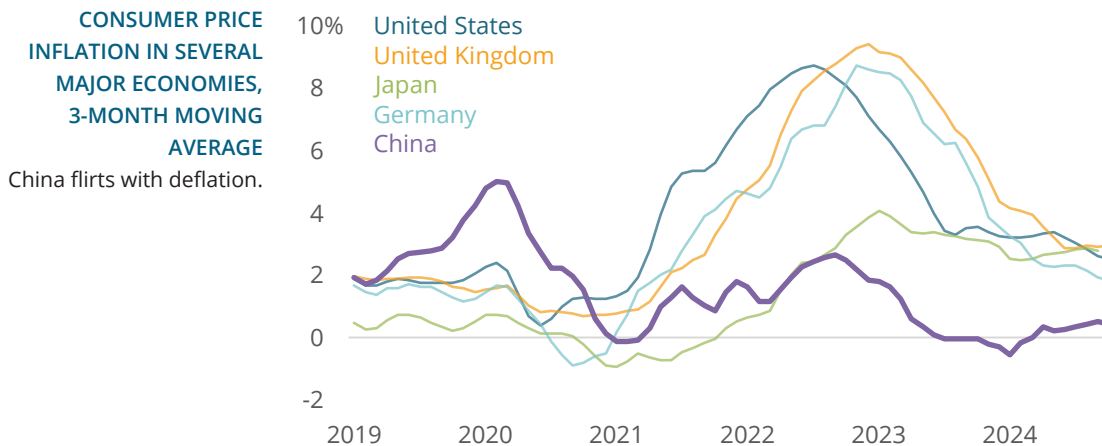
The modest interest rate increases combined with cuts abroad turned the yen upward between July and September, although about half of those gains have since been reversed. (There has been another surge recently, but it is too soon to tell whether it will be sustained.) A relatively weak yen will weigh on purchasing power, but may help to boost net exports, whose growth has declined substantially in recent months.

The election losses of the long-ruling LDP party introduce uncertainty into the economic outlook. Prime Minister Shigeru Ishiba is now ruling with a minority coalition, which may limit his political influence. He has been a staunch supporter of the ongoing program of defense buildup and promised financial help to low-income households, higher minimum wages, and revitalization of troubled regions.

Overall, we see the Japanese economy returning to just above 1% annual GDP growth next year, before growth begins to trend lower. It is important to remember that Japan's population is now shrinking, so per-capita growth will be somewhat higher than this.

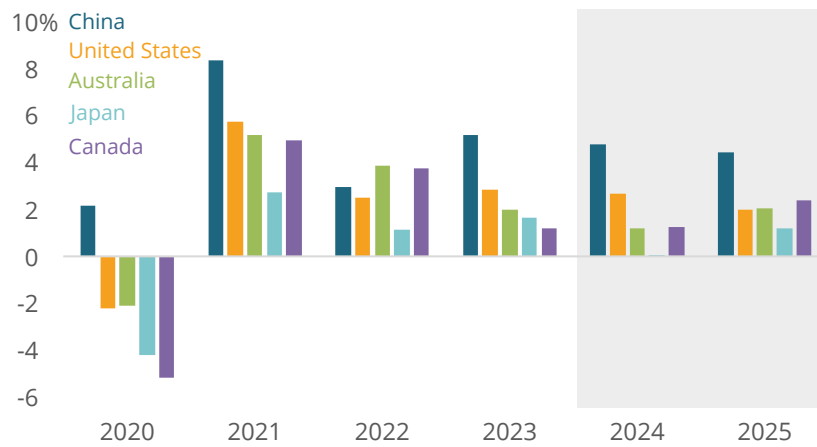
China still struggles

In China, economic growth slowed to 4.6% year-over-year in the third quarter, reflecting continued weakness in consumer demand, a protracted slump in the property sector, and cautious business investment. Loan defaults and declining home prices have eroded household wealth, undermining consumer confidence. In September, the government introduced a substantial stimulus package, including infrastructure spending and tax incentives, but whether this will be enough to restore demand is



**REAL GDP GROWTH,
SELECT ECONOMIES**

Global outlook shows some firming in 2025.



unclear. Deflationary pressures persist, with falling prices in key sectors. Overall, China’s economy faces significant headwinds. Growth will remain relatively weak by China’s standards, with the IMF predicting 5% in 2025. A potential trade war with the US could further undermine China’s growth prospects.

China’s weakness has had spillover effects on countries in Asia and Oceania, for which China is a key export market. But these countries have also shared in the global struggle to bring inflation under control and at the same time support economic growth. Emerging and Developing Asia as a whole is expected to slow slightly to 5% in 2025, but with considerable differences across countries. Both Australia and New Zealand will rebound to moderate growth of about 2% next year, according to the IMF. Both countries still face headwinds from high interest rates and cautious consumers.

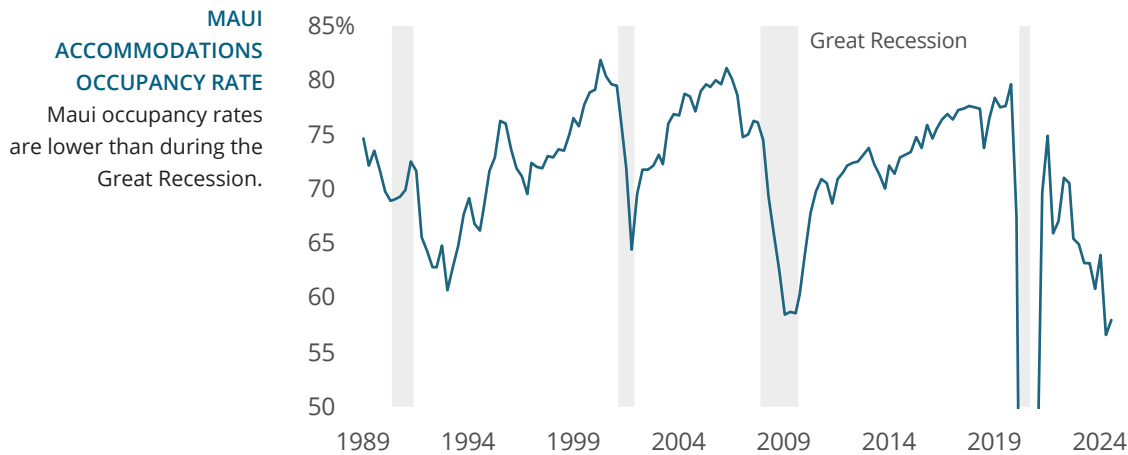
The IMF’s October 2024 World Economic Outlook projects stable but moderate overall global growth, maintaining a rate of 3.2% for both 2024 as a whole and 2025. Higher tariffs under the incoming Trump Administration—and potentially damaging tit-for-tat retaliations—represent a clear downward risk to global growth.

A risky external environment for Hawaii

For Hawaii, the US and global outlook is now much riskier than at the time of our last report. The near-term US outlook looks favorable, which should support Hawaii tourism, and anticipated interest rate cuts will also benefit local residents even if those cuts are fewer than we expected just two months ago. The Japanese economy looks to have stabilized, although getting back to a stronger expansion path will take time. New Trump Administration policies will slow US growth in the medium term and pose substantial downside risks to the global and local economies.

Tourism outlook a mixed-bag

Tourism demand has been soft for the past two quarters, in part due to Maui’s slow rebound. Despite a nascent recovery in visitor numbers, occupancy rates on Maui continue to decline, because the return of visitors has been insufficient to fill rooms no longer in use by fire-displaced families and recovery workers. This highlights the ongoing challenges the island faces in revitalizing its tourism sector in the fire aftermath. Maui’s occupancy rate fell to 57% in the second quarter and remained about there in the third



quarter. Maui occupancy rates are now even lower than during the Great Recession when they were just above 58% in the first quarter of 2009.

(Occupancy rates are UHERO estimates that combine rates for traditional hotels and transient vacation rentals.)

But tourism weakness extends to the rest of the state. Excluding Maui, the state's average daily visitor census for the year to date is down 1% compared with the same period in 2023. This is primarily due to shorter visitor trips: the average length of stay is shorter by a few percentage points. Real per-person daily visitor spending is also relatively flat. Together, these mean less spending over the duration of a trip and less visitor spending overall.

On the positive side, the total number of scheduled air seats to the state for November, December, and January has increased relative to last year, indicating airlines' confidence in potentially rising demand over the Holidays and into the Winter season.

Softening labor market meets Maui labor force constraints

Hawaii's labor market is softening, shaped by both the Maui wildfires and broader national trends. The total number of new hires has dropped from 74,000 in the first quarter of 2022 to 62,000 by the third quarter of this year. Additionally, fewer employees are leaving jobs, with quits down 26% from the first quarter of 2022. This reduced labor market activity reflects slower economic conditions on Maui since the wildfires, as well as softer overall Hawaii economic activity.

While state-level data indicates somewhat looser labor market conditions, a county-by-county breakdown reveals a more mixed picture. Maui County's seasonally-adjusted unemployment rate has dropped from a high of 8% in September 2023 to just over 3% in October of this year. While declining unemployment can indicate an improving labor market, in this case it primarily reflects workers leaving the labor force. Since the fourth quarter of 2023, the number of employed workers in Maui County has fallen by 200, while the labor force has declined considerably more, losing 2,700 potential workers over the same period. Some of these workers appear to have relocated to other islands or left the state entirely. Estimates from our [Maui Recovery Dashboard](#) suggest that nearly 5% of West Maui residents have relocated to the mainland or another country. Additionally, 3% have moved to another island within the state.

Unemployment rates have edged up in the other counties, rising by roughly half a percentage point. Still, they remain relatively low, ranging from 2.8%

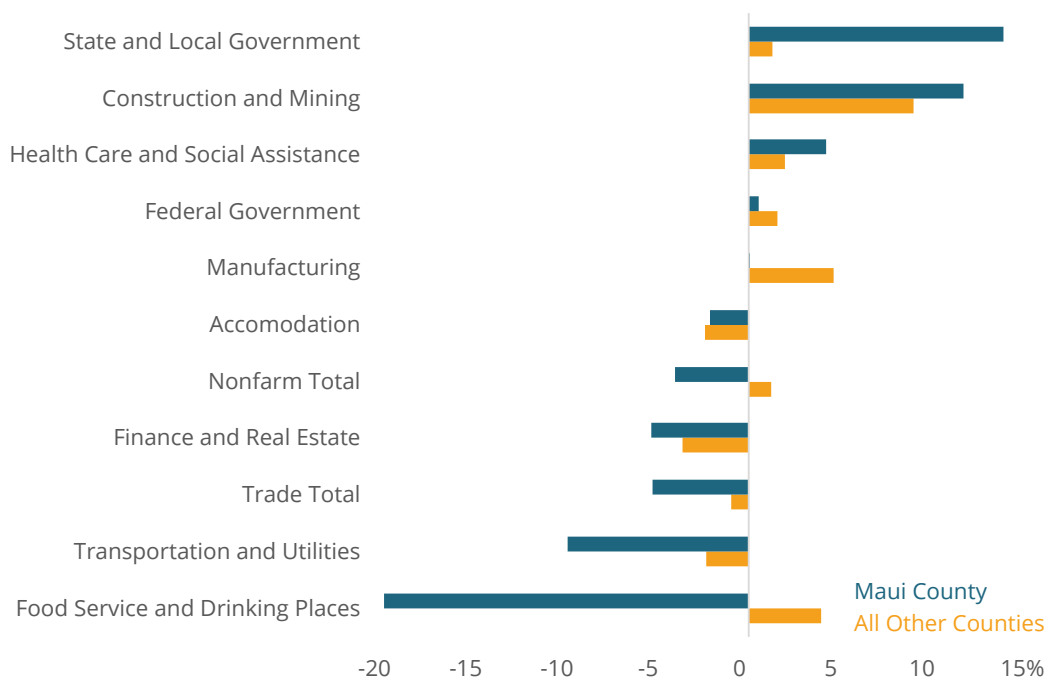
on Oahu to 3.1% on Hawaii Island. Looking at nonfarm payrolls, Maui County has regained more than half of the jobs lost to the wildfires, although total payrolls remain 4% below the pre-fire level. Job growth in Kauai, which had been on an upward trajectory, has leveled off this year. In Hawaii County, job growth has slowed, with gains just half a percent higher than in the previous year. Honolulu County continues to experience slow but steady payroll job growth. (All job references are to UHERO's internal estimates of the forthcoming government benchmark revisions.)

Industry-level job patterns are mixed

Statewide, total nonfarm jobs now slightly surpass pre-wildfire levels, but county-level industry dynamics reveal a varied landscape. In Maui County, the food services industry has faced significant challenges, with payrolls down 20% compared to pre-wildfire levels. In contrast, the accommodation sector has shown resilience, with payrolls only 2% below pre-disaster levels, despite the slow pace of hotel recovery that we noted above. The transportation and utilities sector in Maui County remains depressed, with job counts 10% below their pre-wildfire level. On other islands, the accommodation sector remains only slightly below pre-wildfire employment, and payrolls in the food services sector have increased by 4%. The transportation and utilities sector on these islands experienced a much smaller post-fire decline, and job counts are just 2% lower than In July 2023.

Outside of the visitor industry, Maui County's finance and real estate payrolls have decreased by 5% since July 2023, reflecting the destruction of housing stock in the Lahaina area, uncertainty about the regulatory prospects for vacation rentals, and high interest rates. Across the rest of the state, this sector also experienced a moderate 4% decline. Meanwhile, state and local government jobs in Maui County have risen by 14% in the wildfires' aftermath, likely reflecting increased demand for government services following the disaster. Construction across the state is booming, with payrolls up 12% in Maui County and 9% across the rest of the state, driven by high levels of government contracts and the beginning of rebuilding efforts in Lahaina.

PERCENTAGE CHANGE IN PAYROLLS FROM JULY 2023 TO OCTOBER 2024
Tourism-related sectors, finance, and real estate struggle in Maui County.



Proposed utility rate catch-up would add to living costs

Several regulated utilities in Hawaii have applied to the Public Utilities Commission (PUC) to increase rates following the recent period of sustained inflation. Young Brothers is requesting an average rate increase of 20% to cover a 17% increase in costs since 2020, although the higher rates would not go into effect until next summer. This would mostly affect prices on the Neighbor Islands which rely on inter-island freight. Hawaii Gas, which provides service to 36,000 customers across the Islands, is requesting an average increase in rates of 17.7%. The Hawaii-American Water Company, which provides wastewater services to 36,000 homes statewide, is requesting rate increases ranging from about 11.5% to 65%. Hawaiian Electric Industries has not requested rate increases at this time.

While all of these regulated businesses have seen inflation affect their cost of doing business, they have not seen commensurate increases in revenue under their regulated tariffs. But of course the rate increases, if approved, will also contribute to higher prices, both directly to final consumers and as businesses pass along increased costs to downstream consumers.

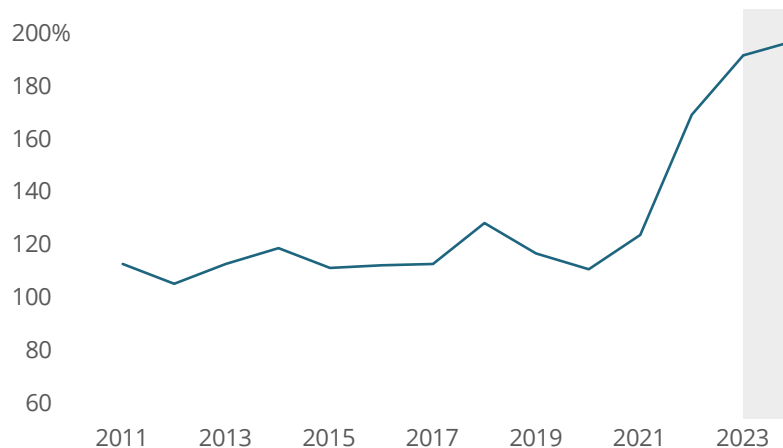
Affordability crisis Hawaii style

Housing affordability has fallen to new lows as home prices have continued to rise and mortgage interest rates have remained high. The statewide median price of a single-family home is up 9% since January. On Maui, it is up 15%. The state median home price is now 45% higher than the pre-pandemic level. The standard thirty-year mortgage interest rate peaked at 8% in November 2023. During 2024, rates fell to a low of 6% in September, but have since rebounded to 6.8%.

High prices and high interest rates together make mortgages extremely unaffordable. Prior to the pandemic, a household needed to earn about 10% more than the state median income in order to afford a mortgage on the median-priced home. (Here, “afford” means spending no more than 30% of household income on mortgage payments.) Today, a household needs to earn nearly double the state median income—roughly \$200,000—to afford a mortgage on the median-priced single-family home. Fewer than one in five households have incomes this high. At the current interest rate and incomes, to return to the level of affordability seen 10 years ago home prices would need to fall 40%.

SHARE OF STATE MEDIAN INCOME NEEDED TO AFFORD THE MEDIAN SINGLE-FAMILY HOME

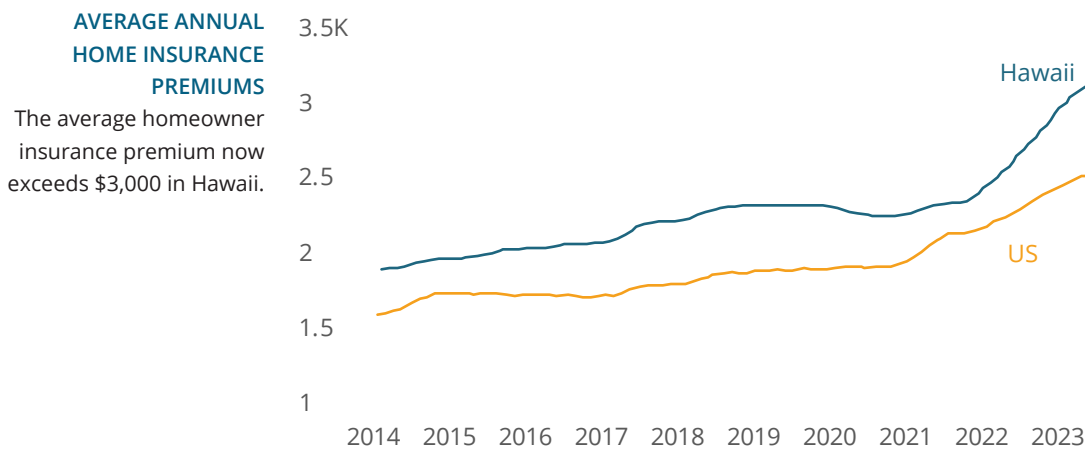
A household needs to earn roughly double the state median income in order to afford a mortgage on the median-priced single-family home.



Households face a new affordability challenge: surging homeowner and condo insurance premiums. The national home insurance market has seen skyrocketing premiums, particularly in areas under threat from climate change driven extreme weather events (See the box, Rising US Home Insurance Premiums). According to a recent analysis of mortgage escrow data, premiums rose by 33% nationally between 2020 and 2023, with a similar rate of increase in Hawaii.

The housing affordability crisis is particularly acute on Maui due to the impact of last year’s wildfires. On land adjacent to Lahaina, the State is continuing construction of 450 temporary housing units, with FEMA building 169 units on an adjacent lot. While these units will be a lifeline for some displaced families, the pace and scale of these projects are insufficient to meet the enormous demand for housing on Maui.

Results from [a recent UHERO survey](#) of fire impacted Maui residents outlined many ongoing challenges. More than half of the respondents report living in temporary housing, and nearly half of residents who previously resided in West Maui are currently living elsewhere. Surveys by the Council for Native Hawaiian Advancement indicate that many have a strong desire to return to West Maui. Among homes destroyed in the fires, local media report that only one household has managed to navigate the permitting process, rebuild, and move back into their home. The County has received almost 300 building permit requests for Lahaina properties. As of November, 134 had been issued.



Construction's head of steam will not soon abate

Looking at the construction industry overall, the state continues to benefit from a flow of large government contracts. In recent years, roughly \$1.4 billion in contracts have been awarded annually. In August, the Honolulu Authority for Rapid Transit (HART) awarded a \$1.7 billion contract to Tutor Perini for the construction of six Honolulu Skyline rail stations and connecting guideways, for the largest remaining segment of the planned rail in the Kalihi to Kakaako section. The final two stations, connecting Kakaako to Ala Moana Center, remain in the planning stages.

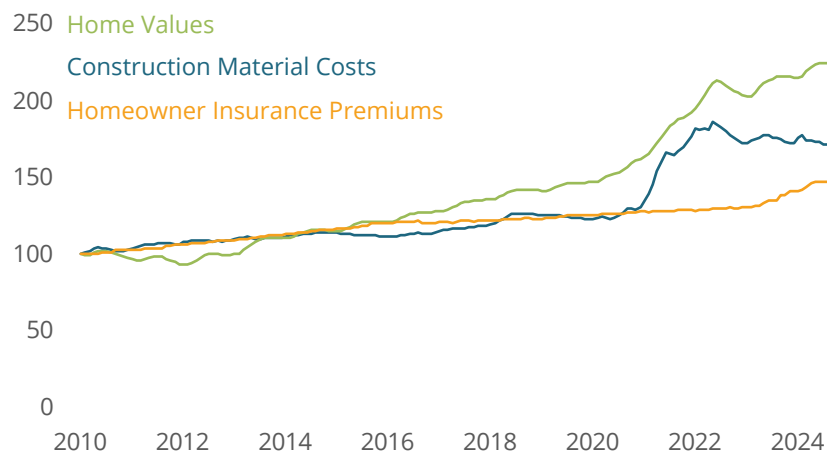
The Hawaii Department of Education has been another source of significant government contracts in recent months. The DOE contracted out \$135 million for upgrades to High School athletic facilities, including at Farrington, Waimea, McKinley, and James Campbell High Schools. On the Big Island, the County finalized \$31 million for wastewater system upgrades, and the US Department of the Interior contracted \$17 million in upgrades to the Kilauea Visitor Center.

Rising US Home Insurance Premiums

The US home insurance market is undergoing a dramatic realignment. Considerations of climate risk, coupled with high home prices and construction costs, have pushed insurers to reevaluate what coverage they can provide, and what rates they must charge. Large payouts for recent climate-related disasters reveal the possibility that home insurance has been significantly underpriced. To head off future losses, insurers have scrambled to raise rates and pull out of some markets altogether.

The ability to obtain insurance for homeowners and condominium associations is extremely important to the proper functioning of the housing market. For individual homeowners, insurance is a vital instrument to reduce the risk of loss in what is typically a household's largest asset. For the overall market, access to insurance is important because obtaining insurance is typically needed to qualify for a mortgage. Condominium buildings in Hawaii, and many other states, are required to fully insure a building against losses. Generally, banks will not issue mortgages on units in a property that is underinsured. The inability to obtain insurance can therefore freeze the housing market, as current owners are unable to sell their units to prospective buyers who need a mortgage. The impact has already shown up as an increase in the inventory of available condominiums in Hawaii and nationally.

HOME INSURANCE PREMIUMS, HOME PRICES, AND CONSTRUCTION COSTS
INDEX, JANUARY 2010 = 100



The typical cost of homeowner insurance nationwide is up 47% from the 2010 level, according to the Bureau of Labor Statistics. It is 13% higher than at the start of 2023. The rise has differed significantly by location. A recent National Bureau of Economic Research [working paper](#) on the topic found much higher rate increases in areas that are more exposed to climate risk. Many states regulate how quickly insurers can raise rates, and the study found higher premium hikes in states with fewer regulatory controls.

If an insurance policy provides coverage for the full replacement cost of a home, the insurer must account for how these replacement costs vary over time. Since 2020, insurance premiums have risen 17%, while home prices have risen 53% and the cost of construction materials has risen 39%. Replacing a structure has therefore become much more expensive for insurers, meaning they will need to raise rates to cover these costs. Despite the recent increase, insurance premiums remain low as a portion of a home's value when compared to 2020 or 2010.

Trends in home prices and construction costs, coupled with evidence that regulations are delaying some premium increases, imply that insurance premiums may continue to rise as insurers play catch-up to match the new realities of climate change disaster risk and the steeper cost of building. The additional cost of higher insurance premiums will contribute to further deterioration of housing affordability. Regulatory measures to limit premium increases might help protect affordability and contribute to a functioning mortgage and sales market. But at best, this would be a short-term solution. Over the long run, the realities of climate change and rising costs mean property owners will be exposed to significantly higher insurance premiums, which will further strain housing affordability.

THE HAWAII OUTLOOK

Hawaii's outlook will be affected by local conditions, emerging global developments, and policy changes by the incoming Trump Administration. The latter are likely to boost domestic tourism a bit in the short term but will weigh on foreign travel to the Islands. Fiscal policies may support higher household incomes, but trade policies and immigration restrictions will exert upward pressure on costs and prices and weigh on demand. Locally, Maui's rebuilding will continue to supplement what is an exceptionally strong construction cycle.

New administration coming to Washington

The election of Donald Trump will bring potentially big changes to the federal government and policy. Republican majorities in the Senate and House of Representatives mean that much of the President-elect's agenda is likely to be implemented. However, the slim majorities in both houses, as well as political and legal constraints, means that many of the policy proposals may be delayed or reduced in size.

It is too soon to know the precise design and magnitude of policies that the new Administration will pursue and implement. But it is impossible to establish a reasonable forecast without making some assumptions about what those policies will be. Here we adopt what we consider a "limited" implementation of policies in the areas of taxation and spending; trade; and immigration. Needless to say, these remain highly speculative and will be refined as additional information emerges in the New Year.

- **Fiscal policy:** The Tax Cuts and Jobs Act (the first-term "Trump tax cuts") will almost certainly be extended, and it is likely that the Administration will succeed in pushing through a reduction in the corporate tax rate from 21% to 15%, or something in that range. Some cuts to Biden-era programs—especially climate-related elements of the Inflation Reduction Act—will be made, but these will not be large. Because Republicans lack a supermajority in the Senate, these measures will have to be accomplished through the budget reconciliation process, which may exclude some elements. We assume that the fiscal changes are implemented in early 2025. Other tax and spending proposals are more speculative and are not included in this forecast.
- **Trade Policy:** The President-elect has proposed an across-the-board tariff increase of 10%, and 60% tariffs on goods from China. We assume that tariffs will be limited to particular products and countries and that many exemptions are granted to assist US firms who rely on imported inputs. As a result, we assume here a 5 percentage point increase in the effective tariff rate. We assume that the tariffs will be phased in during 2025 and early 2026. We assume that all countries targeted by higher tariffs will retaliate by raising tariffs on US goods, although these may be less than one-for-one. For now, we are not incorporating the President-elect's recent vow to impose across-the-board 25% tariffs on Mexico, Canada, and China "on Day 1" until these countries halt immigration and drug flows, since it is unclear whether these will, in fact, be imposed and whether they would be in place for very long.
- **Immigration:** The President-elect has vowed the largest mass deportation of unauthorized immigrants in US history, citing numbers as high as

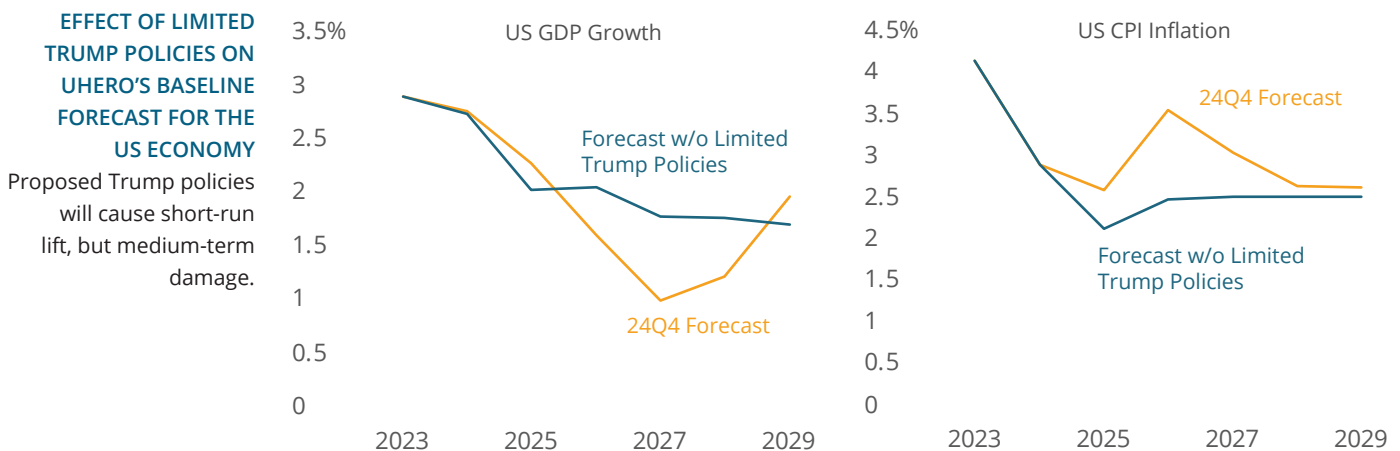
11 million people. Large-scale deportations will be very difficult and costly to implement. We assume that the Administration will be able to reduce the number of unauthorized immigrants by 350,000 people per year, or 1.4 million total and that it will hold other net immigration close to zero. There will be a host of legal challenges that will delay planned deportations, and some actions may require Congressional approval that would be difficult to obtain. We assume that actual deportations will not begin until 2026, although “self-deportation” by some immigrants will occur sooner.

- Other measures: We have not made any assumptions here about planned measures to reduce the size of the federal government workforce or to reduce regulations. It is too soon to get a fix on what measures might be taken and their economic impacts.

The impact of these policies as a whole will be to reduce US economic activity and increase inflation. The tax cut extensions and improved sentiment by some consumers will fuel an uptick in consumer spending and real GDP in 2025, but by 2026 the adverse effects of a reduced immigrant labor force and costly tariffs will reduce growth below our pre-election baseline. Tariffs will raise production costs. Together with the effect of higher near-term demand, this will cause one percent higher consumer price inflation by 2026. The positive effects of corporate tax cuts will have a delayed effect and be swamped by the adverse impact of tariff and immigration policies.

While tariffs will generate additional federal government revenue, they will not offset the loss of revenue from tax cuts, increasing the federal budget deficit. Negative prospects for budget deficits will raise long-term interest rates to some extent and maintain mortgage rates in the 6% range.

For Hawaii, the tax cuts, including State tax cuts passed last session, will stimulate local economic activity in the near term. Federal tax cuts and the anticipated modest lift to US growth will produce a small boost to mainland travel and the spending of US tourists in the Islands. The price impacts of tariffs will be felt locally, although some of the inflationary pressure will be offset by a stronger dollar. A combination of higher local goods prices and weaker foreign currencies will weigh on international visitor spending in the Islands. Higher interest rates will adversely affect many businesses and household finances. By reducing housing demand, they act as drag on home sales and will slow home price growth a little.

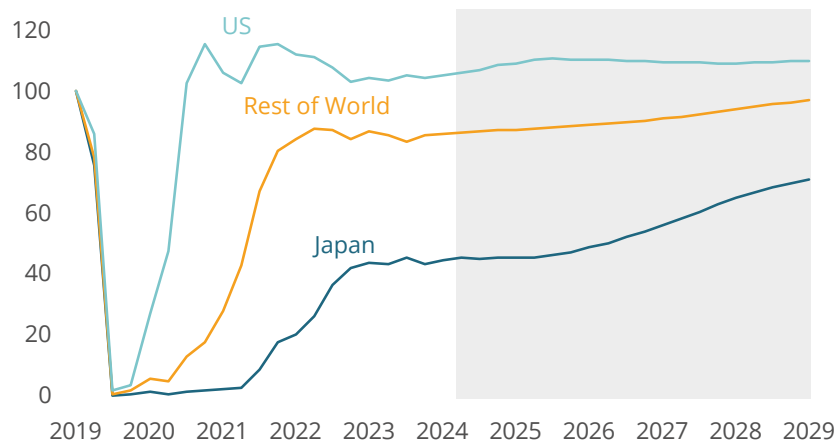


Recovery of international visitor markets will slow

Anticipated near-term stimulus of the US economy will create a modest boost to US mainland visitor numbers over the next two years, but the changing political and economic climate will hold back the recovery of international markets. The already-slow recovery of visitors from Japan has been stalled since the fourth quarter of last year, and we now expect little additional progress through mid-2026. (Although the yen's recent rally, if sustained, would provide some support.) Visitor numbers from other international markets will also be relatively flat. It is too soon to tell whether the recent political unrest in South Korea will affect outbound tourism.

With stronger US and weaker international markets, the overall visitor numbers will not be very different from our third-quarter forecast. Statewide visitor arrivals will expand by nearly 3% next year, an improvement from this year's estimated half-percent decline. The average daily visitor census, which takes into account visitors' length of stay, will climb by more than 2%, after this year's estimated 2.5% contraction. Following a \$1 billion decline in 2024 and 2025, real visitor expenditures will stabilize in 2026 and remain essentially flat through the end of the decade.

VISITOR ARRIVALS (INDEX, 2019Q4 = 100)
A modest post-election boost to US visitors will be offset by international market weakness

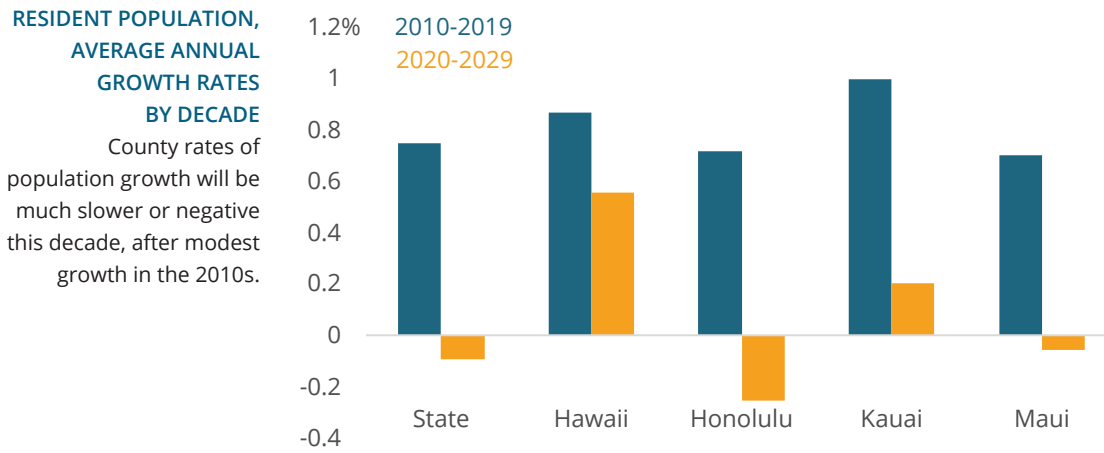


And a lagging Maui visitor recovery will frustrate

Maui County will continue to struggle to entice large numbers of tourists back. As we noted above, while a significant partial return of visitors had occurred by late last year, the pace has slowed so that the seasonally adjusted average daily visitor census in September of this year was just 1,400 higher than in December of 2023. Because it is dependent on the US market, Maui will get a slight boost from anticipated US growth, but this will not materially alter our expectation of a gradual recovery pace. It will take until 2029 for Maui County's average daily census to climb within 2,000 of the visitor numbers seen in pre-fire 2022. A fly in the ointment is the uncertain prospects for short-term vacation rentals. If the proposed ordinance to ban Minatoya List short-term rentals is adopted, we may well see an even slower recovery than currently anticipated.

Job growth is slowing, and the trend will be slower still

Hawaii's labor market has generally softened over the past year, and the job base has grown by just 0.7% in the year through October, according to UHERO's internal estimates of the forthcoming government benchmark revisions. As we noted above, part of the growth we are seeing reflects Maui's recovery compared with low numbers in the wildfires' aftermath. Oahu



and the Big Island have done somewhat better than Kauai. We expect that statewide job growth for the year overall will come in at 0.7%. After a similar performance in 2026, job growth will decelerate to the 0.4-0.5% range by 2027.

The Maui job base has seen only partial recovery so far. We expect a return to positive aggregate job growth in 2025, but employment will remain well below pre-wildfire levels throughout the forecast period. Losses to the labor force will be an important constraint to faster job recovery.

The adverse effects of federal tariff and immigration policies, together with the peaking of the construction cycle, will weigh a bit on statewide job growth in 2026-2027. The convergence to a slower trend rate in the out years reflects much more modest future growth in the labor force than in past decades, varying to some extent across the counties. Very slow growth in the State's population along with an aging workforce and limited gains in labor force participation imply only meager expansion of the workforce. These demographic constraints will weigh on the state's economic growth and pose challenges for business hiring and public finances.

Construction will lead all sectors, for now

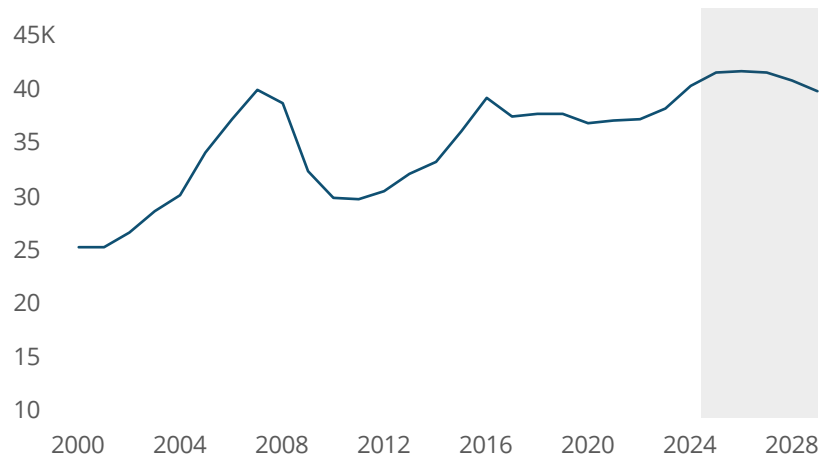
The Hawaii construction industry is in the midst of one of its biggest building booms. This is the product of an enormous volume of government projects on top of ongoing residential building. Now Maui rebuilding is being added to the mix. As a result, industry employment will rise to 41,700 workers by early-2026. The cycle will begin to ebb by 2027, but a still-high level of activity will continue to impose strain on construction resources through the remainder of the decade.

Tourism-related industries will generally see weaker job growth in 2025 than in 2024. The accommodation and food services sector will experience much less net hiring outside of Maui. The direct negative effects of the 2023 wildfires are now behind us, and job growth rates have begun to edge upward, although in part this reflects comparison to the depressed levels of a year ago. Industry jobs on Maui will rise more than 3% in 2025, but it will still take several years to replace all those lost following the wildfires. Statewide employment in the trade sector will be weak in 2025, but all tourism-related sectors will get a modest lift in 2026 from the effects of stimulative federal policies on US economic growth and therefore visitor spending.

State and local government jobs will be mostly flat after moderate payroll additions this year. The same is true for federal government payrolls, since

HAWAII CONSTRUCTION JOBS

Buoyant construction activity will continue, even after the boom begins to ebb.



as we noted above, we have not built into our US forecast any potential cuts to the federal workforce. Finance, insurance, and real estate will stabilize in 2025, and the small manufacturing industry will continue to expand at a modest pace, supported in part by construction.

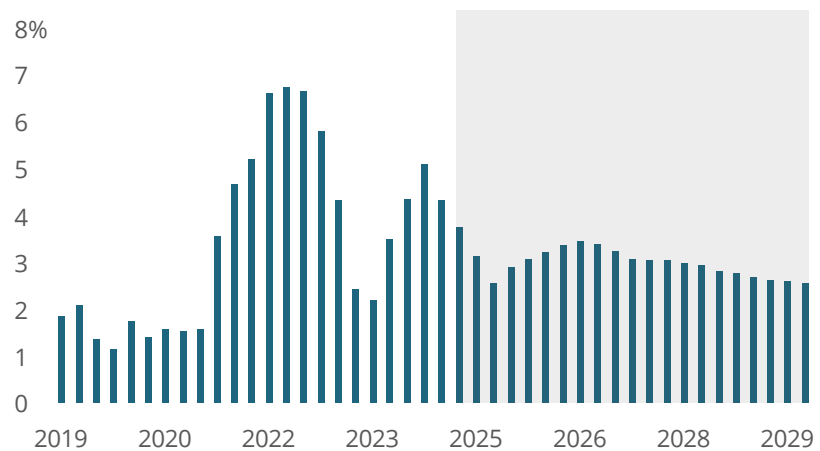
Tax cuts and tariffs will lift Hawaii inflation

Honolulu inflation picked up to a 4.6% annual pace in the first half of this year, driven largely by a delayed surge in shelter costs. Since then, conditions have abated somewhat, and we now see 4.4% inflation for the year overall, still considerably higher than the rest of the US, after a period where Hawaii experienced relatively lower inflation. Following a decline to just under 3% next year, the adverse effects of US economic policy will push inflation back up, and it will run between 2.9% and 3.4% through 2028. Modest dollar appreciation will prevent even larger adverse price effects. This is a reminder that nationwide policies of the incoming Trump Administration will be felt in Hawaii as in the country overall.

Average pay raises in Hawaii have exceeded the rate of inflation this year, so there have been gains in the overall real purchasing power of the typical Hawaii resident. Personal income will get a modest bump from state and federal tax cuts in 2025-2026 but will be pulled down below our previous forecast in 2027-2028 as the adverse growth and inflation effects of higher tariffs and deportations bite. Real income growth will decelerate to a 1-1.2% trend late in the forecast period as labor force and job growth slow.

HONOLULU CONSUMER PRICE INFLATION FORECAST

Inflation in Hawaii will rise when tariffs are implemented.



Real gross domestic product, our broadest measure of economic activity, will pick up to about 3% growth in 2025, after relatively flat performance this year in the wake of the Maui wildfires. Growth will be a bit higher than previously forecast in 2026 but will fall short in 2027-2028, again because of federal government policy impacts. Longer term, real per capita income will decline to sub 1% growth, below that of the past quarter century. This reflects the coming challenges of limited labor supply and the burdens of an aging society.

**Policy risks
loom largest**

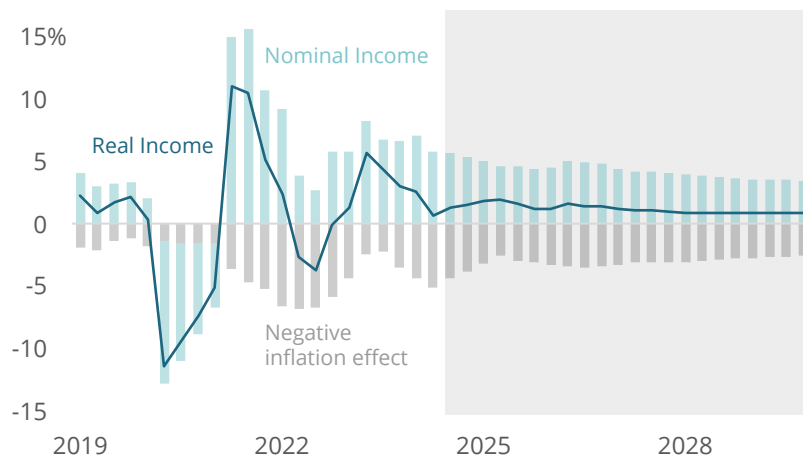
This Hawaii forecast varies little from the one we presented in the third quarter, with a few adjustments for policies from the new administration. Growth is and will continue to slow, and tourism activity will remain relatively flat, even if we now see its composition shifting a bit further toward the already-dominant US market. Construction will remain King for another few years, even as the overall economy moves toward a slow-growth long-run path.

The difference this time around is obvious: The pending change-over to the incoming Trump Administration introduces a broad range of uncertainties about economic policies and their potential fallout.

The range of these uncertainties cannot be overstated. At this point, much remains unclear. President-elect Trump has made extravagant pronouncements about policy changes he intends to make—to trade; immigration; taxes and spending; and the very functioning of government. And he has matched these with cabinet nominations and outside recruitments that would align with the most aggressive of these goals. But it is unclear whether all of his nominations will be approved by the Senate, and how much Congress, rule-making processes, and the courts might restrain policy changes. That’s why for this forecast we have assumed a limited set of policy changes. That could prove to be too modest, and we will undoubtedly need to revise our assumptions as we move into the first and second quarters of 2025.

But already, we know that Trump Administration Redux will have impacts locally. Likely fiscal changes will provide some lift to the mainland visitor market and to local household incomes, but tariffs will put upward pressure

HAWAII PERSONAL INCOME GROWTH, NOMINAL AND REAL
Pay raises have exceeded inflation, raising real labor income.



on prices that eventually undercut these gains. Significant deportations—whether government-imposed or self-deportations ahead of government restrictions—will further raise costs nationwide. While Hawaii is only moderately dependent on unauthorized immigrant labor, surely industries that rely on lower-skilled labor will be affected, as will the cost of imported goods produced by immigrant labor on the mainland.

Already, the interest rate environment is worse than we had anticipated a few months ago. Yes, the Federal Reserve has made two cuts to its short-term policy rate, but rates on long-term bonds are higher, and the promising decline in thirty-year mortgage rates that began in May has all but reversed since October. Because many of the anticipated Trump policies will be inflationary, we think prospects for interest rate relief are now poorer than a few months ago.

The bottom line is that despite a steady local forecast path so far, we should buckle up for the years ahead.

TABLE 1: MAJOR ECONOMIC INDICATORS

STATE OF HAWAII FORECAST

	2023	2024	2025	2026	2027
MAJOR INDICATORS					
Nonfarm Payrolls (Thou)	632.7	637.0	641.2	645.1	648.1
% Change	2.4	0.7	0.7	0.6	0.5
Unemployment Rate (%)	3.0	3.0	2.8	2.8	2.8
Population (Thou)	1,435.1	1,431.9	1,431.7	1,432.6	1,434.6
% Change	-0.3	-0.2	0.0	0.1	0.1
Nominal Personal Income (Mil \$)	94,968.3	100,219.9	104,925.7	110,075.0	114,792.9
% Change	5.5	5.5	4.7	4.9	4.3
Inflation Rate, Honolulu MSA (%)	3.1	4.4	2.9	3.4	3.1
Real GDP (Mil 2023\$)	110,265.4	110,570.4	113,734.8	116,532.9	118,322.9
% Change	3.7	0.3	2.9	2.5	1.5
Real Personal Income (Mil 2023\$)	94,968.3	95,987.6	97,620.2	99,061.9	100,175.9
% Change	2.3	1.1	1.7	1.5	1.1
Real Per Capita Income (Thou 2023\$)	66.2	67.0	68.2	69.2	69.9
% Change	2.6	1.3	1.7	1.4	1.0
TOURISM SECTOR DETAIL					
Total Visitor Arrivals by Air (Thou)	9,657.6	9,597.7	9,862.5	10,099.5	10,197.6
% Change	4.6	-0.6	2.8	2.4	1.0
U.S. Visitors	7,423.7	7,275.4	7,489.6	7,675.7	7,639.2
% Change	-4.0	-2.0	2.9	2.5	-0.5
Japanese Visitors	590.4	702.8	720.0	745.8	844.1
% Change	204.5	19.0	2.4	3.6	13.2
Other Visitors	1,643.5	1,619.6	1,653.0	1,678.0	1,714.3
% Change	26.2	-1.4	2.1	1.5	2.2
Average Daily Census (Thou)	234.8	228.8	234.9	240.5	243.2
% Change	1.1	-2.5	2.7	2.4	1.1
Average Daily Room Rate (\$)	377.4	361.7	359.4	374.5	391.1
% Change	1.8	-4.2	-0.6	4.2	4.4
Occupancy Rate (%)	69.5	68.5	70.2	71.5	71.9
Real Visitor Expenditures (Mil 2023\$)	20,670.0	19,790.5	19,734.4	19,876.0	19,716.8
% Change	2.1	-4.3	-0.3	0.7	-0.8

Note: Source is UHERO. Nonfarm Payrolls for 2023 are UHERO estimates of the March 2025 benchmark revision. Occupancy rate includes UHERO's estimate of TVR occupancy. Figures for 2024-2027 are forecasts.

TABLE 2: JOBS BY INDUSTRY

STATE OF HAWAII FORECAST

	2023	2024	2025	2026	2027
Nonfarm Payrolls (Thou)	632.7	637.0	641.2	645.1	648.1
% Change	2.4	0.7	0.7	0.6	0.5
Construction and Mining	38.1	40.3	41.5	41.6	41.5
% Change	2.5	5.6	3.1	0.3	-0.3
Manufacturing	12.7	12.9	13.0	13.2	13.4
% Change	0.9	1.5	1.3	1.4	1.4
Trade	82.8	81.9	82.1	82.6	83.3
% Change	0.8	-1.1	0.3	0.6	0.8
Transportation and Utilities	34.3	33.4	33.1	33.3	33.4
% Change	3.6	-2.7	-0.9	0.7	0.1
Finance, Insurance and Real Estate	27.8	27.0	27.0	27.3	27.5
% Change	-0.1	-2.8	0.2	1.0	0.7
Services	313.9	316.6	318.8	321.3	323.5
% Change	3.1	0.9	0.7	0.8	0.7
Health Care and Soc. Assistance	74.2	75.9	76.2	77.0	77.8
% Change	2.4	2.4	0.3	1.0	1.1
Accommodation and Food	105.7	106.2	107.0	107.9	108.4
% Change	5.5	0.5	0.7	0.8	0.5
Other	134.1	134.4	135.6	136.5	137.3
% Change	1.7	0.3	0.9	0.6	0.6
Government	123.0	125.0	125.6	125.6	125.6
% Change	1.9	1.6	0.5	0.0	0.0
Federal Government	35.1	35.5	35.5	35.6	35.6
% Change	1.1	1.3	0.1	0.0	0.0
State and Local Government	88.0	89.5	90.0	90.1	90.0
% Change	2.2	1.7	0.7	0.0	0.0

Note: Source is UHERO. Industry job counts for 2023 are UHERO estimates of the March 2025 benchmark revision. Figures for 2024-2027 are forecasts.

TABLE 3: PERSONAL INCOME BY INDUSTRY

STATE OF HAWAII FORECAST

	2023	2024	2025	2026	2027
Real Personal Income (Mil 2023\$)	94,968.3	95,987.6	97,620.2	99,061.9	100,175.9
% Change	2.3	1.1	1.7	1.5	1.1
Labor & Proprietors' Income	66,079.4	67,085.8	68,227.2	69,205.5	69,960.6
% Change	3.6	1.5	1.7	1.4	1.1
Construction and Mining	4,978.0	5,274.0	5,542.9	5,692.0	5,734.7
% Change	3.7	6.0	5.1	2.7	0.8
Manufacturing	1,027.7	1,079.2	1,099.1	1,121.7	1,144.3
% Change	1.8	5.0	1.9	2.0	2.0
Trade	5,273.2	5,304.4	5,393.7	5,479.9	5,547.8
% Change	3.1	0.6	1.7	1.6	1.2
Transportation and Utilities	3,979.7	3,839.2	3,766.2	3,785.7	3,798.6
% Change	8.8	-3.5	-1.9	0.5	0.3
Finance, Insurance & Real Estate	4,898.4	4,768.9	4,734.7	4,766.6	4,800.4
% Change	-1.3	-2.6	-0.7	0.7	0.7
Services	27,367.6	27,882.4	28,482.1	28,972.9	29,363.6
% Change	4.2	1.9	2.1	1.7	1.4
Health Care & Soc. Assist. (% ch.)	3.5	2.0	2.5	1.9	1.3
Accommodation & Food (% ch.)	8.3	1.9	2.8	2.6	1.6
Other (% ch.)	2.8	1.8	1.7	1.2	1.3
Government	18,196.7	18,607.1	18,876.9	19,054.3	19,237.2
% Change	3.5	2.3	1.4	0.9	1.0
Federal, civilian (% ch.)	3.8	1.3	0.3	0.3	0.3
State & Local (% ch.)	2.1	1.9	2.1	1.2	1.3
Less Social Security Taxes (-)	8,101.4	8,188.1	8,364.6	8,484.5	8,577.1
% Change	8.3	1.1	2.2	1.4	1.1
Transfer Payments	17,482.7	17,663.0	18,068.0	18,449.3	18,837.0
% Change	-3.6	1.0	2.3	2.1	2.1
Dividends, Interest and Rent	19,510.1	19,429.8	19,692.7	19,894.7	19,958.3
% Change	5.8	-0.4	1.4	1.0	0.3
Population (Thou)	1,435.1	1,431.9	1,431.7	1,432.6	1,434.6
% Change	-0.3	-0.2	0.0	0.1	0.1
Real Per Capita Income (Thou 2023\$)	66.2	67.0	68.2	69.2	69.9
% Change	2.6	1.3	1.7	1.4	1.0
Inflation Rate, Honolulu MSA (%)	3.1	4.4	2.9	3.4	3.1
Nominal Personal Income (Mil \$)	94,968.3	100,219.9	104,925.7	110,075.0	114,792.9
% Change	5.5	5.5	4.7	4.9	4.3

Note: Source is UHERO. Figures for 2024-2027 are forecasts.

TABLE 4: CONSTRUCTION INDICATORS

STATE OF HAWAII FORECAST

	2023	2024	2025	2026	2027
BUILDING PERMITS					
Total Commitments to Build (Mil 2023\$)	7,741.1	8,422.1	8,679.9	8,105.0	7,734.9
% Change	10.6	8.8	3.1	-6.6	-4.6
Private Building Permits	3,667.2	4,369.8	4,706.2	4,911.1	4,905.1
% Change	-1.3	19.2	7.7	4.3	-0.1
Residential Building Permits	1,526.1	1,950.7	2,293.1	2,420.4	2,412.0
% Change	-16.5	27.8	17.6	5.5	-0.3
Non-Residential Building Permits	2,141.1	2,419.1	2,413.1	2,490.8	2,493.1
% Change	13.4	13.0	-0.2	3.2	0.1
Government Contracts Awarded	4,074.0	4,052.3	3,973.7	3,193.8	2,829.9
% Change	24.0	-0.5	-1.9	-19.6	-11.4
CONSTRUCTION ACTIVITY					
Real Contracting Tax Base (Mil 2023\$)	11,809.9	13,362.2	13,849.2	13,791.3	13,695.9
% Change	5.3	13.1	3.6	-0.4	-0.7
Nominal Contracting Tax Base (Mil \$)	11,809.9	13,708.5	14,761.9	15,248.7	15,656.9
% Change	9.3	16.1	7.7	3.3	2.7
Construction and Mining Jobs (Thou)	38.1	40.3	41.5	41.6	41.5
% Change	2.5	5.6	3.1	0.3	-0.3
Real Construction Income (Mil 2023\$)	4,978.0	5,274.0	5,542.9	5,692.0	5,734.7
% Change	3.7	6.0	5.1	2.7	0.8
PRICES AND COSTS (HONOLULU)					
Median Home Price (Thou \$)	1,055.5	1,102.5	1,131.2	1,152.5	1,178.5
% Change	-4.5	4.4	2.6	1.9	2.2
Median Condo Price (Thou \$)	508.0	510.1	514.0	517.1	521.2
% Change	0.3	0.4	0.8	0.6	0.8
Honolulu Housing Affordability Index	53.6	55.7	59.0	61.8	62.5
% Change	-5.9	3.9	5.9	4.7	1.1
Construction Cost Index (2023=100)	100.0	102.6	106.6	110.6	114.3
% Change	3.8	2.6	3.9	3.7	3.4
30-Year Mortgage Rate (%)	6.8	6.7	6.3	6.1	6.1

Note: Source is UHERO. Figures for 2024-2027 are forecasts. Commitments to Build are the sum of private permits and public contracts awarded. Permits and tax base are deflated by Honolulu Construction Cost Index. Figures for Total Commitments to Build and Real Government Contracts Awarded for 2023 are UHERO estimates. Income is deflated by Honolulu CPI. Housing affordability index is the ratio of median family income to qualifying income for a loan for the median-priced home (times 100).

TABLE 5: MAJOR ECONOMIC INDICATORS

HONOLULU COUNTY FORECAST

	2023	2024	2025	2026	2027
MAJOR INDICATORS					
Nonfarm Payrolls (Thou)	455.6	460.4	463.4	465.8	467.5
% Change	2.5	1.1	0.6	0.5	0.4
Unemployment Rate (%)	2.7	2.7	2.7	2.7	2.6
Population (Thou)	989.4	986.8	985.8	985.9	987.0
% Change	-0.5	-0.3	-0.1	0.0	0.1
Nominal Personal Income (Mil \$)	69,152.7	72,859.5	76,352.9	80,096.9	83,459.4
% Change	5.8	5.4	4.8	4.9	4.2
Inflation Rate, Honolulu MSA (%)	3.1	4.4	2.9	3.4	3.1
Real Personal Income (Mil 2023\$)	69,152.7	69,782.6	71,037.7	72,085.8	72,834.2
% Change	2.6	0.9	1.8	1.5	1.0
Real Per Capita Income (Thou 2023\$)	69.9	70.7	72.1	73.1	73.8
% Change	3.1	1.2	1.9	1.5	0.9
TOURISM SECTOR DETAIL					
Total Visitor Arrivals by Air (Thou)	5,613.4	5,793.0	5,810.4	5,838.5	5,893.8
% Change	15.6	3.2	0.3	0.5	0.9
U.S. Visitors	3,921.5	3,925.6	3,896.7	3,899.9	3,841.0
% Change	2.4	0.1	-0.7	0.1	-1.5
Japanese Visitors	574.1	702.1	729.3	743.5	837.5
% Change	208.4	22.3	3.9	1.9	12.6
Other Visitors	1,117.8	1,165.3	1,184.4	1,195.1	1,215.3
% Change	32.8	4.2	1.6	0.9	1.7
Average Daily Census (Thou)	111.0	112.0	111.4	111.9	112.5
% Change	12.1	0.9	-0.6	0.4	0.5
Occupancy Rate (%)	76.7	77.0	76.8	77.2	77.8

Note: Source is UHERO. Nonfarm Payrolls for 2023 are UHERO estimates of the March 2025 benchmark revision. Occupancy rate includes UHERO's estimate of TVR occupancy. Figures for 2024-2027 are forecasts.

TABLE 6: JOBS BY INDUSTRY

HONOLULU COUNTY FORECAST

	2023	2024	2025	2026	2027
Nonfarm Payrolls (Thou)	455.6	460.4	463.4	465.8	467.5
% Change	2.5	1.1	0.6	0.5	0.4
Construction and Mining	27.4	29.6	30.6	30.6	30.3
% Change	2.4	7.9	3.6	-0.2	-0.9
Manufacturing	9.2	9.4	9.5	9.7	9.8
% Change	0.3	1.9	1.3	1.6	1.5
Trade	56.2	55.7	55.8	56.2	56.7
% Change	0.2	-0.9	0.2	0.7	1.0
Transportation and Utilities	25.3	24.4	24.2	24.4	24.4
% Change	4.8	-3.4	-0.6	0.7	0.0
Finance, Insurance and Real Estate	21.2	20.7	20.8	20.9	21.0
% Change	-0.4	-2.4	0.2	0.7	0.3
Services	221.8	225.4	226.4	227.9	229.2
% Change	3.6	1.6	0.5	0.7	0.6
Health Care and Soc. Assistance	55.9	57.1	57.3	57.8	58.4
% Change	2.4	2.2	0.3	0.9	1.1
Accommodation and Food	63.5	64.4	64.5	65.0	65.2
% Change	6.9	1.6	0.1	0.7	0.3
Other	102.5	103.9	104.6	105.2	105.6
% Change	2.2	1.3	0.7	0.5	0.4
Government	94.5	95.2	95.9	96.0	96.0
% Change	1.7	0.8	0.8	0.1	0.0
Federal Government	32.2	32.7	32.7	32.7	32.7
% Change	1.2	1.4	0.1	0.0	0.0
State and Local Government	62.2	62.5	63.2	63.3	63.3
% Change	1.9	0.5	1.1	0.1	0.0

Note: Source is UHERO. Industry job counts for 2023 are UHERO estimates of the March 2025 benchmark revision. Figures for 2024-2027 are forecasts.

TABLE 7: PERSONAL INCOME BY INDUSTRY

HONOLULU COUNTY FORECAST

	2023	2024	2025	2026	2027
Real Personal Income (Mil 2023\$)	69,152.7	69,782.6	71,037.7	72,085.8	72,834.2
% Change	2.6	0.9	1.8	1.5	1.0
Labor & Proprietors' Income	49,827.3	50,796.0	51,656.4	52,339.4	52,837.1
% Change	3.9	1.9	1.7	1.3	0.9
Construction and Mining	3,588.6	3,882.5	4,103.3	4,202.2	4,211.0
% Change	3.9	8.2	5.7	2.4	0.2
Manufacturing	786.2	828.7	843.4	862.4	881.2
% Change	1.9	5.4	1.8	2.3	2.2
Trade	3,654.9	3,687.9	3,759.6	3,824.4	3,873.0
% Change	2.6	0.9	1.9	1.7	1.3
Transportation and Utilities	3,151.6	3,019.2	2,966.5	2,983.4	2,989.8
% Change	10.4	-4.2	-1.8	0.6	0.2
Finance, Insurance & Real Estate	3,605.3	3,528.0	3,513.7	3,529.2	3,541.6
% Change	-1.1	-2.1	-0.4	0.4	0.3
Services	19,576.6	20,098.4	20,473.8	20,792.7	21,050.0
% Change	4.5	2.7	1.9	1.6	1.2
Health Care & Soc. Assist. (% ch.)	3.8	1.8	2.4	1.9	1.3
Accommodation & Food (% ch.)	11.4	3.0	2.1	2.5	1.3
Other (% ch.)	2.7	3.0	1.5	1.1	1.1
Government	15,340.8	15,632.2	15,877.5	16,027.0	16,172.8
% Change	3.7	1.9	1.6	0.9	0.9
Federal, civilian (% ch.)	3.8	1.3	0.3	0.3	0.3
State & Local (% ch.)	1.9	0.7	2.7	1.3	1.3
Less Social Security Taxes (-)	6,104.5	6,223.1	6,328.6	6,412.2	6,473.2
% Change	8.0	1.9	1.7	1.3	0.9
Transfer Payments	11,580.5	11,625.5	11,886.9	12,127.6	12,374.8
% Change	-3.8	0.4	2.2	2.0	2.0
Dividends, Interest and Rent	13,904.5	13,843.8	14,020.6	14,166.3	14,233.1
% Change	5.8	-0.4	1.3	1.0	0.5
Population (Thou)	989.4	986.8	985.8	985.9	987.0
% Change	-0.5	-0.3	-0.1	0.0	0.1
Real Per Capita Income (Thou 2023\$)	69.9	70.7	72.1	73.1	73.8
% Change	3.1	1.2	1.9	1.5	0.9
Inflation Rate, Honolulu MSA (%)	3.1	4.4	2.9	3.4	3.1
Nominal Personal Income (Mil \$)	69,152.7	72,859.5	76,352.9	80,096.9	83,459.4
% Change	5.8	5.4	4.8	4.9	4.2

Note: Source is UHERO. Figures for 2024-2027 are forecasts.

TABLE 8: MAJOR ECONOMIC INDICATORS

HAWAII COUNTY FORECAST

	2023	2024	2025	2026	2027
MAJOR INDICATORS					
Nonfarm Payrolls (Thou)	70.9	71.9	72.1	72.5	73.0
% Change	4.1	1.4	0.2	0.7	0.5
Unemployment Rate (%)	3.0	3.0	3.0	2.9	3.0
Population (Thou)	207.6	208.5	209.3	209.8	210.1
% Change	0.6	0.4	0.4	0.2	0.2
Nominal Personal Income (Mil \$)	10,975.8	11,665.9	12,186.9	12,821.9	13,401.0
% Change	5.2	6.3	4.5	5.2	4.5
Inflation Rate, Honolulu MSA (%)	3.1	4.4	2.9	3.4	3.1
Real Personal Income (Mil 2023\$)	10,975.8	11,173.3	11,338.5	11,539.5	11,695.0
% Change	2.0	1.8	1.5	1.8	1.4
Real Per Capita Income (Thou 2023\$)	52.9	53.6	54.2	55.0	55.7
% Change	1.4	1.4	1.1	1.6	1.2
TOURISM SECTOR DETAIL					
Total Visitor Arrivals by Air (Thou)	1,779.1	1,717.2	1,814.7	1,867.6	1,886.9
% Change	6.7	-3.5	5.7	2.9	1.0
U.S. Visitors	1,471.3	1,392.7	1,455.3	1,502.7	1,502.4
% Change	2.4	-5.3	4.5	3.3	0.0
Japanese Visitors	44.7	49.0	56.6	63.8	78.1
% Change	188.6	9.4	15.6	12.8	22.4
Other Visitors	263.0	275.5	302.7	301.0	306.5
% Change	22.1	4.8	9.9	-0.6	1.8
Average Daily Census (Thou)	38.4	36.5	37.8	38.8	39.1
% Change	1.9	-4.8	3.4	2.6	0.9
Occupancy Rate (%)	67.6	61.0	64.0	65.6	66.2

Note: Source is UHERO. Nonfarm Payrolls for 2023 are UHERO estimates of the March 2025 benchmark revision. Occupancy rate includes UHERO's estimate of TVR occupancy. Figures for 2024-2027 are forecasts.

TABLE 9: JOBS BY INDUSTRY

HAWAII COUNTY FORECAST

	2023	2024	2025	2026	2027
Nonfarm Payrolls (Thou)	70.9	71.9	72.1	72.5	73.0
% Change	4.1	1.4	0.2	0.7	0.5
Construction and Mining	3.9	3.8	3.9	3.9	4.0
% Change	4.4	-1.6	1.0	1.2	0.7
Manufacturing	1.6	1.7	1.7	1.7	1.7
% Change	3.8	5.1	0.1	-0.1	-0.1
Trade	11.9	12.0	11.9	12.0	12.0
% Change	5.0	0.5	-0.1	0.3	0.1
Transportation and Utilities	3.2	3.4	3.3	3.3	3.3
% Change	3.2	3.6	-2.6	0.0	-0.3
Finance, Insurance and Real Estate	2.6	2.5	2.5	2.6	2.6
% Change	3.8	-3.6	-0.4	2.3	2.0
Services	33.0	33.4	33.6	34.0	34.2
% Change	4.8	1.3	0.6	0.9	0.8
Health Care and Soc. Assistance	7.6	7.9	7.9	8.0	8.1
% Change	3.0	3.6	0.3	1.6	1.1
Accommodation and Food	13.4	13.6	13.7	13.7	13.8
% Change	7.3	1.5	0.6	0.4	0.8
Other	12.0	12.0	12.1	12.2	12.3
% Change	3.1	-0.5	0.8	1.0	0.5
Government	14.6	15.1	15.1	15.2	15.2
% Change	2.0	3.4	-0.1	0.4	0.3
Federal Government	1.3	1.4	1.3	1.4	1.4
% Change	0.6	1.8	-0.3	0.2	0.1
State and Local Government	13.3	13.8	13.8	13.8	13.8
% Change	2.1	3.5	-0.1	0.4	0.3

Note: Source is UHERO. Industry job counts for 2023 are UHERO estimates of the March 2025 benchmark revision. Figures for 2024-2027 are forecasts.

TABLE 10: PERSONAL INCOME BY INDUSTRY

HAWAII COUNTY FORECAST

	2023	2024	2025	2026	2027
Real Personal Income (Mil 2023\$)	10,975.8	11,173.3	11,338.5	11,539.5	11,695.0
% Change	2.0	1.8	1.5	1.8	1.4
Labor & Proprietors' Income	6,434.3	6,562.7	6,645.2	6,763.9	6,861.6
% Change	4.2	2.0	1.3	1.8	1.4
Construction	—	—	—	—	—
% Change	—	—	—	—	—
Manufacturing	—	—	—	—	—
% Change	—	—	—	—	—
Trade	—	—	—	—	—
% Change	—	—	—	—	—
Transportation and Utilities	—	—	—	—	—
% Change	—	—	—	—	—
Finance, Insurance & Real Estate	—	—	—	—	—
% Change	—	—	—	—	—
Services	—	—	—	—	—
% Change	—	—	—	—	—
Health Care & Soc. Assist. (% ch.)	—	—	—	—	—
Accommodation & Food (% ch.)	—	—	—	—	—
Other (% ch.)	—	—	—	—	—
Government	1,444.4	1,494.3	1,509.9	1,532.1	1,556.5
% Change	3.6	3.5	1.0	1.5	1.6
Federal, civilian (% ch.)	4.0	1.7	-0.1	0.5	0.4
State & Local (% ch.)	3.3	3.7	1.2	1.6	1.8
Less Social Security Taxes (-)	835.7	830.3	858.4	874.4	888.0
% Change	9.8	-0.6	3.4	1.9	1.6
Transfer Payments	2,995.5	3,053.7	3,127.8	3,198.6	3,269.2
% Change	-2.5	1.9	2.4	2.3	2.2
Dividends, Interest and Rent	2,350.1	2,339.1	2,369.1	2,393.1	2,393.6
% Change	4.7	-0.5	1.3	1.0	0.0
Population (Thou)	207.6	208.5	209.3	209.8	210.1
% Change	0.6	0.4	0.4	0.2	0.2
Real Per Capita Income (Thou 2023\$)	52.9	53.6	54.2	55.0	55.7
% Change	1.4	1.4	1.1	1.6	1.2
Inflation Rate, Honolulu MSA (%)	3.1	4.4	2.9	3.4	3.1
Nominal Personal Income (Mil \$)	10,975.8	11,665.9	12,186.9	12,821.9	13,401.0
% Change	5.2	6.3	4.5	5.2	4.5

Note: Source is UHERO. Figures for 2024-2027 are forecasts. Because of data disclosure rules, industry-level income is not available for some sectors.

TABLE 11: MAJOR ECONOMIC INDICATORS

MAUI COUNTY FORECAST

	2023	2024	2025	2026	2027
MAJOR INDICATORS					
Nonfarm Payrolls (Thou)	74.4	72.8	74.0	74.7	75.4
% Change	-0.3	-2.1	1.6	1.0	0.9
Unemployment Rate (%)	4.4	4.2	3.2	3.2	3.4
Population (Thou)	164.3	162.6	162.7	162.9	163.3
% Change	-0.1	-1.0	0.0	0.2	0.2
Nominal Personal Income (Mil \$)	10,318.3	10,921.4	11,404.5	11,919.3	12,464.4
% Change	3.7	5.8	4.4	4.5	4.6
Inflation Rate, Honolulu MSA (%)	3.1	4.4	2.9	3.4	3.1
Real Personal Income (Mil 2023\$)	10,318.3	10,460.1	10,610.6	10,727.1	10,877.5
% Change	0.6	1.4	1.4	1.1	1.4
Real Per Capita Income (Thou 2023\$)	62.8	64.3	65.2	65.8	66.6
% Change	0.7	2.4	1.4	0.9	1.2
TOURISM SECTOR DETAIL					
Total Visitor Arrivals by Air (Thou)	2,531.2	2,362.7	2,599.7	2,743.7	2,808.0
% Change	-14.8	-6.7	10.0	5.5	2.3
U.S. Visitors	2,119.5	1,996.3	2,205.1	2,331.5	2,366.2
% Change	-17.1	-5.8	10.5	5.7	1.5
Japanese Visitors	11.9	13.8	12.8	12.5	13.7
% Change	108.5	16.2	-7.9	-2.2	9.7
Other Visitors	399.8	352.5	381.8	399.7	428.1
% Change	-1.4	-11.8	8.3	4.7	7.1
Average Daily Census (Thou)	56.3	51.9	56.6	59.9	61.5
% Change	-15.6	-7.9	9.1	5.8	2.8
Occupancy Rate (%)	57.8	58.2	61.9	64.1	64.7

Note: Source is UHERO. Nonfarm Payrolls for 2023 are UHERO estimates of the March 2025 benchmark revision. Occupancy rate includes UHERO's estimate of TVR occupancy. Figures for 2024-2027 are forecasts.

TABLE 12: JOBS BY INDUSTRY

MAUI COUNTY FORECAST

	2023	2024	2025	2026	2027
Nonfarm Payrolls (Thou)	74.4	72.8	74.0	74.7	75.4
% Change	-0.3	-2.1	1.6	1.0	0.9
Construction and Mining	4.7	4.9	5.0	5.0	5.1
% Change	2.7	2.8	2.3	1.5	1.3
Manufacturing	1.2	1.2	1.2	1.2	1.2
% Change	-0.8	-0.4	2.0	0.7	0.9
Trade	10.4	9.9	10.1	10.1	10.2
% Change	-1.0	-3.9	1.2	0.6	0.8
Transportation and Utilities	4.1	3.9	3.9	4.0	4.0
% Change	-1.4	-4.4	-0.2	1.3	1.3
Finance, Insurance and Real Estate	2.8	2.7	2.7	2.7	2.8
% Change	-2.2	-5.5	0.6	2.1	2.0
Services	42.2	40.5	41.5	42.1	42.7
% Change	-1.4	-4.0	2.4	1.6	1.3
Health Care and Soc. Assistance	8.1	8.3	8.4	8.4	8.5
% Change	1.8	3.2	0.5	0.6	0.7
Accommodation and Food	20.3	19.3	19.9	20.3	20.6
% Change	-1.1	-5.1	3.3	2.0	1.3
Other	13.8	12.9	13.2	13.4	13.7
% Change	-3.5	-6.6	2.5	1.6	1.8
Government	9.0	9.8	9.7	9.5	9.4
% Change	5.0	8.4	-1.1	-1.7	-1.4
Federal Government	0.9	0.9	0.9	0.9	0.9
% Change	0.9	1.3	0.2	-0.3	-0.3
State and Local Government	8.1	8.8	8.7	8.6	8.4
% Change	5.4	9.2	-1.3	-1.8	-1.5

Note: Source is UHERO. Industry job counts for 2023 are UHERO estimates of the March 2025 benchmark revision. Figures for 2024-2027 are forecasts.

TABLE 13: PERSONAL INCOME BY INDUSTRY

MAUI COUNTY FORECAST

	2023	2024	2025	2026	2027
Real Personal Income (Mil 2023\$)	10,318.3	10,460.1	10,610.6	10,727.1	10,877.5
% Change	0.6	1.4	1.4	1.1	1.4
Labor & Proprietors' Income	6,871.9	6,751.0	6,911.7	7,038.0	7,153.9
% Change	0.9	-1.8	2.4	1.8	1.6
Construction	599.1	612.8	627.0	637.8	647.3
% Change	2.7	2.3	2.3	1.7	1.5
Manufacturing	88.1	87.9	91.1	92.8	94.7
% Change	-0.9	-0.1	3.6	1.9	2.0
Trade	644.7	610.0	628.7	641.7	656.7
% Change	2.6	-5.4	3.1	2.1	2.3
Transportation and Utilities	362.3	346.7	348.8	356.7	364.1
% Change	2.4	-4.3	0.6	2.3	2.1
Finance, Insurance & Real Estate	520.5	506.9	510.3	517.5	524.6
% Change	-4.0	-2.6	0.7	1.4	1.4
Services	3,698.4	3,555.4	3,677.5	3,770.9	3,852.1
% Change	3.6	-3.9	3.4	2.5	2.1
Health Care & Soc. Assist. (% ch.)	2.0	3.6	1.3	1.4	1.4
Accommodation & Food (% ch.)	-1.0	-5.8	5.0	3.4	2.5
Other (% ch.)	6.6	-5.7	2.9	2.2	2.2
Government	915.4	987.0	988.3	983.6	983.3
% Change	5.6	7.8	0.1	-0.5	0.0
Federal, civilian (% ch.)	4.2	1.3	0.4	0.0	0.0
State & Local (% ch.)	5.5	9.2	0.0	-0.6	-0.1
Less Social Security Taxes (-)	790.7	771.3	801.1	814.2	826.2
% Change	8.2	-2.5	3.9	1.6	1.5
Transfer Payments	1,920.9	1,981.0	2,027.3	2,073.9	2,119.8
% Change	-4.0	3.1	2.3	2.3	2.2
Dividends, Interest and Rent	2,281.2	2,274.2	2,315.7	2,338.1	2,336.3
% Change	6.1	-0.3	1.8	1.0	-0.1
Population (Thou)	164.3	162.6	162.7	162.9	163.3
% Change	-0.1	-1.0	0.0	0.2	0.2
Real Per Capita Income (Thou 2023\$)	62.8	64.3	65.2	65.8	66.6
% Change	0.7	2.4	1.4	0.9	1.2
Inflation Rate, Honolulu MSA (%)	3.1	4.4	2.9	3.4	3.1
Nominal Personal Income (Mil \$)	10,318.3	10,921.4	11,404.5	11,919.3	12,464.4
% Change	3.7	5.8	4.4	4.5	4.6

Note: Source is UHERO. Figures for 2024-2027 are forecasts.

TABLE 14: MAJOR ECONOMIC INDICATORS

KAUAI COUNTY FORECAST

	2023	2024	2025	2026	2027
MAJOR INDICATORS					
Nonfarm Payrolls (Thou)	31.7	31.8	31.8	32.0	32.3
% Change	3.2	0.3	0.1	0.6	0.7
Unemployment Rate (%)	2.6	2.6	2.7	2.6	2.8
Population (Thou)	73.8	73.9	74.0	74.1	74.3
% Change	0.1	0.1	0.1	0.1	0.2
Nominal Personal Income (Mil \$)	4,523.9	4,772.5	4,973.9	5,226.7	5,463.8
% Change	5.1	5.5	4.2	5.1	4.5
Inflation Rate, Honolulu MSA (%)	3.1	4.4	2.9	3.4	3.1
Real Personal Income (Mil 2023\$)	4,523.9	4,570.9	4,627.7	4,703.9	4,768.2
% Change	1.9	1.0	1.2	1.6	1.4
Real Per Capita Income (Thou 2023\$)	61.3	61.8	62.5	63.5	64.2
% Change	1.8	0.9	1.2	1.5	1.1
TOURISM SECTOR DETAIL					
Total Visitor Arrivals by Air (Thou)	1,418.7	1,379.1	1,428.4	1,469.8	1,471.9
% Change	5.4	-2.8	3.6	2.9	0.1
U.S. Visitors	1,248.4	1,219.4	1,259.0	1,292.3	1,288.2
% Change	3.4	-2.3	3.2	2.6	-0.3
Japanese Visitors	5.9	6.7	7.2	8.4	10.2
% Change	98.9	14.1	7.3	16.5	20.9
Other Visitors	164.4	153.0	162.2	169.1	173.5
% Change	21.5	-6.9	6.0	4.2	2.6
Average Daily Census (Thou)	29.0	28.3	29.1	30.0	30.0
% Change	1.4	-2.4	3.0	2.9	0.2
Occupancy Rate (%)	74.0	72.0	74.7	76.6	76.5

Note: Source is UHERO. Nonfarm Payrolls for 2023 are UHERO estimates of the March 2025 benchmark revision. Occupancy rate includes UHERO's estimate of TVR occupancy. Figures for 2024-2027 are forecasts.

TABLE 15: JOBS BY INDUSTRY

KAUAI COUNTY FORECAST

	2023	2024	2025	2026	2027
Nonfarm Payrolls (Thou)	31.7	31.8	31.8	32.0	32.3
% Change	3.2	0.3	0.1	0.6	0.7
Construction and Mining	2.1	2.0	2.0	2.1	2.1
% Change	0.1	-4.7	1.9	2.1	1.9
Manufacturing	0.6	0.5	0.6	0.6	0.6
% Change	5.9	-10.2	3.8	3.6	3.7
Trade	4.4	4.3	4.3	4.3	4.3
% Change	1.2	-1.4	-0.2	0.4	0.6
Transportation and Utilities	1.7	1.7	1.7	1.7	1.7
% Change	-0.1	0.7	-2.1	0.3	0.3
Finance, Insurance and Real Estate	1.1	1.1	1.1	1.1	1.1
% Change	1.5	-1.5	-1.3	1.3	1.3
Services	16.9	17.3	17.3	17.4	17.4
% Change	5.5	2.2	0.0	0.4	0.3
Health Care and Soc. Assistance	2.7	2.7	2.7	2.7	2.8
% Change	1.6	-0.4	0.7	2.1	2.1
Accommodation and Food	8.6	9.0	8.9	8.9	8.9
% Change	8.4	4.5	-0.3	-0.2	-0.3
Other	5.7	5.7	5.7	5.7	5.7
% Change	3.0	-0.1	0.0	0.4	0.4
Government	4.9	4.9	4.9	5.0	5.0
% Change	0.0	-1.0	0.4	1.0	1.3
Federal Government	0.6	0.6	0.6	0.6	0.6
% Change	-1.1	-2.7	0.4	1.0	1.0
State and Local Government	4.3	4.3	4.3	4.4	4.4
% Change	0.1	-0.8	0.4	1.0	1.3

Note: Source is UHERO. Industry job counts for 2023 are UHERO estimates of the March 2025 benchmark revision. Figures for 2024-2027 are forecasts.

TABLE 16: PERSONAL INCOME BY INDUSTRY

KAUAI COUNTY FORECAST

	2023	2024	2025	2026	2027
Real Personal Income (Mil 2023\$)	4,523.9	4,570.9	4,627.7	4,703.9	4,768.2
% Change	1.9	1.0	1.2	1.6	1.4
Labor & Proprietors' Income	2,945.9	2,969.9	3,001.9	3,052.8	3,101.2
% Change	4.0	0.8	1.1	1.7	1.6
Construction	—	—	—	—	—
% Change	—	—	—	—	—
Manufacturing	—	—	—	—	—
% Change	—	—	—	—	—
Trade	—	—	—	—	—
% Change	—	—	—	—	—
Transportation and Utilities	—	—	—	—	—
% Change	—	—	—	—	—
Finance, Insurance & Real Estate	—	—	—	—	—
% Change	—	—	—	—	—
Services	—	—	—	—	—
% Change	—	—	—	—	—
Health Care & Soc. Assist. (% ch.)	—	—	—	—	—
Accommodation & Food (% ch.)	—	—	—	—	—
Other (% ch.)	—	—	—	—	—
Government	496.1	491.2	498.7	509.2	522.2
% Change	-3.1	-1.0	1.5	2.1	2.6
Federal, civilian (% ch.)	0.8	-2.7	0.6	1.2	1.4
State & Local (% ch.)	-4.5	-0.7	1.7	2.3	2.9
Less Social Security Taxes (-)	370.6	362.7	375.1	382.3	389.0
% Change	9.2	-2.1	3.4	1.9	1.8
Transfer Payments	985.7	1,005.8	1,029.0	1,052.4	1,076.5
% Change	-4.6	2.0	2.3	2.3	2.3
Dividends, Interest and Rent	974.2	972.3	986.6	995.9	994.6
% Change	5.5	-0.2	1.5	0.9	-0.1
Population (Thou)	73.8	73.9	74.0	74.1	74.3
% Change	0.1	0.1	0.1	0.1	0.2
Real Per Capita Income (Thou 2023\$)	61.3	61.8	62.5	63.5	64.2
% Change	1.8	0.9	1.2	1.5	1.1
Inflation Rate, Honolulu MSA (%)	3.1	4.4	2.9	3.4	3.1
Nominal Personal Income (Mil \$)	4,523.9	4,772.5	4,973.9	5,226.7	5,463.8
% Change	5.1	5.5	4.2	5.1	4.5

Note: Source is UHERO. Figures for 2024-2027 are forecasts. Because of data disclosure rules, industry-level income is not available for some sectors.

TABLE 17: EXTERNAL INDICATORS

STATE OF HAWAII FORECAST

	2023	2024	2025	2026	2027
U.S. FACTORS					
Employment (Thou)	161,044.8	161,459.5	162,433.5	163,358.4	164,478.1
% Change	1.7	0.3	0.6	0.6	0.7
Unemployment Rate (%)	3.6	4.0	4.3	4.3	4.2
Inflation Rate (%)	4.1	2.9	2.6	3.5	3.0
Real GDP (Bil chained 2012\$)	22,671.1	23,295.3	23,824.0	24,202.0	24,437.7
% Change	2.9	2.8	2.3	1.6	1.0
Population (Thou)	335,208.5	336,950.1	338,457.0	339,748.6	340,964.3
% Change	0.5	0.5	0.5	0.4	0.4
JAPAN FACTORS					
Employment (Thou)	67,469.2	67,735.9	67,805.7	67,678.8	67,364.8
% Change	0.4	0.4	0.1	-0.2	-0.5
Unemployment Rate (%)	2.6	2.6	2.5	2.4	2.3
Inflation Rate (%)	3.3	2.7	2.2	1.3	1.2
Real GDP (Bil chained 2011 yen)	559,367.0	559,697.8	566,891.9	571,217.8	574,393.4
% Change	1.7	0.1	1.3	0.8	0.6
Population (Thou)	124,516.6	123,912.4	123,280.2	122,615.6	121,928.0
% Change	-0.5	-0.5	-0.5	-0.5	-0.6
Exchange Rate (Yen/\$)	140.5	151.3	144.2	133.5	129.1
% Change	6.9	7.7	-4.7	-7.4	-3.3

Note: Source is UHERO. Figures for 2024-2027 are forecasts.

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