



UHERO

THE ECONOMIC RESEARCH ORGANIZATION  
AT THE UNIVERSITY OF HAWAII

UHERO FORECAST FOR THE STATE OF HAWAII

## WAR BRINGS MORE STORMY WEATHER TO HAWAII

MAY 15, 2026





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## UHERO FORECAST FOR THE STATE OF HAWAII

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**Carl S. Bonham, Ph.D.**  
Executive Director

**Byron Gangnes, Ph.D.**  
Senior Research Fellow

**Steven Bond-Smith, Ph.D.**  
Economist

**Peter Fuleky, Ph.D.**  
Economist

**Rachel Inafuku, Ph.D.**  
Research Economist

**JoonYup Park, Ph.D.**  
Assistant Professor

**Justin Tyndall, Ph.D.**  
Economist

**Vanessa Pepino**  
Graduate Research Assistant

**Edie Prager**  
Research Assistant

**Rafael Munoz**  
Research Assistant

**Chisato Tarui**  
Research Assistant

**Victoria Rhinebolt**  
Graphic Design and Layout

# Executive Summary

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Hawaii's economy must weather a new storm. The Iran war has sent oil prices surging, promising to raise inflation, increase travel costs, and slow the major economies that send visitors to the Islands. These headwinds arrive on top of the serious damage from the two March Kona Low storms and an already-slow labor market growth. An outright contraction remains unlikely, but the near-term outlook has materially worsened.

- The war on Iran has upended what had been an improving US outlook. Federal tax cuts were poised to support consumer spending and business investment, but higher oil prices will offset much of these gains. We now project US growth of 1.7% for 2026, with inflation running at 4% for the year. The Fed has limited room to cut rates. Japan and other Asian oil-dependent economies face the sharpest pressures, and Canada remains weakened by trade tensions with the US.
- The visitor industry entered 2026 with some momentum, before the March storms caused a sharp drop in passenger counts. Underlying conditions are now deteriorating. Jet fuel prices have roughly doubled, pushing transpacific fares up 20–25% and prompting some airline capacity cuts. Canadian arrivals continue to slide, and Japanese visitors face the weakest yen purchasing power in decades. On the strength of the year's first months, total arrivals will post roughly 2% growth for 2026. They will slow over the course of the year and average just 0.2% growth in 2027.
- Hawaii's labor market is stable but making little incremental progress. Statewide payroll growth was essentially flat through February, and the labor force has contracted slightly. Federal employment has fallen by more than 3,000 jobs over the past year. Construction and health care remain the bright spots. Overall payrolls will be essentially flat this year, with tourism-linked sectors hit hardest by the oil shock. Real labor income will be unchanged as price increases outpace wage gains.
- The oil shock has materially shifted the inflation outlook. Gasoline stood at \$5.66 per gallon statewide at the time of this writing, and residential electricity bills are on the rise as fuel costs are passed through. The typical Hawaii household faces roughly \$100 per month in additional energy costs. Honolulu inflation will average just over 4% for 2026, peaking near 4.8% mid-year. Inflation will remain above trend until 2028.
- Construction remains a genuine bright spot, with job growth ranging from more than 2% on Oahu to nearly 6% in Maui County. Large federal contracts, Maui wildfire rebuilding, and the launch of the \$4 billion New Aloha Stadium Entertainment District will sustain elevated activity through the end of the decade.
- The housing market remains soft. The median single-family price has held near \$1 million for seven months, but resales are slow and condominium prices continue to slip. Insurance premiums, already up 13% since the Maui wildfires, may face further increases following the March storms, exacerbating historically-poor affordability.
- Hawaii real GDP will grow 1% this year under our baseline forecast, recovering to 1.6% by 2028. Maui wildfire settlement payouts—an estimated \$550 million will reach households in 2026—will raise overall income growth. But there remains considerable uncertainty about how high oil prices may rise and how long that may last. Under a pessimistic oil price scenario, Hawaii GDP growth could slow to 0.4%, consistent with a recession in the Islands.
- Hawaii is now absorbing three major supply-side shocks simultaneously: high tariffs, reduced immigration, and the worst oil disruption in fifty years. The cumulative burden is substantial and equally uncertain. UHERO will of course be updating these forecasts as conditions evolve in coming months.

# Forecast Summary

## MAJOR ECONOMIC INDICATORS

### STATE OF HAWAII FORECAST

	2024	2025	2026	2027	2028
<b>STATE OF HAWAII</b>					
Nonfarm Payrolls (Thou)	638.5	642.1	<b>642.7</b>	643.5	645.5
% Change	1.0	0.6	<b>0.1</b>	0.1	0.3
Unemployment Rate (%)	2.8	2.3	<b>2.4</b>	2.5	2.5
Real Personal Income (Mil 2025\$)	105,366.4	107,611.1	<b>108,689.9</b>	110,381.1	111,964.9
% Change	1.5	2.1	<b>1.0</b>	1.6	1.4
Real GDP (Mil 2025\$)	120,679.1	124,607.8	<b>125,813.7</b>	127,433.5	129,438.2
% Change	0.9	3.3	<b>1.0</b>	1.3	1.6
Average Daily Census (Thou)	230.6	227.7	<b>231.5</b>	233.6	238.7
% Change	-1.8	-1.2	<b>1.7</b>	0.9	2.2
Real Visitor Expenditures (Mil 2025\$)	21,016.5	21,753.0	<b>21,918.7</b>	21,707.2	21,939.9
% Change	-5.1	3.5	<b>0.8</b>	-1.0	1.1
<b>HONOLULU COUNTY</b>					
Nonfarm Payrolls (Thou)	460.4	461.6	<b>461.8</b>	462.1	463.5
% Change	1.2	0.3	<b>0.1</b>	0.1	0.3
Unemployment Rate (%)	2.5	2.2	<b>2.2</b>	2.4	2.4
Inflation Rate, Honolulu MSA (%)	4.4	2.6	<b>4.1</b>	3.0	2.3
Real Personal Income (Mil 2025\$)	76,523.9	77,986.6	<b>78,404.0</b>	79,446.4	80,567.7
% Change	1.7	1.9	<b>0.5</b>	1.3	1.4
Average Daily Census (Thou)	112.6	108.3	<b>106.9</b>	107.5	110.5
% Change	1.4	-3.9	<b>-1.3</b>	0.6	2.8
<b>HAWAII COUNTY</b>					
Nonfarm Payrolls (Thou)	72.5	73.3	<b>73.2</b>	73.3	73.6
% Change	1.9	1.2	<b>-0.3</b>	0.2	0.4
Unemployment Rate (%)	3.0	2.6	<b>2.9</b>	3.0	2.9
Real Personal Income (Mil 2025\$)	12,417.8	12,733.3	<b>12,773.5</b>	12,980.9	13,199.4
% Change	1.9	2.5	<b>0.3</b>	1.6	1.7
Average Daily Census (Thou)	37.1	36.1	<b>37.0</b>	37.2	38.4
% Change	-3.5	-2.5	<b>2.5</b>	0.5	3.1
<b>KAUAI COUNTY</b>					
Nonfarm Payrolls (Thou)	32.4	33.1	<b>33.1</b>	33.2	33.4
% Change	1.3	2.2	<b>0.1</b>	0.3	0.4
Unemployment Rate (%)	2.4	2.1	<b>2.4</b>	2.5	2.5
Real Personal Income (Mil 2025\$)	5,088.6	5,246.0	<b>5,267.3</b>	5,349.9	5,436.6
% Change	1.4	3.1	<b>0.4</b>	1.6	1.6
Average Daily Census (Thou)	28.4	28.7	<b>28.9</b>	28.9	29.3
% Change	-2.2	1.1	<b>0.8</b>	-0.1	1.6
<b>MAUI COUNTY</b>					
Nonfarm Payrolls (Thou)	73.3	74.0	<b>74.5</b>	74.8	75.0
% Change	-1.4	1.1	<b>0.6</b>	0.4	0.3
Unemployment Rate (%)	4.1	2.6	<b>2.6</b>	2.8	2.9
Real Personal Income (Mil 2025\$)	11,339.5	11,621.2	<b>12,245.6</b>	12,606.1	12,792.7
% Change	0.0	2.5	<b>5.4</b>	2.9	1.5
Average Daily Census (Thou)	52.5	54.6	<b>58.7</b>	60.0	60.4
% Change	-6.8	4.0	<b>7.5</b>	2.1	0.8

Note: Source is UHERO. State income figures for 2025 are adjusted by UHERO to reflect the timing of the payout of the Maui wildfire settlement. County income figures for 2025 are UHERO estimates. Figures for 2026-2028 are forecasts.

# Second Quarter Hawaii Forecast

In a year that has already seen the most severe storms in decades, the state must now weather another storm. The Iran war's impact on oil prices will raise inflation in the Islands, increase travel costs for visitors, and slow the economies of our major visitor markets. That will weigh on the visitor industry and cause a weaker job and income growth performance than previously forecast. Because the economy was healthy heading into the year, we will likely avoid an outright decline in economic activity.

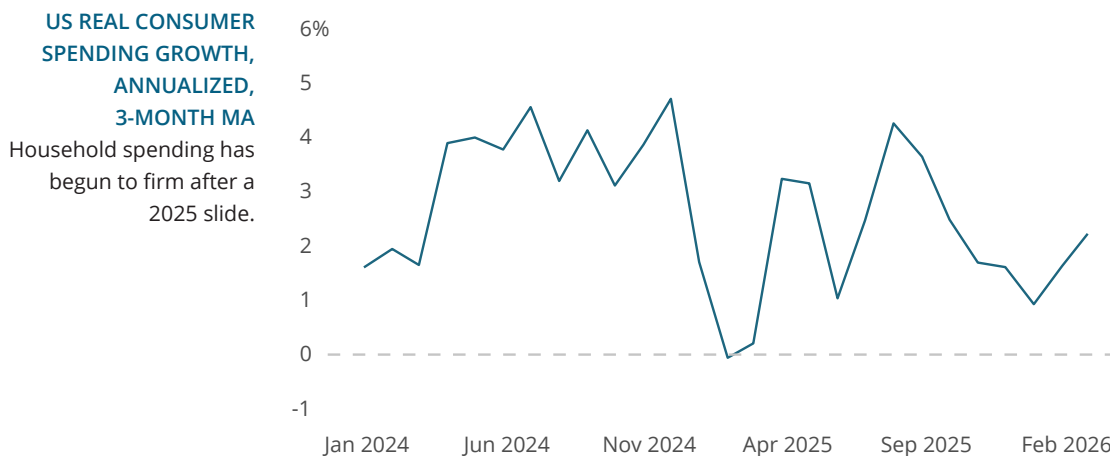
At this time, there remains considerable uncertainty about the future path for oil prices. We do not know when hostilities will end, how long it will take for global oil supplies to approach normal, and for oil prices to return to something approaching normal. In addition, there are particular challenges in the market for jet fuel, where availability and not just price have become problems. Under a pessimistic scenario where oil prices rise further and remain high for longer, there would be more severe effects on tourism and consumers' wallets, and a Hawaii recession could not be avoided.

## War weary already

The war on Iran has introduced a threat to growth and inflation in the US and global economies. At home, higher oil prices will add to an inflation rate that was already moving further away from the Fed's target. Abroad, the war will of course batter Middle Eastern countries but also have an outsized effect on East Asian countries that are heavily dependent on oil imports. Production, which is centered in Asia, will suffer from higher costs and potential delays in getting key inputs.

The US had appeared to face somewhat better prospects entering 2026, even as some worrisome aspects remained. Federal income tax cuts to individuals—many of which were retroactive to 2025—were poised to add to disposable income, supporting a return to healthier consumer spending growth. Tax incentives for businesses were expected to raise business investment, as well. The fiscal measures were expected to support growth in 2026.

These supports were coming at an opportune time. All-important household spending growth had largely ceased by the start of this year, and broader economic activity had slowed sharply by the end of last year. Gross domestic



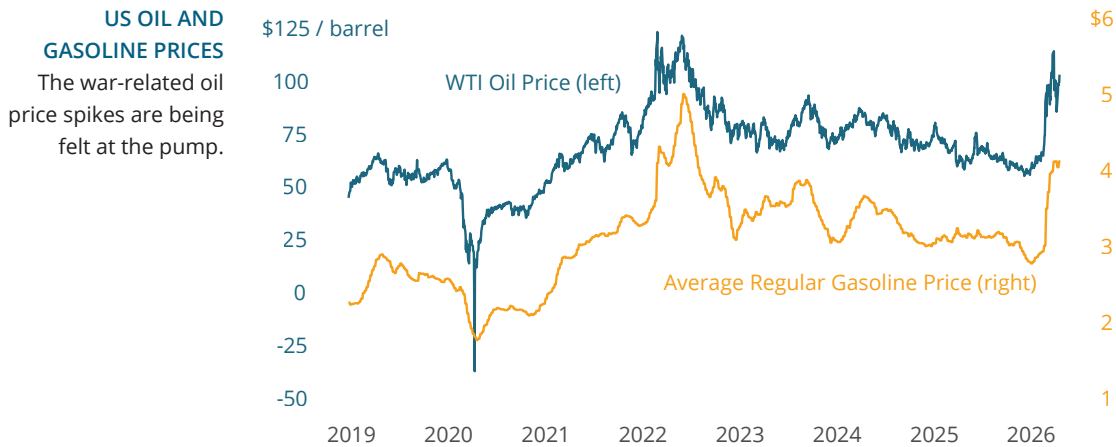
product growth slowed to 0.5% in the fourth quarter. While the government shutdown accounted for as much as 1 percentage point of this slowing, private economic activity was also expanding at a subpar pace.

The first quarter showed some firming of overall growth. Real GDP expanded at a 2% pace, fueled by a return to robust investment spending on AI computing capacity. The rebound from the government shutdown also added to growth. Of some concern was real consumer spending, which rose a paltry 1.6% in the first quarter, its weakest showing since mid-2023. But spending picked up as the quarter progressed, rising at a 2.2% rate for the three months ending in March. Fairly strong growth in purchases of motor vehicles and other durable goods suggests that consumers are still willing to take on larger spending commitments. At the same time, the underlying support for spending is less solid than a year ago. Spending has depended disproportionately on higher-income households with large stock market wealth gains, and falling overall savings rates suggest fewer available resources for spending going forward.

At the same time, inflation has become a renewed concern. Even before the outbreak of the US and Israeli war on Iran, consumer prices measured by the personal consumption expenditure (PCE) index rose 0.4% in February. On a three-month moving average basis, inflation by this Fed-preferred measure had accelerated from 2.7% in November to 4.1% in February, well above the Fed's 2% long-run inflation goal. Of particular concern was inflation in the price of services other than shelter and an uptick in non-energy goods, as tariffs were beginning to be more fully passed along to customers.

The outbreak of war and the surge in oil energy prices led to a marked acceleration of consumer price inflation in March. The PCE price index surged 0.7%, raising year-over-year inflation to 3.5%. The price of gasoline by this measure rose more than 21% in March. Excluding food and energy, "core" PCE inflation edged up to 3.2%.

The labor market remains relatively weak, but with no signs of rapid deterioration. Job growth for all of 2025 averaged just 10,000 per month, compared with more than 200,000 per month as recently as 2023. Preliminary data for March showed an upside surprise, with a net gain of 175,000 jobs. Whether that is sustained in future revisions remains to be seen. The destruction of labor force growth from Trump Administration immigration policy means that very little job growth is now needed to maintain a balance between labor demand and supply. As a result, the



unemployment rate remains at 4.3%, a rate normally associated with a healthy labor market but still almost 1 percentage point higher than its low point in 2023.

The paucity of labor force growth nevertheless represents a medium-term concern, both because labor shortages constrain business expansion and because of looming shortages in particular high-need areas, such as health care. While productivity gains from artificial intelligence may eventually help with the former, they are unlikely to make as much difference with the latter.

The prospects for tax-cut-induced firming of the economy—albeit amid rising inflationary pressures—came largely before the advent of the US and Israeli war on Iran. The war has certainly now reduced US and global economic prospects; the only question is how much. This will depend importantly on the length of the ongoing conflict and how long it takes for energy supplies to recover once hostilities have ended. Even a relatively optimistic oil price scenario will mean a reduction in US growth of somewhat less than a half-percent this year. Below, we consider alternative scenario paths for oil and the Hawaii economy.

The war's effect on growth and inflation will of course not be limited to the US. In its March Economic Outlook, the International Monetary Fund (IMF) lowered its forecast for global growth. For advanced economies, these downward revisions are generally small. For developing and emerging economies, and particularly for the Middle East region, the mark-downs are much larger. The IMF's estimates are based on an assumption of an average oil price of about \$80 for 2026 as a whole. The organization acknowledges that the energy price path and its effects are very uncertain and could lead to larger output losses.

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### US policy a big part of Canada's weakness

Canada's economy was of course hit hard last year by the Trump tariffs, which led to a nearly 25% drop in exports to the US between March and June. Some of that has been made up in other markets, but the economy nevertheless dipped back into negative territory in the final quarter of last year as businesses reduced inventories of unsold goods. Household spending remained weak last year, and that has continued in recent months.

There has been a notable unwillingness of Canadians to travel to the US in response to aggressive Trump Administration policies. The number of Canadian residents returning from trips to the United States fell 22% in January compared with a year earlier. The biggest drop was in automobile trips, but the number of return trips by air from the United States fell nearly 13%. In contrast, Canadian return trips from overseas countries were up more than 10% in January.

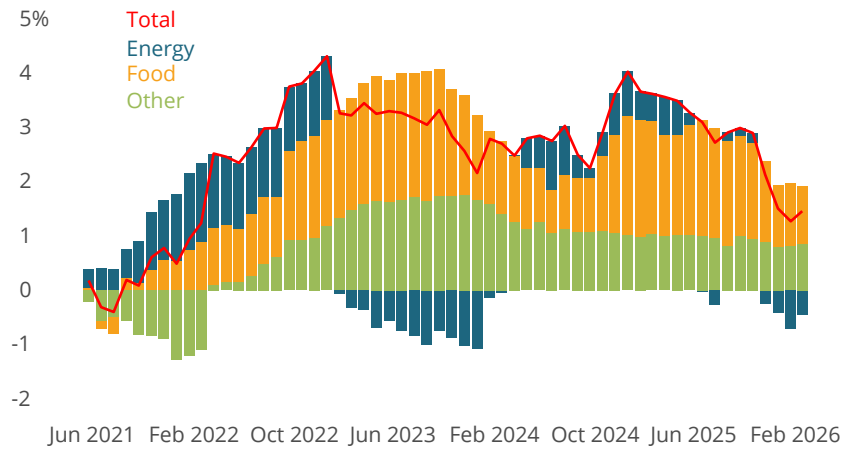
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### Asian region most exposed to high oil prices

The Asian region has been hit harder than the US by the war on Iran because of its dependence on oil mostly from the mid-East and its large manufacturing base, and supply chain participation. The Japanese government has directly acknowledged these issues, notably committing \$10 billion to assist emerging East Asian countries in dealing with energy price costs to shore up supply chains.

Japan itself is particularly exposed to high oil prices. Forty percent of Japan's energy comes from oil, essentially all from imports. (South Korea has a

**CONTRIBUTIONS TO  
JAPANESE INFLATION,  
YEAR-OVER-YEAR**  
Japan's inflation has  
eased—for now.



similarly large oil dependence.) At the same time, Japan has one of the world's largest oil reserves (254 days). The government is trying to cushion the energy shock to consumers with gasoline subsidies.

Prior to the war, inflation in Japan had receded significantly, from 4% in January 2025 to 1.3% year-over-year in February. This was entirely due to declining inflation in food and energy, making an acceleration of inflation very likely because of higher direct costs of energy and the impact on fertilizer costs. The anticipated pickup in inflation will slow growth as well.

The Chinese economy has continued to expand at a moderate pace, 5% year-over-year in the first quarter of 2026. But exports, which had held up well despite US restrictions, have begun to fade as a growth impetus and were particularly weak in March. Consumer spending remains moderately healthy, despite the still-ongoing challenges in the housing market. In part because of these property industry woes, industrial production of items like cement has languished along with the overbuilding housing boom, as have some consumer goods. In contrast, production of electronics-related products have done well because of the global AI boom.

The Australian economy performed better in 2025 than in 2024. Real gross domestic product expanded at a 2.6% pace in the twelve months ending December 2025, and growth firmed over the course of the year. In the fourth quarter, strength in exports and consumer spending offset a pullback in fixed investment growth. Healthy growth along with rising inflation has made the Reserve Bank of Australia the odd man out among developed countries, raising interest rates over the past year. The inflation impulse from the recent oil price spike will make the Bank's inflation-control efforts even harder to achieve.

The global economic picture has materially worsened as a result of the war on Iran. In some cases, the effects are already apparent in higher inflation and in adverse effects on production costs and energy availability. Impacts on growth will take longer to develop, and the uncertainty is considerable.

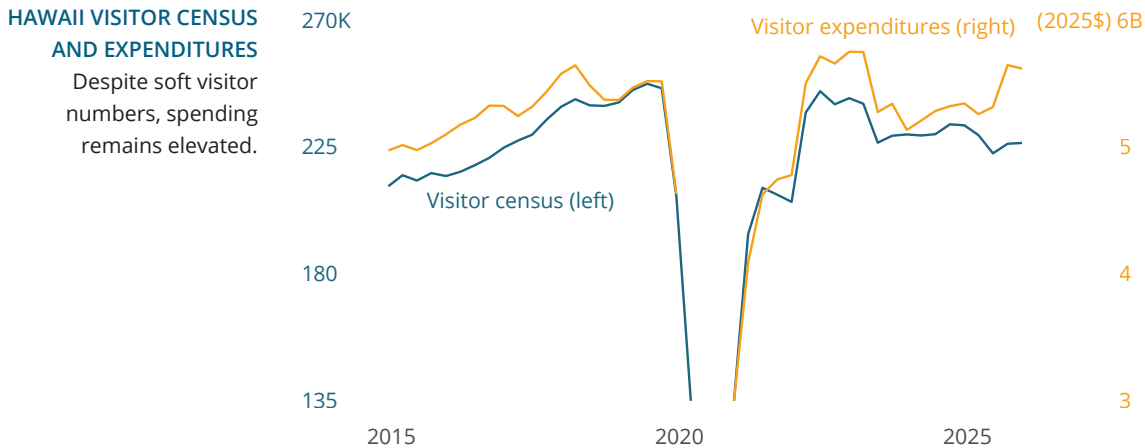
**Tourism  
uncertainty  
persists as new  
headwinds  
emerge**

The unfavorable energy and global growth conditions will form a challenging backdrop for the Hawaii visitor sector over the next two years. Going into this, our leading industry has performed fairly well, even as incremental growth has paused. But conditions will soften in coming months.

Evaluating the state of the visitor industry during the first part of this year is challenging. Early 2026 data should be read with caution. Preliminary figures for January showed a surge in domestic arrivals, which is a significant departure from their historical pattern. Specifically, the January data without seasonal adjustment showed domestic arrivals grew 1.6% from December (14% year-over-year). In every other January since 2000, domestic arrivals have fallen on average by close to 10% below the normally-strong December arrivals. Given this year’s unusual pattern, for this forecast we have elected to exclude the January figures for US arrivals, replacing them instead with the average of the December 2025 and February 2026 data. With the January data point excluded, total US visitor arrivals in the first quarter were up 2% year-over-year, much less than implied by the raw data.

The clearest positive development in the data is the ongoing recovery in Maui County. Hotel occupancy on Maui averaged 63–66% through most of 2025, still well below pre-pandemic norms, but the early 2026 readings approached 70%, a meaningful step in the right direction. The average daily visitor census on Maui continued to trend upward, with February showing roughly 58,000 visitors on island each day compared to about 55,000 a year earlier. (County-level visitor census data for March was not available at the time of writing.) The trajectory over the past six months is unmistakably upward, although the pace of recovery will moderate going forward. Visitor census in the other counties has drifted sideways over the past six months.

While the statewide visitor census came in near the year ago level in the first quarter, spending remains elevated. Per-person daily spending ran near \$280 in the early months of 2026, on par with its level at the end of 2025. A portion of that strength reflects price increases for food, lodging, and transportation rather than increased consumption. We see this in the fact that for 2025 as a whole, real per-person spending growth was more modest once adjusted for inflation. Gains in revenue per available room, a commonly-used measure of hotel performance, have decelerated in early 2026 after a strong December, and statewide hotel occupancy has been broadly stable in the 73–75% range. As described in our previous report, performance continues to be bifurcated: high-end resorts and luxury properties on Oahu and Maui are faring better than the broader market, where discounting has offset much of the headline strength.



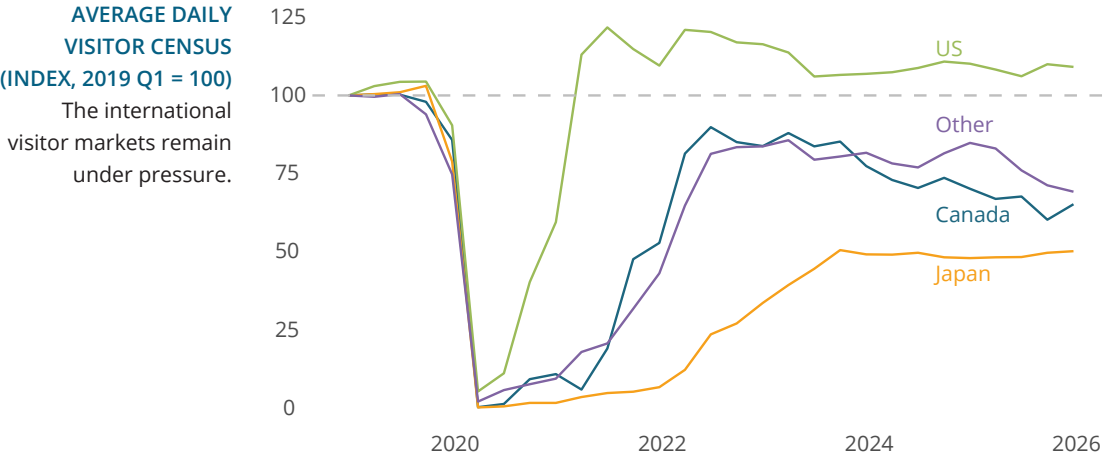
The Hawaii Convention Center (HCC) has begun a two-year, \$100M+ repair and renovation project, with reopening planned for January 2028. Although less than 5% of air travel is associated with business travel to meetings and conventions, the restricted use in the next two years will have some adverse impact on Oahu tourism. In 2025, the center generated over \$27 million in gross revenue, driving millions in additional visitor spending and taxes. Despite assertions that meetings and conventions can be accommodated by hotels and other venues, crowding out of other events will certainly occur, so Hawaii’s meetings business will suffer net losses during the two-year closure.

The US and Israeli military strikes on Iran that began in late February represent a substantial risk for Hawaii tourism. By effectively closing the Strait of Hormuz and damaging oil production facilities, the war has sent oil prices surging upward: the benchmark Brent crude averaged \$117 per barrel in April and is expected to remain above pre-war levels for the remainder of the year at least.

For Hawaii, a particular concern is surging jet fuel prices, which have roughly doubled from pre-conflict levels. Airlines have already begun passing costs on through surcharges and fare increases. For example, both Japan Airlines and ANA have imposed fuel surcharges for new bookings in May and June. These are relatively large, in the range of 20-25%. Transpacific routes are among the most fuel-intensive in commercial aviation, and Hawaii’s near-total dependence on air travel makes the state particularly exposed. For more, see the box, “Jet fuel prices and shortages threaten carriers and passengers.”

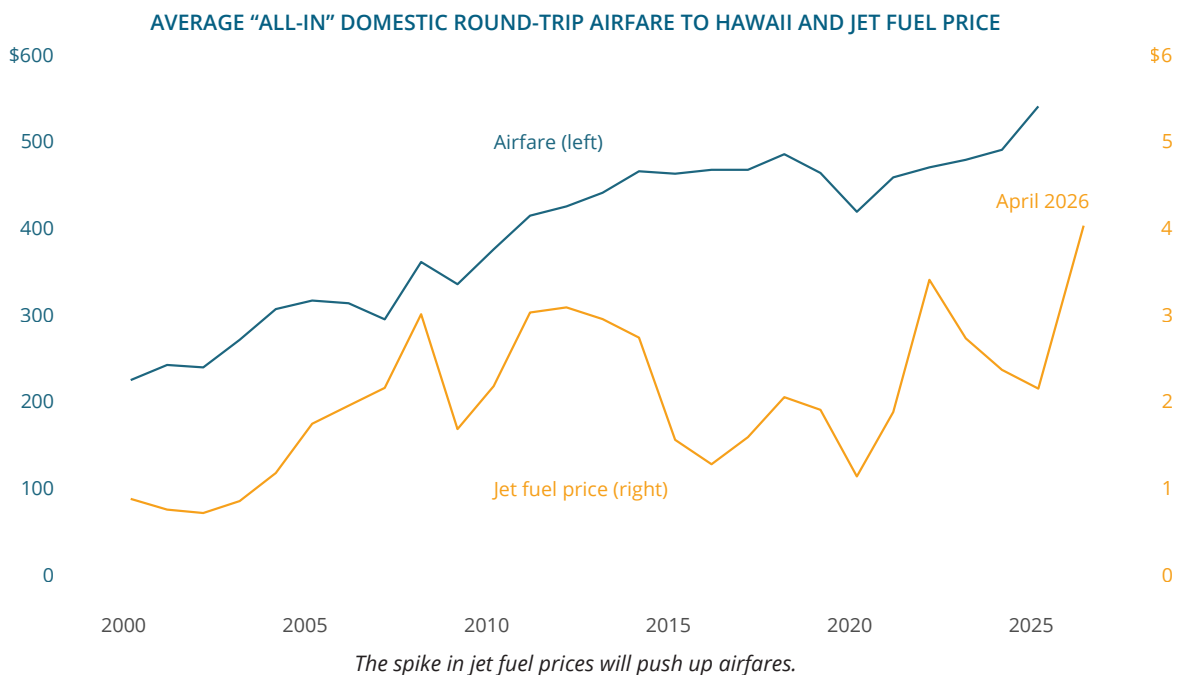
The war-related challenges come on top of industry damage already suffered from the disastrous March “Kona Low” storms that disrupted vacation plans for some travelers. Those storms led to a year-over-year decline in March passenger counts of more than 5%, a notable departure from the relatively stable readings at the start of the year. The effect of high energy prices will be felt in coming months. How large and persistent those adverse effects will be will depend on how quickly the Strait reopens, oil flows are restored, and how much airlines ultimately adjust capacity and pricing.

The international markets face compounding pressures on top of the oil shock. In addition to importing nearly all of its oil, Japan has also seen further weakening of the yen, putting additional pressure on Japanese household budgets. Higher airfares and reduced purchasing power create a potential obstacle to recovery of a Japanese visitor market that remains well below



# Jet fuel prices and shortages threaten carriers and passengers

Jet fuel typically accounts for 25–30% of airline operating costs according to the International Air Transport Association (IATA), but the 2026 crisis triggered by the closure of the Strait of Hormuz has upended that baseline. The average price for a gallon of jet fuel reached \$4.90 in early April, up from \$2.50 just before the conflict. This near-doubling has pushed fuel's share of operating expenses to nearly 45% for some airlines in a matter of weeks. Because Hawaii's transpacific routes are among the longest and most fuel-intensive in domestic aviation, the per-seat impact is especially pronounced: the \$2.40-per-gallon increase translates to an estimated \$120–145 in incremental fuel cost per round-trip economy seat from the West Coast and \$200 or more from the East Coast.



To recover those costs, airlines are considering or have begun to raise fares by roughly 20–25%. And baggage and seat selection fees are also rising. Increased costs of this magnitude will inevitably suppress travel demand. The effects are already materializing in airline announcements of schedule changes. United is cutting about 5% of its planned flights systemwide in the near term, while Delta has scrapped plans to add summer seats, leaving roughly 3.5% fewer seats than originally planned. For Hawaii, the combination of higher fares and reduced capacity poses a direct threat to arrivals. IATA director general Willie Walsh has warned that even if the Strait of Hormuz reopens, replenishing jet fuel supplies could take months, suggesting elevated fares and constrained airlift to the islands may persist well beyond any ceasefire.

its pre-pandemic level. The decline in Canadian visitor arrivals that began after the Maui Wildfires accelerated throughout 2025 amid trade tensions and adverse sentiment toward US travel. The slide continued during the first three months of 2026, with arrivals falling by nearly 7% compared with the first quarter of last year. If sustained, these developments in our two most important international markets represent a structural vulnerability for the industry: progress in broadening Hawaii's visitor base will require re-engaging these travelers, and the current environment makes that difficult.

Forward-looking air capacity data offers some tentative reassurance. Scheduled seats into Hawaii for the second quarter are committed well above year-ago levels—domestic routes in particular show healthy increases—but

this capacity and bookings were planned before the Iran conflict began. Airlines facing sharply higher fuel costs may reduce actual operations, adjust pricing enough to suppress demand, or both.

On balance, the visitor industry entered the second quarter facing a more challenging environment than at the time of our last report. The softer spending power of domestic and foreign consumers, the fragility of international markets, the aftereffects of the two Kona Low storms, and now the direct hit to travel affordability from higher airfares all point in the same downward direction. Maui's recovery and the sustained strength of per-person spending remain genuine positives, but they are unlikely to be sufficient to offset broader headwinds if oil prices remain elevated through mid-year. These issues will of course impact the forecast that we present below.

**Labor market soft but stable**

Growth in Hawaii's labor market remains sluggish. Statewide nonfarm payroll growth has been essentially flat, with year-over-year job gains near zero as of February. Maui County was the only county to record payroll growth exceeding 1% over the same period. However, this increase largely reflects ongoing post-wildfire recovery rather than broad-based expansion. Nonfarm employment on the Valley Isle remains roughly 1,900 jobs below its pre-wildfire peak.

After growing throughout 2024, the state's labor force has flattened, and in fact declined by a net 1,200 workers over the past year. In part this reflects structurally lower working age population growth, but the number of available jobs has also declined. Over the past several years, job openings have fallen substantially from their exceptionally high levels after the pandemic. They continue to trend downward and are now substantially below their average for the 2018-2019 period. This signals weaker demand for workers. At the same time, the level of employment remains high relative to labor supply, with the state's unemployment rate holding below 2.5% since April of last year. Taken together, these trends suggest a less favorable environment for job seekers than in recent years, even as overall employment conditions remain relatively stable.

Despite low unemployment, Hawaii has seen only limited earnings growth in recent years. (The temporary increase during the pandemic reflected

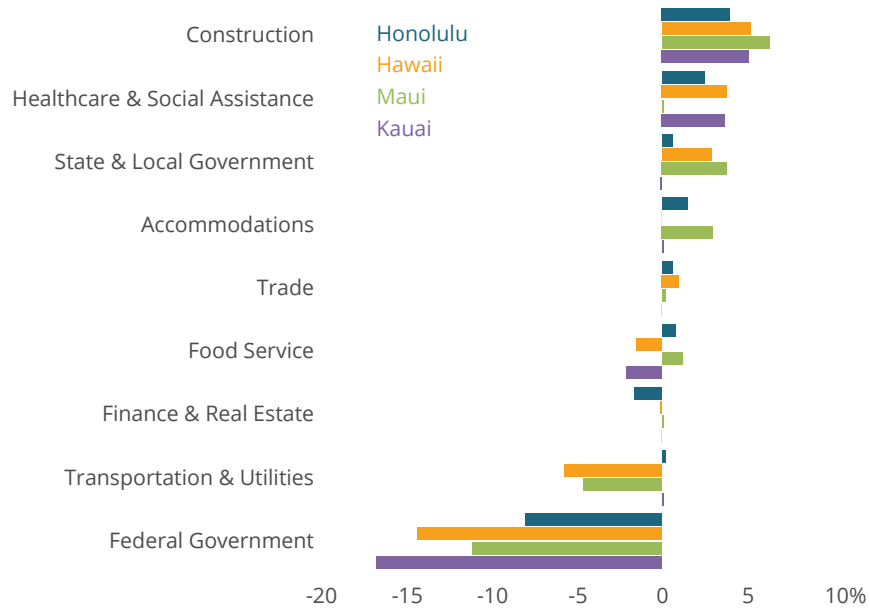
**PRIVATE REAL AVERAGE HOURLY EARNINGS**

Growth in real hourly earnings has remained muted.



**GROWTH IN PAYROLL  
JOBS, FEBRUARY 2025 TO  
FEBRUARY 2026**

Construction and health care remain strong while federal government jobs have fallen sharply.



unusually tight labor market conditions.) Tighter hiring conditions should exert upward pressure on wages as employers compete to attract and retain workers, but real hourly earnings were largely flat throughout 2024 and 2025. The absence of meaningful earnings growth reinforces the broader picture of a labor market that lacks strong worker demand. Real hourly earnings growth has begun to pick up in the first two months of this year, but it is hard to disentangle the impact of the increased minimum wage from a more fundamental improvement in labor market conditions.

While overall labor market activity remains largely stable, a sectoral breakdown reveals greater nuance. Several industries have continued to expand over the past year. The construction sector has recorded the strongest year-over-year payroll growth across all counties, ranging from more than 2% on Oahu to nearly 6% in Maui County. Labor demand in this sector is expected to remain strong, supported by a high level of government contracts, ongoing rebuilding efforts on Maui, and investment in infrastructure and residential repairs following the series of Kona Low storms earlier this year. The healthcare and social assistance industry has also seen moderate growth over the same time period.

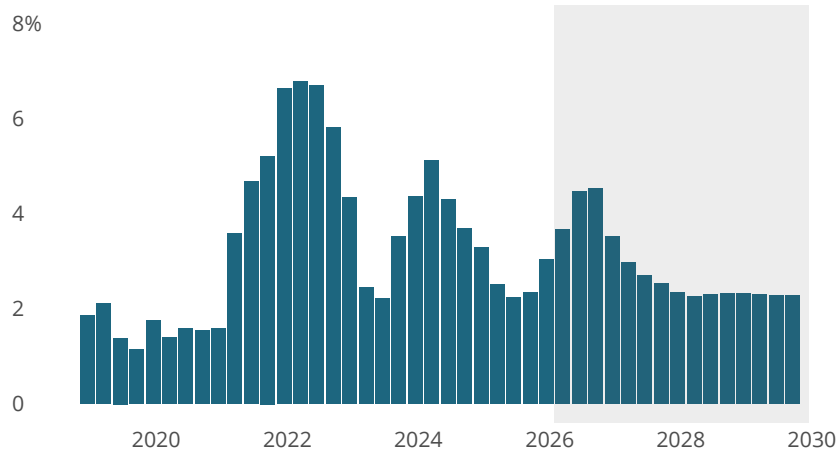
Other industries have posted notable declines over the past year. Federal government employment, in particular, has fallen sharply across all counties, with year-over-year declines ranging from 8% on Oahu to 17% on Kauai. While this sector accounts for less than 2% of nonfarm employment on the Neighbor Islands, the statewide decline totals more than 3,000 jobs over the past year. Beyond the federal government, the transportation and utilities sector has also experienced moderate payroll declines in Hawaii and Maui counties.

**Oil-driven  
inflation is hitting  
households from  
two sides**

The sharp jump in global crude oil prices is resulting in higher prices for both gasoline and electricity in Hawaii. At the time we are writing, the statewide average price of a gallon of regular-grade gas stood at \$5.66, more than a dollar higher than a year ago, according to AAA. The higher transportation fuel prices pose a particularly heavy burden for lower-income families, where this represents a bigger part of their budgets.

**HONOLULU INFLATION RATE FORECAST, YEAR-OVER-YEAR CHANGE**

Surging oil prices will lift local inflation by more than a percentage point this year.



Hawaiian Electric has informed customers that residential bills will rise 20–30%, with the pass-through reaching Oahu in April, Hawaii Island in May, and Maui County in June. On Kauai, the customer-owned KIUC co-op raised rates 13% in April, a smaller increase that reflects its higher share of fixed-price renewable generation. These electricity increases are not discretionary rate hikes but rather automatic monthly pass-throughs of fuel costs under each utility’s PUC-approved cost-recovery mechanism. Including the increase in gas prices, the combined cost increase for the typical Hawaii household is on the order of \$100 per month—somewhat more in the HECO-served Neighbor Islands, where baseline electricity bills are already higher than on Oahu, and somewhat less on Kauai, where the April rate rise was more modest.

The March CPI reading for Honolulu, the only inflation indicator for Hawaii, shows that consumer prices have risen 3.7% over the past 12 months, running above the 3.3% national rate. The energy component of the Honolulu CPI increased by 3.3% over the year, reversing the steady decline in energy prices we saw throughout most of 2025. As higher energy prices feed through into utility bills, we will begin to see a substantial impact on overall inflation.

**State Legislature reaches deal to preserve household tax relief**

Large federal funding cuts and policy changes in 2025 created a large State revenue gap, with further shortfalls expected in 2026 and beyond. To restore State revenue, lawmakers considered a partial rollback of the remaining annual income tax cuts scheduled for 2027–2031.

The Legislature passed SB 3125 on May 8, sending the bill to the Governor. The scheduled cuts are preserved for joint filers under \$350,000, heads of household under \$262,500, and single filers under \$175,000. Bracket cuts are paused above those thresholds. A new top bracket applies to joint filers with incomes above \$1 million, heads of household above \$750,000, and single filers above \$500,000. Seven commercial tax credits will also be phased out, projected to retain almost a billion dollars.

Alongside the tax debate, pressure is building on the State’s \$1.5 billion Emergency Budget Reserve Fund. The Governor floated the possibility of a drawdown in December to help close the budget, and the March Kona Low storms prompted renewed discussion of using this rainy-day fund or the Major Disaster Fund to finance recovery costs ahead of FEMA reimbursement. No specific drawdown has been authorized, but the convergence of federal cuts, disaster response, and softer State revenue narrows the fund’s buffer against further shocks.

**Maui wildfire settlement will finally reach pockets**

The \$4 billion global settlement for the Maui wildfires was finalized in April, following the Hawaii Supreme Court’s February ruling blocking insurer intervention. Payment will come from seven defendants—Hawaiian Electric Industries (\$1.99 billion), Kamehameha Schools (\$872.5 million), the State of Hawaii (~\$800 million), Maui County (\$10 million), and smaller contributions. HEI paid the first of four approximately \$479 million installments in early 2026; other defendants’ specific payment schedules have not been publicly announced but could follow a similar installment pattern.

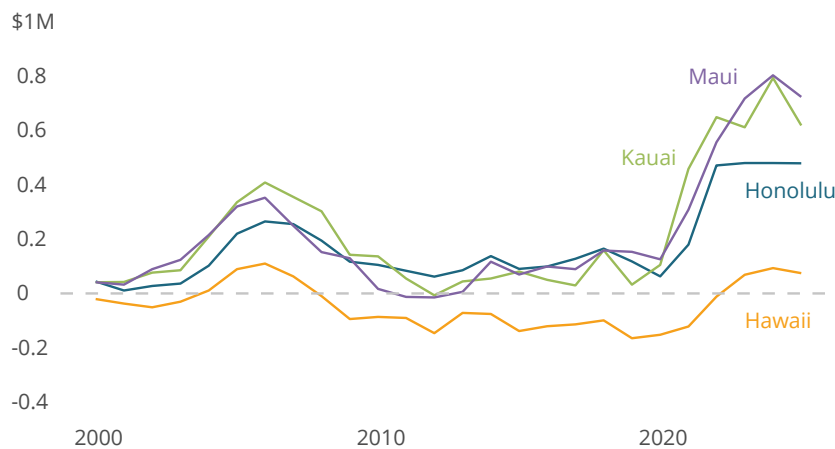
In official economic statistics, the bulk of the \$4 billion is counted as household transfer income when the settlement becomes legally binding, not when the money actually arrives, producing a one-time spike in measured Hawaii personal income, concentrated in Maui County. Actual cash to households will be spread over time and will be reduced by roughly \$1 billion in attorney fees and about \$200 million in insurer liens front-loaded in 2026. But these flows compensate for prior losses and should not be read as welfare gains. The same caveat applies to interpreting the impact on measures of aggregate growth. Below we describe how we are treating the payouts in our forecast.

**Housing affordability is historically poor**

The housing market remains soft, with limited activity in both the single-family and condominium markets. Even after a war-related spike, mortgage rates remain in the low 6% range, well below their mid-2025 levels. But lower borrowing costs have not yet translated into stronger home price growth. The median single-family home price statewide has remained essentially flat, holding at just over \$1 million for seven consecutive months.

Despite slow price growth, the typical single-family house still costs far more than what the median household can reasonably afford. We define an “affordable” home as one where a household spends no more than 30% of its gross income on mortgage payments, assuming a 20% down payment and current mortgage rates. The gap between the median single-family home price and this affordable price provides a useful measure of housing affordability.

**DIFFERENCE BETWEEN MEDIAN SINGLE-FAMILY HOME PRICE AND AFFORDABLE PRICE**  
Single-family home prices are substantially higher than what the median household can afford.



That affordability gap widened dramatically after 2021 as higher interest rates reduced purchasing power and income growth stalled. It reached its highest point in 2024 and has narrowed only slightly as mortgage rates have eased and income growth resumed. Even with this recent improvement, affordability remains much worse than historical norms, and a bit worse than we saw in the mid-2000s. In 2025, the gap between what the median household could afford and the median single-family home price ranged from about \$75,000 on Hawaii Island to more than \$700,000 in Maui County, with Honolulu and Kauai also facing substantial affordability shortfalls.

Condominium prices have continued to soften, falling 6% from their mid-2024 peak. At the same time, recent increases in property insurance costs have offset some of these affordability gains. Since the 2023 Maui wildfires, homeowner insurance premiums in Hawaii have risen by 13%, outpacing the national average.

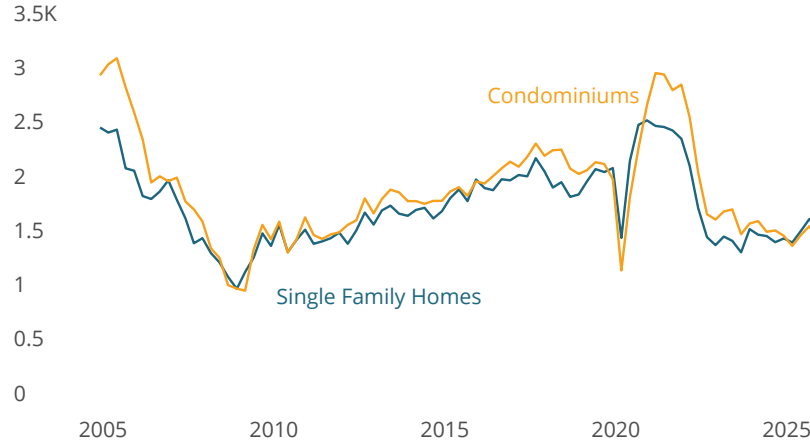
Residents may face another round of premium increases following the series of Kona Low storms that struck Hawaii in March. These storms caused severe wind and flood damage, with projected losses exceeding \$1 billion according to state and insurance industry estimates. They also temporarily displaced many residents from their homes, which may place additional pressure on the rental market.

The recent storms have also drawn attention to an upcoming federal policy change. Updated FEMA flood maps will expand Special Flood Hazard Areas on Oahu. Properties with federally-backed mortgages located within these zones will be required to carry flood insurance, which averages roughly \$800 annually, varying with estimated flood risk. For newly designated properties, this may increase ongoing ownership costs, tighten lending conditions, and complicate development approvals. These changes could weigh on both housing supply and demand, slowing price and inventory growth in affected areas.

The combination of persistent relatively-high interest rates, natural disasters, and high home prices has contributed to limited resale activity in the single-family market. While resales have risen modestly, activity remains relatively low by historical standards. Median days on market are 27% higher than a year ago. Resale activity is even slower in the condominium market.

**NUMBER OF QUARTERLY HOME REALES IN HAWAII**

Home resales are well below their pandemic peak.



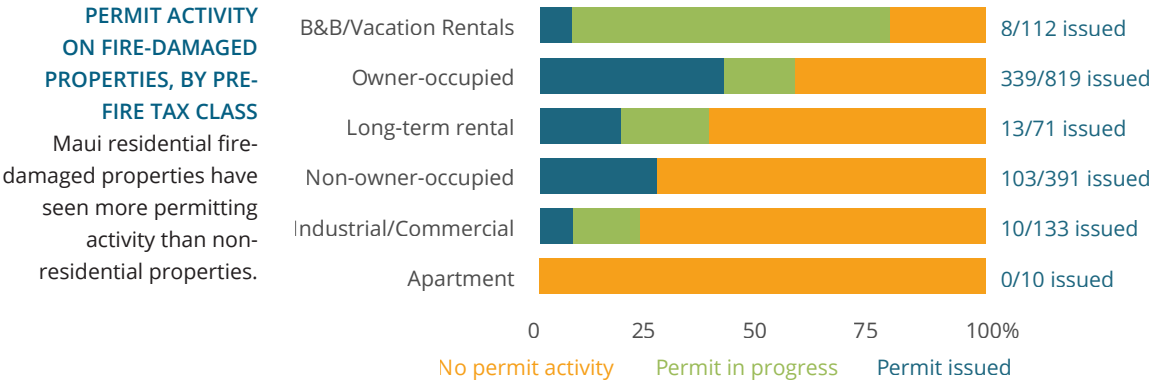
Another disaster will create new rebuilding challenges

A federal Major Disaster Declaration for the two March Kona Low storms was approved on April 15, covering Honolulu, Hawaii, and Maui counties. Damage estimates range from the Governor’s initial figure of approximately \$1 billion to insurance industry numbers that see this as a bottom end for insured costs alone, implying that total damage may be much higher. Approximately 19,000 properties were damaged, concentrated on Oahu, with significant infrastructure losses including \$245 million at state airports and the indefinite closure of Kula Hospital on Maui. FEMA will reimburse 75% of eligible public costs, as well as providing private assistance. Small business loans may also be available. However, some disbursements can take a year or more. Rebuilding activity will add to construction employment and government spending through the remainder of the year, but, as in other natural disasters, this reflects replacement of destroyed capital rather than net welfare gains.

Construction activity in Maui County remains elevated as wildfire recovery continues. To date, 634 permits have been issued to rebuild permanent structures on 473 fire-affected parcels, with more progress for single-family residences than commercial or multi-family properties. The largest volume of permit activity is taking place for owner-occupied properties and for the small number of vacation rentals and bed-and-breakfasts. In contrast, non-owner-occupied residential properties lag behind, with only a quarter of buildings showing ongoing permit activity.

Non-residential rebuilding continues to trail, with only very few permits issued for commercial and industrial properties. This slower pace likely reflects the greater complexity of rebuilding business and industrial sites, particularly in Lahaina’s historic commercial core, where shoreline regulations, historic district requirements, floodplain standards, and special management area rules add permitting challenges. As property owners gain access to wildfire settlement, insurance, and other recovery funds, and permitting pathways become clearer, commercial and industrial rebuilding should pick up, supporting the return of local businesses and economic activity to Lahaina.

On Oahu, demolition of the old Aloha Stadium began in March, marking the start of the New Aloha Stadium Entertainment District (NASED), a \$4



billion public-private partnership. The new stadium is scheduled to open in early 2029, with the full development unfolding over 20 years to eventually include 4,100 housing units, hotel towers, and retail spaces. Phase One alone is estimated to generate over \$2 billion in spending and 12,000 temporary construction jobs.

Honolulu County is also working to expand housing supply through incentives for smaller-scale development. Chapter 32 of the Revised Ordinances of Honolulu, informally known as Bill 7, was enacted in 2019 and targets the housing gap for residents with incomes too high to qualify for federal assistance but who cannot otherwise afford market-rate housing. The program allows increased height and density, parking exemptions, and expedited permitting in exchange for meeting affordability requirements. So far, about 2,000 units have been proposed across 65 projects, with the program producing roughly 200 units so far. While the program has the potential to produce a considerable number of units, the gap between proposed and completed projects highlights ongoing challenges in translating proposals into built units.

Beyond affordable housing incentives, Bill 6, approved in April 2026, amends development standards for Honolulu's apartment and apartment mixed-use zoning districts. The ordinance reduces minimum lot size requirements, standardizes lot dimensions, and nearly doubles allowable residential density. UHERO estimates suggest that these changes increase potential housing units in apartment and apartment mixed-use districts by roughly 90%.

These changes address a fundamental mismatch between current zoning regulations and Honolulu's existing development patterns. By simplifying standards and increasing allowable density, the bill makes it cheaper to build each housing unit, allowing moderate-scale development projects on small urban parcels to become financially feasible. The bill also creates opportunities for small and mid-sized local property owners rather than limiting development to large land assemblies.

# THE HAWAII OUTLOOK

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The oil price spike caused by the war on Iran will have notable adverse effects on the Hawaii economy, even if the extent of those effects is difficult to assess. Inflation will be higher this year, and economic activity will be a bit lower than would otherwise have been the case, primarily because of some adverse effect on tourism. At the same time, the economy had strengthened going into this year, so that the net effect of these contrary forces will likely prevent an outright decline in economic activity here.

The “likely” is key: at this point it is impossible to know when hostilities will end, how long it will take for global oil supplies to approach normal, and what that will imply for the trajectory of oil prices. Under a more pessimistic scenario, a larger and longer-lasting oil price rise would mean more persistent inflationary effects, longer adverse effects on jet fuel availability and tourism, and a greater impact on local economic growth.

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## Oil prices mean a less favorable external economic environment

Prospects for the performance of the external economy that affects Hawaii have worsened since the time of our last report. For the US, the anticipated lift to growth from federal tax cuts will be more than offset by the adverse effects of higher oil prices. Consumer spending growth has also slowed at the start of the year. Together, these will reduce 2026 US economic growth to just 1.7%, down four-tenths of a percent from our first-quarter forecast. Growth would be slower still if not for robust AI investment. That investment, together with some bounce back from the oil shock, will drive a return to healthy growth of 2.4% by 2028. Further out, a slower growing and aging labor force will act as a constraint on growth.

The direct and indirect effects of higher energy costs will boost US consumer price inflation to 4% for this year as a whole. Together with already-accelerating inflation pre-war, the Fed’s scope for interest rate cuts will be more limited than expected, although a new Fed Chair makes this uncertain.

Higher oil prices have the potential to raise US growth over the medium-term, through increases in oil patch investment. That could help to strengthen the economy as we move into 2028 and beyond.

Growth and inflation prospects over the next several years will be poorer for other major economies that are important visitor markets. Japan and many other Asian economies are heavily dependent on oil imports from the Middle East and so will face significant inflation and growth risks, even as they benefit from strong semiconductor sales to fuel AI investments. The US-led trade war and policy uncertainty will continue to weigh on global economic conditions.

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## Tourism resilience means healthy 2026 numbers before 2027 dip

Despite the Kona Low storms and the data issues we described above, the visitor industry entered 2026 with strong year-over-year US market growth and an even stronger increase in Japan arrivals. As the effects of high oil prices kick in, visitor numbers will weaken as this year progresses.

Arrivals from all markets will grow by about 2% this year, a significant markup over our previous forecast due to the year’s strong start. US visitors will drive this growth, rising 2.7%. The number of Japanese visitors will increase by 1%

for the year, and visitors from other markets will contract by less than 1%. The average daily census, which takes into account visitors' length of stay, will post 1.7% growth for 2026 overall, after declining for the past two years.

As the effects of oil prices on airfares, other costs, and macroeconomic conditions are felt, visitor arrivals will fall over the course of the year. By the first quarter of next year, arrivals will be more than 3% below their level at the beginning of 2026, with weakness in all markets. Recovery will have begun by then, but growth on an annual basis will remain weak until 2028. And international markets will take even longer to recover from their marked post-election drop, so that the visitor census will remain below its mid-2022 post-pandemic peak until late in the decade.

While returning to recovery in 2025, the number of Japanese visitors to Hawaii remains far below the pre-pandemic level. We anticipate that growth will accelerate by 2028 but that Japanese visitor presence in the Islands will remain below the high levels seen in the past. This reflects our view that part of the falloff reflects the structural challenges of an aging and declining Japanese population and evolving traveler preferences. At least in the near term, an additional headwind will continue to be the loss we have seen in the purchasing power of the yen, which has never been lower. The yen today has just 60% of the dollar purchasing power that it had in January 2020.

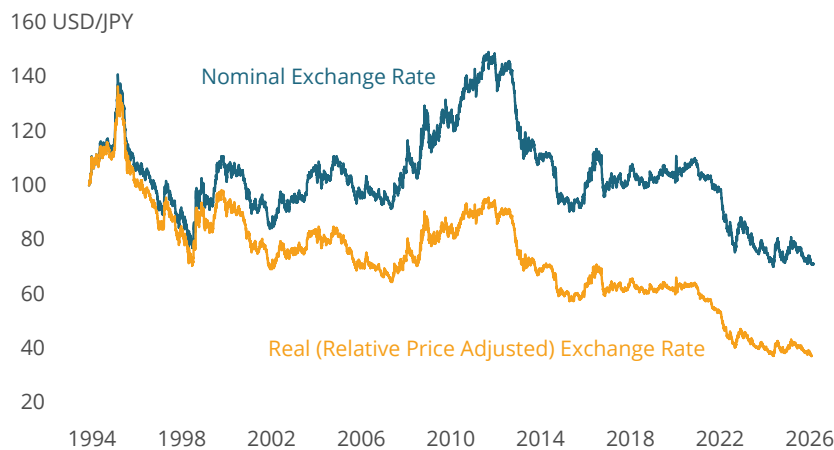
International markets other than Japan will also take time to recover from losses related at least in part to the deterioration of foreign attitudes toward the US. We think these markets will take a considerable time to recover.

Uncertainty about the prospects for the ongoing Iran war, oil prices, and therefore the likely path of the Hawaii economy is acute. Our baseline forecast may be viewed as relatively optimistic, and a much poorer outcome is possible. We discuss an alternative pessimistic scenario and its implication for the Hawaii outlook in the box, "Sky-high oil prices would make a Hawaii downturn inevitable."

Durable US macroeconomic strength has buttressed a healthy US visitor market over the past several years. After the coming oil-price-related lull, we expect relatively good performance for our largest market through the end of the decade. Over the longer run, we continue to believe that the scope for further US market gains is modest, in part because of slower trend US growth and competition from international market recoveries as they occur.

**DOLLAR VALUE OF THE YEN IN NOMINAL AND REAL TERMS (INDEX, JANUARY 4, 1994 = 100)**

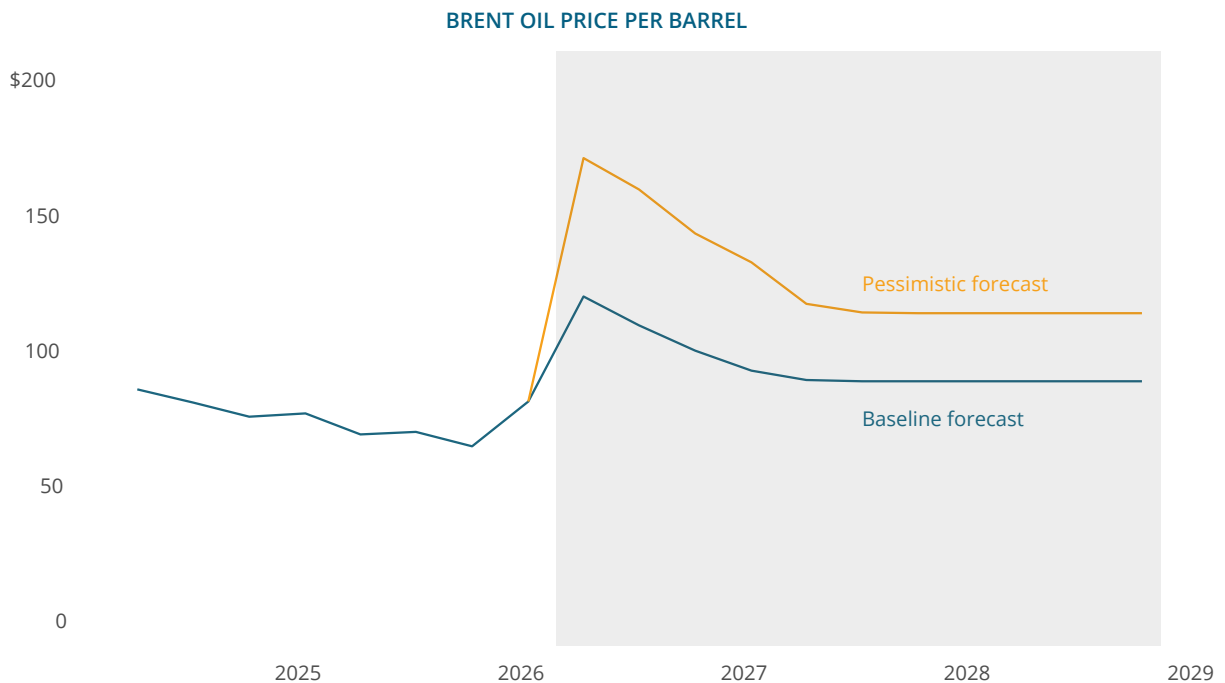
The yen's purchasing power in the US has never been weaker.



## Scenario: Sky-high oil prices would make a Hawaii downturn inevitable

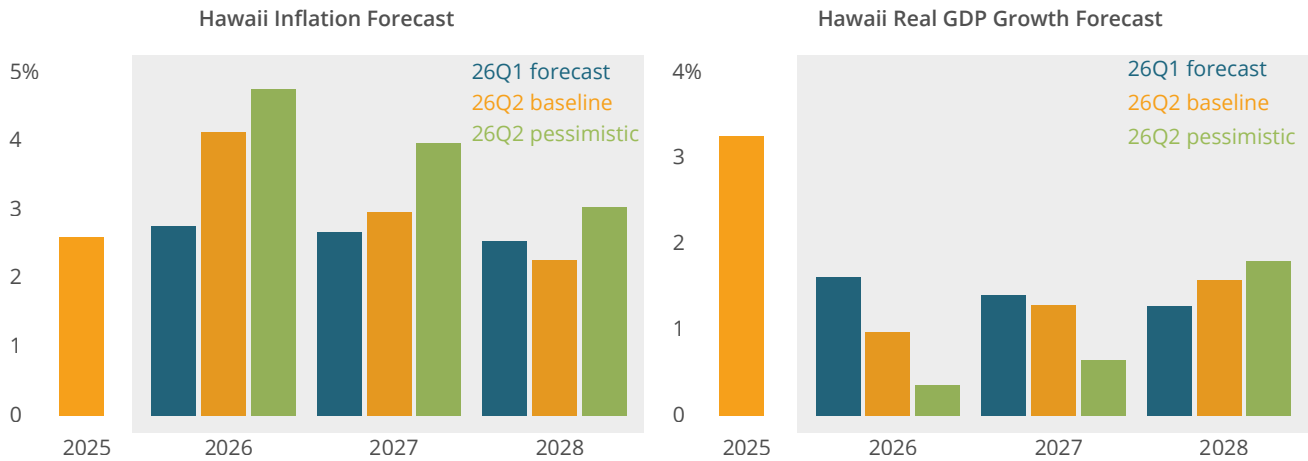
The US and Israeli war on Iran has led to the biggest disruption in global oil flows in a half-century and a pronounced rise in oil prices. At this point, prospects for resolution of the conflict, reopening of the Strait of Hormuz, and the extent of damage to the region's energy infrastructure remain largely unknown. There will also be significant but uncertain delays in returning oil flows to pre-war levels once a resolution to the conflict occurs. As a result, we think it is important to consider possible scenarios when undertaking economic planning.

Oil prices and availability affect the economy through several channels. The most immediate impact has been on consumer prices through the price of gasoline. But oil price increases are also affecting the cost of production for many industries, both through oil-using inputs and the cost of energy needed for operations. These effects will take longer to show up in costs of final goods and services. Higher energy prices for consumers will act as a tax restraining spending on other activities, while higher production costs will adversely affect aggregate supply. Then there are disruptions to particular markets. For Hawaii the most important of these is the shortage of jet fuel, which is already feeding through into higher airfares and could worsen over the summer.



Here we lay out our baseline assumption for oil prices and the Hawaii economy, as well as a pessimistic alternative projection. Because we think our baseline leans toward the optimistic side, we do not present an optimistic alternative. Our baseline forecast sees the spot oil price peaking in the current quarter at about \$119 per barrel (bbl), near its current level, and then receding to \$88/bbl by the second quarter of next year. Our pessimistic scenario sees oil averaging \$170/bbl in the current quarter and \$138/bbl for 2026 overall. This much higher oil price path is considered less likely than the baseline and might occur if the depletion of oil reserves further reduces oil supply and the conflict continues well into the summer.

The implications for Hawaii of the baseline and pessimistic oil price scenarios are stark. Here we show a comparison of inflation and growth rate paths for (a) our previous first quarter forecasts, (b) our new baseline forecast, and (c) our pessimistic alternative forecast path.



Our new baseline forecast sees Honolulu inflation spiking at 4.8% mid-year and averaging 4.1% for 2026 overall. This is fully 1.4 percentage points higher than in our first-quarter forecast. In the pessimistic case, higher oil prices cause annual inflation to rise to 4.8% for the year overall, and it takes considerably longer to decline to a moderate level. Hawaii real gross domestic product posts only 1% growth this year in our current baseline, compared with 1.6% in last quarter’s forecast. In the pessimistic oil price scenario, real GDP would average only 0.4% this year, consistent with several quarters of economic contraction in the Islands.

The significant adverse impacts on Hawaii of the war-related energy price increases incorporates our view both of the higher oil price path and a recognition that disturbances to travel may be large because of the effect on airfares and potential jet fuel supply constraints.

Over the medium-term, higher oil prices may spur investment in US oil production capacity. While that will not affect Hawaii directly, we may benefit if it helps to boost mainland growth and household finances. But that is down the road. The near-term costs of the oil price surge remain our primary—if uncertain—concern.

After growing at a moderately rapid clip last year, visitor spending will slow and then dip by 2027. In general, inflation-adjusted visitor spending will grow more slowly than average daily visitor census in coming years, mirroring its long-run underperformance.

There are some differences in the visitor industry forecast across the four counties. After two years of weak US market performance, Hawaii County will see gains in 2026, reinforced by an uptick in the number of Japanese visitors. Visitor numbers in Honolulu County will come in slightly lower, dragged down by another year of US market weakness. The industry will stabilize next year and benefit from firming of the Japanese market thereafter. Kauai raised its US market share last year and that will carry over into a strong 2026 showing, in visitor numbers if not length of stay. Maui will see by far the strongest 2026 growth as its recovery from the post wildfire decline continues. All counties will see weakness developing as the year progresses and will post negative or very small positive tourism growth for 2027 as a whole.

## Construction strength continues to bolster the Hawaii economy

The Hawaii construction industry has been a substantial contributor to growth in recent years. This has been supported by an exceptionally high volume of federal and locally-funded public sector projects, as well as ongoing private residential and nonresidential building. Maui rebuilding has added to the mix.

Overall construction sector activity will remain at a high level for the next several years. While 2026 will be the last year of net job growth, construction payrolls will remain above their 2025 level for the remainder of the decade. The surge in public sector building that has been driven by very large federal contracts will reach a peak within the next couple of years, but private residential and non-residential building will show net growth through the end of the decade. The construction job base will begin to decline over the next few years, but the pace of that decline will be very gradual, because of the large number of projects still in the pipeline. Even in 2030, construction employment will exceed the peak of past building cycles.

High rates of cost inflation will continue to be a challenge for the industry, in part because of the ongoing feed-through of tariffs and now the surge in energy costs. Limits to available labor will also be a problem. Demand for homes will only gradually recover, as 30-year fixed rate mortgage rates remain at or above 6% throughout the forecast period. This is of course considerably higher than the bargain rates seen before and during the pandemic.

Similar to total real building authorizations, the real contracting tax base—a broad measure of industry activity—will slow and approach a peak just below \$16 billion in 2030. Overall sector activity will slow gradually, and construction will continue to play an outsized role in the Islands for some time to come.

### HAWAII CONSTRUCTION JOBS

The falloff in construction will be more gradual than past cycles.



## Oil prices will add to inflation burden

As we noted above, the sharp increase in oil prices has already caused a marked rise in US inflation. This will soon be true in Hawaii, as well. Combined with ongoing feedthrough of tariffs and the cost pressures from deportations, there is now considerable inflationary pressure in the pipeline.

In Hawaii, inflation has been roughly in line with the US overall, with Honolulu averaging 2.6% for 2025, compared with 2.7% for the country overall. Consumer prices had begun to heat up at the start of the year, and in the US case spiked in March following the oil price shock. Local inflation also jumped in March, rising to 3.7% year-over-year, driven not by energy prices, but rather by a jump in shelter costs, likely from higher insurance premiums. The oil price shock to the Honolulu CPI remains in the works.

In our first-quarter report, we noted that the imposition of large tariffs had raised our forecast of 2025 inflation to just below 3%. The oil price shock will increase Honolulu consumer price inflation by a further one percentage point above what would otherwise have been the case. Honolulu inflation will average just over 4% this year, easing to 3% in 2027. Local inflation will then fall a bit below its long-run 2.5% path for several years because of relatively weak demand.

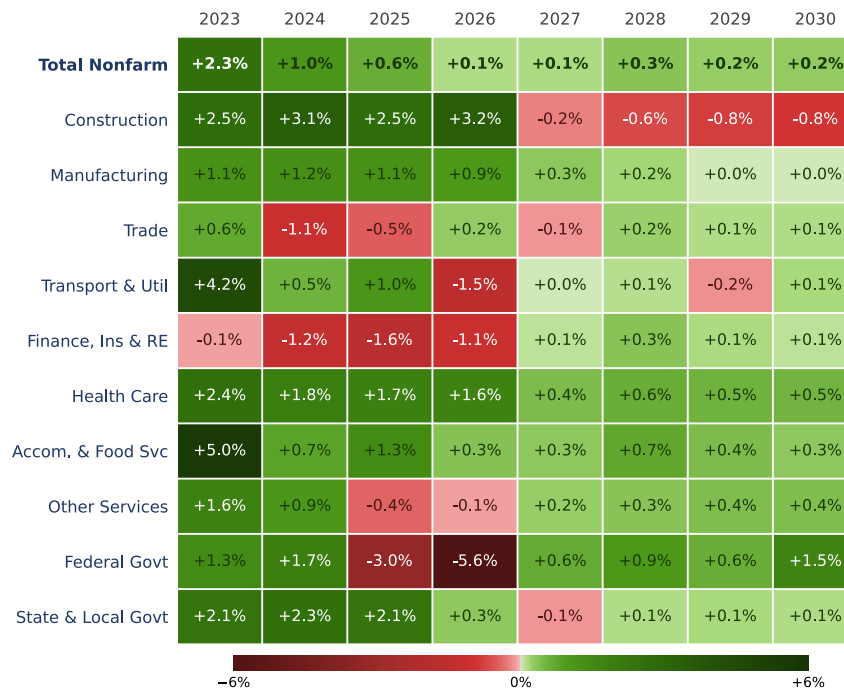
**Labor market growth will be marginal**

The adverse impact of higher oil prices on consumer demand and production costs will lead to a slightly slower pace of Hawaii aggregate job growth than we had forecast in the first quarter. The markdown from 0.2% to 0.1% would have been a couple tenths-of-a-percent larger but for pre-war data that was coming in a bit more strongly than we had anticipated, primarily in the form of more construction and healthcare jobs.

As we noted above, the visitor industry will post arrivals gains for this year as a whole, because the year has started off in solid fashion. But shorter length of stay means that the all-important average daily visitor census will rise by a smaller amount. Still, total visitor spending will post a small gain this year, providing some growth offset to the adverse oil price effects on employment. As the year develops, this support will largely dissipate, leading to a decline in real spending for 2027.

The majority of sectors that will bear the brunt of the oil price surge are those linked to tourism. These include accommodations and food services, whose job base will expand by just 0.3% this year and next, and

**PERCENT CHANGE IN PAYROLL JOBS**  
Pricey energy will cause tourism to slow, as the drag from federal layoffs comes to an end.



transportation & utilities, which will contract by about 1.5% this year. (But we note that much of the latter weakness is based on developments over the past half-year). Job growth in the trade sector will weaken by 2027.

Hawaii’s federal government job losses have been larger than anticipated early on, plummeting by about 3,250 jobs over the course of last year. While they appear to have stabilized, we will nevertheless see a large year-over-year loss for 2026. There have been (so far) no significant losses of state and local government jobs.

Health care is expected to continue its above-trend growth for another year, before slowing toward a roughly half-percent trend. Finance, insurance and real estate jobs will continue their downward trend before stabilizing next year. Construction payroll growth will lead all sectors for one more year before the job base begins a very gradual pullback.

Hawaii’s unemployment rate is now very low, 2.3% in February. In part this reflects structural differences such as lower labor turnover and incentives for outmigration in a high-cost, low-growth state. These factors, together with low labor force growth, will keep unemployment near this level over the forecast horizon.

As always, there are some differences in labor market performance across counties. Honolulu and Kauai will see job growth this year near the statewide average of 0.1%. Maui growth will be quite a bit stronger, supported in part by rebuilding activity, as well as recent gains in state and local government employment. Hawaii county will post a net job decline for 2026 overall, but this reflects in part losses in tourism-related sectors and several others that occurred late last year and therefore represent a low starting point for this year’s forecasts.

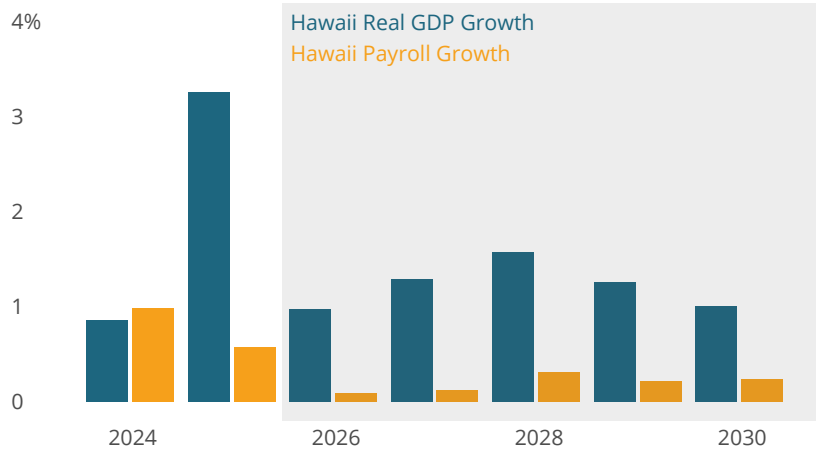
**A poorer aggregate growth forecast**

The oil shock induced macroeconomic softening will also be reflected in weaker income growth. Federal income tax cuts and especially business tax incentives will offset some of this weakness, although cuts to federally funded support programs will hurt lower-income families.

The weaker payroll jobs forecast is reflected in sector-level income forecasts. To some extent, industry labor income performance mirrors that of payroll

**HAWAII REAL GDP AND PAYROLL JOB GROWTH**

The oil shock will cause a pullback in GDP growth, as job gains converge to a low trend rate.



jobs. But there are also idiosyncratic differences in recent developments that shape these forecasts. Sectors that will impose the most drag on labor income this year include transportation and utilities, and both federal and state and local government. Accommodations and food service income growth will be about a percentage point weaker than in our first quarter forecast. The biggest offsetting positive contributions will come from construction and health care. Overall, real labor income will be essentially flat this year as a surprise jump in consumer prices outstrips largely baked-in wage gains.

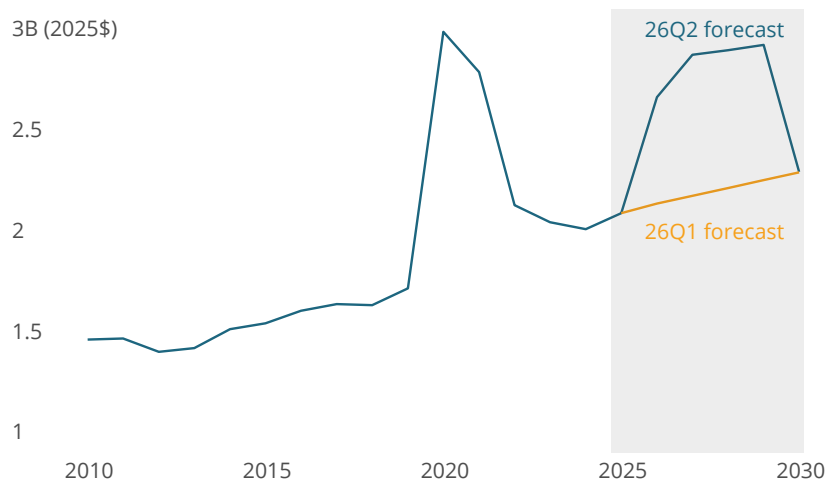
**Wildfire compensation will lift forecast income numbers**

Statewide real income will be stronger than labor income. The primary cause is the beginning of payouts to Maui residents from the global settlement for the Maui wildfire described above. As we noted, the bulk of the \$4 billion is counted as household transfer income in government statistics when the settlement becomes legally binding, not when the money actually arrives, producing one or more spikes in measured Hawaii personal income, concentrated in Maui County. Because actual cash to households net of attorneys' fees and insurance liens will be spread over time, in our forecast we spread out the estimated total payments over the next four years. We estimate cash reaching households of about \$0.55 billion in 2026 and roughly \$0.75 billion annually in 2027 through 2029, for a cumulative \$2.8 billion.

In our model, this raises total transfer income on Maui by more than a quarter of the 2025 level. That drives a roughly 5% jump in total real income for the county. Real income growth in the other counties will be in the 0.3-0.5% range. The Maui payouts will continue for the next several years, maintaining the county's income at an unusually high level through much of the remainder of the decade.

It is important to note that while the income spikes from wildfire settlement payouts will generate additional consumption, construction and employment, they do not represent a net gain in welfare to the extent that they are simply replacing lost housing and commercial structures and reimbursing for other losses suffered by affected families. This problem of insurance outlays and other payments leading to spikes in measured income is common to all recoveries from natural disasters.

**TRANSFER PAYMENTS TO MAUI RESIDENTS**  
Wildfire compensation will cause a bump in Maui transfers on par with pandemic-era relief.



Overall, real income will rise 1% this year, down from about 2% in 2025. Again this would be weaker without the Maui wildfire compensation payouts. Beyond 2026, we see a return to a restrained growth path for Hawaii, with real labor income growth averaging 0.8% over the 2027-2030 period. As we noted last time, this is about as good as we can expect in Hawaii's slow-growth economy.

Real gross domestic product, our broadest measure of economic activity, will slow to 1% this year after a strong 3%-plus showing last year. Real GDP growth will rebound to 1.6% by 2028 before settling near 1% in the out years. As we discuss in the box above, uncertainty about future oil prices makes much poorer growth performance possible. If oil prices represent a downside rise, the adoption of AI might raise trend growth a bit over time.

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### And the hits they just keep coming

Just when we hoped things were stabilizing, the war on Iran has upended the US and global economy. Higher oil prices will directly raise inflation and indirectly constrain supply through cost increases and supply chain disruptions. Higher prices and the weaker external environment will be felt in Hawaii, with the vital visitor industry potentially most exposed. And all of this on top of a series of truly disastrous spring floods. As a result, we have pulled up our local inflation forecast and pulled down the near-term Hawaii economic growth projections.

We are lucky that we headed into this crisis in reasonably good shape. US consumers have continued to spend, propelled by high-income households with booming stock market wealth. As consumption has eased over the past half-year or so, AI-driven investment has acted as an offsetting support. The labor market remains sound, with job slowing reflecting a flat labor supply rather than a marked falloff in demand. So we have (a little) momentum on our side.

But it is important to note that we are now experiencing just the most recent of three major supply-side shocks. The first was the application of the biggest tariffs in a century. The second has been ramped-up deportations and closed borders. And now the most severe disruption to oil supplies in at least fifty years. Together, these represent a substantial cost for consumers and businesses. And supply shocks pose a notorious policy predicament: Does the central bank stimulate the economy to prevent a recession or instead raise interest rates to prevent the new inflation from getting baked-in to the economy for years to come. Already, we saw that tension at play at the most recent Fed policy-setting meeting.

Each of these supply shocks has also brought with it increased uncertainty. Many tariffs that were on are now off, but many will be back under different authority. Because they are in part negotiating hammers, we do not know when they might be lifted on some countries or products. Deportations have not occurred as rapidly as some expected, but that may change, and the impact on legal immigration is uncertain. And who knows how long before conflict conditions will change enough to restore oil flows. Uncertainty is anathema to businesses considering investment. As a result, investment outside of AI has been effectively stalled.

Because of the high uncertainty around our most recent supply shock, we think a scenario analysis may be the best way forward for planners. We have included in this report both a baseline oil price path and a more pessimistic

alternative. The latter of course would mean more inflation in Hawaii and a poorer near-term growth path. As more clarity emerges, we will of course be updating our forecasts accordingly.

These near-term challenges do not change factors that will affect Hawaii's longer-term growth path. As in previous forecasts, that path is characterized by trend growth that is much slower than we have seen in the past. Hawaii's population is aging and its growth is slowing. This will mean slow or no increases in the labor force that underpins growth, posing challenges for businesses needing labor and for governments that rely on revenue growth to meet social and infrastructure needs. At the same time, AI adoption will eventually increase productivity and buoy growth, although estimates vary widely. This has the potential to support growth in per person income even as total growth ebbs. That would be a welcome development in a state that has lagged behind in maintaining a satisfactory standard of living.

**TABLE 1: MAJOR ECONOMIC INDICATORS**

## STATE OF HAWAII FORECAST

	2024	2025	2026	2027	2028
<b>MAJOR INDICATORS</b>					
Nonfarm Payrolls (Thou)	638.5	642.1	<b>642.7</b>	643.5	645.5
% Change	1.0	0.6	<b>0.1</b>	0.1	0.3
Unemployment Rate (%)	2.8	2.3	<b>2.4</b>	2.5	2.5
Population (Thou)	1,434.4	1,432.3	<b>1,431.3</b>	1,429.9	1,428.3
% Change	0.0	-0.1	<b>-0.1</b>	-0.1	-0.1
Nominal Personal Income (Mil \$)	102,703.8	107,611.1	<b>113,174.6</b>	118,336.7	122,756.9
% Change	5.9	4.8	<b>5.2</b>	4.6	3.7
Inflation Rate, Honolulu MSA (%)	4.4	2.6	<b>4.1</b>	3.0	2.3
Real GDP (Mil 2025\$)	120,679.1	124,607.8	<b>125,813.7</b>	127,433.5	129,438.2
% Change	0.9	3.3	<b>1.0</b>	1.3	1.6
Real Personal Income (Mil 2025\$)	105,366.4	107,611.1	<b>108,689.9</b>	110,381.1	111,964.9
% Change	1.5	2.1	<b>1.0</b>	1.6	1.4
Real Per Capita Income (Thou 2025\$)	73.5	75.1	<b>75.9</b>	77.2	78.4
% Change	1.5	2.3	<b>1.1</b>	1.7	1.6
<b>TOURISM SECTOR DETAIL</b>					
Total Visitor Arrivals by Air (Thou)	9,709.1	9,649.1	<b>9,841.5</b>	9,860.2	10,125.0
% Change	0.5	-0.6	<b>2.0</b>	0.2	2.7
U.S. Visitors	7,387.2	7,416.0	<b>7,613.4</b>	7,616.3	7,755.5
% Change	-0.5	0.4	<b>2.7</b>	0.0	1.8
Japanese Visitors	708.1	735.7	<b>743.2</b>	762.5	845.8
% Change	20.0	3.9	<b>1.0</b>	2.6	10.9
Other Visitors	1,613.9	1,497.5	<b>1,484.8</b>	1,481.4	1,523.6
% Change	-1.7	-7.2	<b>-0.8</b>	-0.2	2.9
Average Daily Census (Thou)	230.6	227.7	<b>231.5</b>	233.6	238.7
% Change	-1.8	-1.2	<b>1.7</b>	0.9	2.2
Average Daily Room Rate (\$)	363.4	366.4	<b>368.9</b>	371.1	379.9
% Change	-3.7	0.8	<b>0.7</b>	0.6	2.4
Occupancy Rate (%)	66.2	64.9	<b>64.2</b>	64.9	67.2
Real Visitor Expenditures (Mil 2025\$)	21,013.4	21,749.8	<b>21,915.4</b>	21,704.0	21,936.6
% Change	-5.1	3.5	<b>0.8</b>	-1.0	1.1

Note: Source is UHERO. Income figures for 2025 are adjusted by UHERO to reflect the timing of the payout of the Maui wildfire settlement. Occupancy rate includes UHERO's estimate of TVR occupancy. Figures for 2026-2028 are forecasts.

**TABLE 2: JOBS BY INDUSTRY**

## STATE OF HAWAII FORECAST

	2024	2025	2026	2027	2028
Nonfarm Payrolls (Thou)	638.5	642.1	<b>642.7</b>	643.5	645.5
% Change	1.0	0.6	<b>0.1</b>	0.1	0.3
Construction and Mining	39.3	40.3	<b>41.5</b>	41.5	41.2
% Change	3.1	2.5	<b>3.2</b>	-0.2	-0.6
Manufacturing	12.9	13.0	<b>13.1</b>	13.2	13.2
% Change	1.2	1.1	<b>0.9</b>	0.3	0.2
Trade	81.8	81.5	<b>81.7</b>	81.5	81.7
% Change	-1.1	-0.5	<b>0.2</b>	-0.1	0.2
Transportation and Utilities	34.6	35.0	<b>34.5</b>	34.5	34.5
% Change	0.5	1.0	<b>-1.5</b>	0.0	0.1
Finance, Insurance and Real Estate	27.4	27.0	<b>26.7</b>	26.7	26.8
% Change	-1.2	-1.6	<b>-1.1</b>	0.1	0.3
Services	316.8	318.9	<b>320.4</b>	321.2	322.8
% Change	1.1	0.7	<b>0.5</b>	0.3	0.5
Health Care and Soc. Assistance	75.5	76.8	<b>78.0</b>	78.3	78.8
% Change	1.8	1.7	<b>1.6</b>	0.4	0.6
Accommodation and Food	106.0	107.4	<b>107.8</b>	108.0	108.8
% Change	0.7	1.3	<b>0.3</b>	0.3	0.7
Other	135.2	134.7	<b>134.6</b>	134.9	135.3
% Change	0.9	-0.4	<b>-0.1</b>	0.2	0.3
Government	125.7	126.5	<b>124.8</b>	124.9	125.3
% Change	2.1	0.7	<b>-1.3</b>	0.1	0.3
Federal Government	35.7	34.6	<b>32.7</b>	32.9	33.2
% Change	1.7	-3.0	<b>-5.6</b>	0.6	0.9
State and Local Government	90.0	91.9	<b>92.2</b>	92.0	92.1
% Change	2.3	2.1	<b>0.3</b>	-0.1	0.1

Note: Source is UHERO. Figures for 2026-2028 are forecasts.

**TABLE 3: PERSONAL INCOME BY INDUSTRY**

## STATE OF HAWAII FORECAST

	2024	2025	2026	2027	2028
Real Personal Income (Mil 2025\$)	105,366.4	107,611.1	<b>108,689.9</b>	110,381.1	111,964.9
% Change	1.5	2.1	<b>1.0</b>	1.6	1.4
Labor & Proprietors' Income	72,308.8	73,968.1	<b>73,955.8</b>	74,515.0	75,212.8
% Change	1.1	2.3	<b>0.0</b>	0.8	0.9
Construction and Mining	5,595.8	5,696.2	<b>5,858.7</b>	5,863.6	5,854.1
% Change	4.5	1.8	<b>2.9</b>	0.1	-0.2
Manufacturing	1,146.3	1,193.4	<b>1,200.2</b>	1,201.3	1,207.1
% Change	-0.2	4.1	<b>0.6</b>	0.1	0.5
Trade	5,770.5	5,794.0	<b>5,817.9</b>	5,821.2	5,850.1
% Change	-1.9	0.4	<b>0.4</b>	0.1	0.5
Transportation and Utilities	4,365.4	4,378.3	<b>4,288.0</b>	4,290.1	4,299.8
% Change	0.6	0.3	<b>-2.1</b>	0.1	0.2
Finance, Insurance & Real Estate	5,383.8	5,471.4	<b>5,447.4</b>	5,471.9	5,526.9
% Change	-2.5	1.6	<b>-0.4</b>	0.5	1.0
Services	29,541.7	30,127.1	<b>30,405.5</b>	30,663.9	30,990.6
% Change	0.7	2.0	<b>0.9</b>	0.8	1.1
Health Care & Soc. Assist. (% ch.)	1.1	3.4	<b>2.4</b>	0.8	1.1
Accommodation & Food (% ch.)	-0.2	-0.1	<b>0.6</b>	0.8	1.6
Other (% ch.)	0.8	2.4	<b>0.2</b>	0.9	0.8
Government	20,059.5	20,759.8	<b>20,486.4</b>	20,750.0	21,028.4
% Change	2.9	3.5	<b>-1.3</b>	1.3	1.3
Federal, civilian (% ch.)	1.0	-2.9	<b>-3.9</b>	0.9	1.2
State & Local (% ch.)	3.3	7.1	<b>-3.0</b>	1.8	1.3
Less Social Security Taxes (-)	8,598.5	8,838.6	<b>8,835.2</b>	8,902.0	8,985.4
% Change	-1.2	2.8	<b>0.0</b>	0.8	0.9
Transfer Payments	18,543.8	19,275.5	<b>20,247.3</b>	20,768.8	21,097.8
% Change	-0.3	4.0	<b>5.0</b>	2.6	1.6
Dividends, Interest and Rent	23,112.2	23,206.1	<b>23,322.0</b>	23,999.3	24,639.8
% Change	3.2	0.4	<b>0.5</b>	2.9	2.7
Population (Thou)	1,434.4	1,432.3	<b>1,431.3</b>	1,429.9	1,428.3
% Change	0.0	-0.1	<b>-0.1</b>	-0.1	-0.1
Real Per Capita Income (Thou 2025\$)	73.5	75.1	<b>75.9</b>	77.2	78.4
% Change	1.5	2.3	<b>1.1</b>	1.7	1.6
Inflation Rate, Honolulu MSA (%)	4.4	2.6	<b>4.1</b>	3.0	2.3
Nominal Personal Income (Mil \$)	102,703.8	107,611.1	<b>113,174.6</b>	118,336.7	122,756.9
% Change	5.9	4.8	<b>5.2</b>	4.6	3.7

Note: Source is UHERO. Figures for transfer payments and total income for 2025 are adjusted by UHERO to reflect the timing of the payout for the settlement for the Maui wildfires. Figures for 2026-2028 are forecasts.

**TABLE 4: CONSTRUCTION INDICATORS**

STATE OF HAWAII FORECAST

	2024	2025	2026	2027	2028
<b>BUILDING PERMITS</b>					
Total Commitments to Build (Mil 2025\$)	9,344.6	9,007.4	<b>9,761.6</b>	9,989.9	10,192.8
% Change	11.7	-3.6	<b>8.4</b>	2.3	2.0
Private Building Permits	5,188.8	4,403.8	<b>4,198.5</b>	4,887.9	4,857.6
% Change	30.9	-15.1	<b>-4.7</b>	16.4	-0.6
Residential Building Permits	2,337.8	2,310.3	<b>2,032.1</b>	2,488.7	2,332.2
% Change	41.7	-1.2	<b>-12.0</b>	22.5	-6.3
Non-Residential Building Permits	2,850.9	2,093.5	<b>2,166.4</b>	2,399.2	2,525.4
% Change	23.2	-26.6	<b>3.5</b>	10.8	5.3
Government Contracts Awarded	4,155.8	4,603.6	<b>5,563.1</b>	5,102.0	5,335.3
% Change	-5.6	10.8	<b>20.8</b>	-8.3	4.6
<b>CONSTRUCTION ACTIVITY</b>					
Real Contracting Tax Base (Mil 2025\$)	14,525.5	14,378.3	<b>14,158.1</b>	15,181.6	15,341.3
% Change	13.8	-1.0	<b>-1.5</b>	7.2	1.1
Nominal Contracting Tax Base (Mil \$)	13,917.5	14,378.3	<b>15,145.4</b>	16,662.1	17,219.4
% Change	17.9	3.3	<b>5.3</b>	10.0	3.3
Construction and Mining Jobs (Thou)	39.3	40.3	<b>41.5</b>	41.5	41.2
% Change	3.1	2.5	<b>3.2</b>	-0.2	-0.6
Real Construction Income (Mil 2025\$)	5,595.8	5,696.2	<b>5,858.7</b>	5,863.6	5,854.1
% Change	4.5	1.8	<b>2.9</b>	0.1	-0.2
<b>PRICES AND COSTS (HONOLULU)</b>					
Median Home Price (Thou \$)	1,091.9	1,140.7	<b>1,183.6</b>	1,206.2	1,222.2
% Change	3.6	4.5	<b>3.8</b>	1.9	1.3
Median Condo Price (Thou \$)	513.7	504.9	<b>517.6</b>	525.0	534.6
% Change	1.1	-1.7	<b>2.5</b>	1.4	1.8
Honolulu Housing Affordability Index	55.2	57.5	<b>58.6</b>	60.9	63.1
% Change	2.8	4.2	<b>1.9</b>	3.9	3.7
Construction Cost Index (2025=100)	95.8	100.0	<b>107.0</b>	109.8	112.2
% Change	3.6	4.4	<b>7.0</b>	2.6	2.3
30-Year Mortgage Rate (%)	6.7	6.6	<b>6.4</b>	6.2	6.0

Note: Source is UHERO. Figures for 2026-2028 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 2024 and 2025 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

	2024	2025	2026	2027	2028
<b>MAJOR INDICATORS</b>					
Nonfarm Payrolls (Thou)	460.4	461.6	<b>461.8</b>	462.1	463.5
% Change	1.2	0.3	<b>0.1</b>	0.1	0.3
Unemployment Rate (%)	2.5	2.2	<b>2.2</b>	2.4	2.4
Population (Thou)	989.6	988.2	<b>987.2</b>	985.3	983.5
% Change	0.0	-0.1	<b>-0.1</b>	-0.2	-0.2
Nominal Personal Income (Mil \$)	74,587.7	77,986.6	<b>81,639.1</b>	85,170.7	88,337.2
% Change	6.1	4.6	<b>4.7</b>	4.3	3.7
Inflation Rate, Honolulu MSA (%)	4.4	2.6	<b>4.1</b>	3.0	2.3
Real Personal Income (Mil 2025\$)	76,523.9	77,986.6	<b>78,404.0</b>	79,446.4	80,567.7
% Change	1.7	1.9	<b>0.5</b>	1.3	1.4
Real Per Capita Income (Thou 2025\$)	77.3	78.9	<b>79.4</b>	80.6	81.9
% Change	1.7	2.1	<b>0.6</b>	1.5	1.6
<b>TOURISM SECTOR DETAIL</b>					
Total Visitor Arrivals by Air (Thou)	5,827.8	5,655.4	<b>5,631.3</b>	5,641.6	5,809.6
% Change	3.8	-3.0	<b>-0.4</b>	0.2	3.0
U.S. Visitors	4,012.3	3,888.4	<b>3,858.6</b>	3,853.4	3,911.1
% Change	2.3	-3.1	<b>-0.8</b>	-0.1	1.5
Japanese Visitors	679.3	715.3	<b>733.8</b>	751.8	834.1
% Change	18.3	5.3	<b>2.6</b>	2.5	10.9
Other Visitors	1,136.2	1,051.7	<b>1,038.9</b>	1,036.4	1,064.5
% Change	1.7	-7.4	<b>-1.2</b>	-0.2	2.7
Average Daily Census (Thou)	112.6	108.3	<b>106.9</b>	107.5	110.5
% Change	1.4	-3.9	<b>-1.3</b>	0.6	2.8
Occupancy Rate (%)	75.2	72.4	<b>69.1</b>	69.7	71.9

Note: Source is UHERO. Income figures for 2025 are UHERO estimates. Occupancy rate includes UHERO's estimate of TVR occupancy. Figures for 2026-2028 are forecasts.

**TABLE 6: JOBS BY INDUSTRY**

## HONOLULU COUNTY FORECAST

	2024	2025	2026	2027	2028
Nonfarm Payrolls (Thou)	460.4	461.6	<b>461.8</b>	462.1	463.5
% Change	1.2	0.3	<b>0.1</b>	0.1	0.3
Construction and Mining	28.3	29.3	<b>30.1</b>	30.0	29.8
% Change	3.3	3.5	<b>2.6</b>	-0.1	-0.7
Manufacturing	9.5	9.7	<b>9.9</b>	9.9	9.9
% Change	2.9	2.2	<b>1.9</b>	0.2	-0.2
Trade	55.5	55.1	<b>55.2</b>	55.1	55.3
% Change	-0.9	-0.8	<b>0.2</b>	-0.1	0.3
Transportation and Utilities	25.2	25.7	<b>25.4</b>	25.3	25.3
% Change	0.5	1.8	<b>-1.2</b>	-0.2	0.1
Finance, Insurance and Real Estate	21.0	20.6	<b>20.3</b>	20.3	20.3
% Change	-1.2	-2.1	<b>-1.4</b>	-0.1	0.2
Services	224.2	224.3	<b>225.8</b>	226.1	227.2
% Change	1.3	0.1	<b>0.6</b>	0.1	0.5
Health Care and Soc. Assistance	56.6	57.8	<b>58.7</b>	59.0	59.3
% Change	1.2	2.1	<b>1.7</b>	0.4	0.6
Accommodation and Food	64.1	64.7	<b>65.1</b>	65.0	65.4
% Change	1.7	0.9	<b>0.7</b>	-0.2	0.6
Other	103.5	101.9	<b>101.9</b>	102.1	102.5
% Change	1.1	-1.6	<b>0.0</b>	0.2	0.3
Government	96.6	96.9	<b>95.3</b>	95.4	95.6
% Change	2.1	0.3	<b>-1.7</b>	0.1	0.3
Federal Government	32.8	31.9	<b>30.2</b>	30.4	30.6
% Change	1.8	-2.7	<b>-5.3</b>	0.5	0.8
State and Local Government	63.8	65.0	<b>65.1</b>	65.0	65.0
% Change	2.3	1.9	<b>0.1</b>	-0.2	0.0

Note: Source is UHERO. Figures for 2026-2028 are forecasts.

**TABLE 7: PERSONAL INCOME BY INDUSTRY**

## HONOLULU COUNTY FORECAST

	2024	2025	2026	2027	2028
Real Personal Income (Mil 2025\$)	76,523.9	77,986.6	<b>78,404.0</b>	79,446.4	80,567.7
% Change	1.7	1.9	<b>0.5</b>	1.3	1.4
Labor & Proprietors' Income	54,482.7	55,552.6	<b>55,548.2</b>	55,976.8	56,462.0
% Change	1.3	2.0	<b>0.0</b>	0.8	0.9
Construction and Mining	4,060.6	4,175.5	<b>4,257.4</b>	4,263.4	4,252.9
% Change	4.2	2.8	<b>2.0</b>	0.1	-0.2
Manufacturing	942.4	978.6	<b>992.1</b>	998.2	1,002.1
% Change	6.5	3.8	<b>1.4</b>	0.6	0.4
Trade	3,957.2	3,972.3	<b>3,983.4</b>	3,985.8	4,004.3
% Change	-1.6	0.4	<b>0.3</b>	0.1	0.5
Transportation and Utilities	3,445.3	3,480.4	<b>3,408.5</b>	3,405.2	3,413.9
% Change	0.0	1.0	<b>-2.1</b>	-0.1	0.3
Finance, Insurance & Real Estate	4,016.3	4,057.8	<b>4,022.3</b>	4,036.2	4,072.9
% Change	-2.5	1.0	<b>-0.9</b>	0.3	0.9
Services	20,975.0	21,315.3	<b>21,498.3</b>	21,680.3	21,899.8
% Change	0.7	1.6	<b>0.9</b>	0.8	1.0
Health Care & Soc. Assist. (% ch.)	0.9	3.6	<b>2.4</b>	0.9	1.1
Accommodation & Food (% ch.)	1.7	-0.5	<b>0.5</b>	0.8	1.5
Other (% ch.)	0.3	1.2	<b>0.1</b>	0.9	0.8
Government	16,926.0	17,430.0	<b>17,242.6</b>	17,464.1	17,672.2
% Change	2.8	3.0	<b>-1.1</b>	1.3	1.2
Federal, civilian (% ch.)	0.9	-2.8	<b>-4.0</b>	0.9	1.2
State & Local (% ch.)	3.4	6.8	<b>-3.0</b>	2.0	0.9
Less Social Security Taxes (-)	6,494.7	6,634.6	<b>6,634.1</b>	6,685.2	6,743.2
% Change	-0.8	2.1	<b>0.0</b>	0.8	0.9
Transfer Payments	12,348.7	12,837.2	<b>13,132.9</b>	13,362.7	13,587.9
% Change	0.3	4.0	<b>2.3</b>	1.8	1.7
Dividends, Interest and Rent	16,246.8	16,312.8	<b>16,389.9</b>	16,855.6	17,296.7
% Change	3.0	0.4	<b>0.5</b>	2.8	2.6
Population (Thou)	989.6	988.2	<b>987.2</b>	985.3	983.5
% Change	0.0	-0.1	<b>-0.1</b>	-0.2	-0.2
Real Per Capita Income (Thou 2025\$)	77.3	78.9	<b>79.4</b>	80.6	81.9
% Change	1.7	2.1	<b>0.6</b>	1.5	1.6
Inflation Rate, Honolulu MSA (%)	4.4	2.6	<b>4.1</b>	3.0	2.3
Nominal Personal Income (Mil \$)	74,587.7	77,986.6	<b>81,639.1</b>	85,170.7	88,337.2
% Change	6.1	4.6	<b>4.7</b>	4.3	3.7

Note: Source is UHERO. Income figures for 2025 are UHERO estimates. Figures for 2026-2028 are forecasts.

**TABLE 8: MAJOR ECONOMIC INDICATORS**

## HAWAII COUNTY FORECAST

	2024	2025	2026	2027	2028
<b>MAJOR INDICATORS</b>					
Nonfarm Payrolls (Thou)	72.5	73.3	<b>73.2</b>	73.3	73.6
% Change	1.9	1.2	<b>-0.3</b>	0.2	0.4
Unemployment Rate (%)	3.0	2.6	<b>2.9</b>	3.0	2.9
Population (Thou)	209.1	210.0	<b>210.6</b>	210.6	210.6
% Change	0.8	0.5	<b>0.3</b>	0.0	0.0
Nominal Personal Income (Mil \$)	12,103.6	12,733.3	<b>13,300.5</b>	13,916.2	14,472.3
% Change	6.3	5.2	<b>4.5</b>	4.6	4.0
Inflation Rate, Honolulu MSA (%)	4.4	2.6	<b>4.1</b>	3.0	2.3
Real Personal Income (Mil 2025\$)	12,417.8	12,733.3	<b>12,773.5</b>	12,980.9	13,199.4
% Change	1.9	2.5	<b>0.3</b>	1.6	1.7
Real Per Capita Income (Thou 2025\$)	59.4	60.6	<b>60.7</b>	61.6	62.7
% Change	1.1	2.1	<b>0.1</b>	1.6	1.7
<b>TOURISM SECTOR DETAIL</b>					
Total Visitor Arrivals by Air (Thou)	1,734.2	1,739.5	<b>1,780.2</b>	1,779.1	1,831.8
% Change	-2.5	0.3	<b>2.3</b>	-0.1	3.0
U.S. Visitors	1,414.9	1,418.1	<b>1,449.8</b>	1,443.1	1,475.2
% Change	-3.8	0.2	<b>2.2</b>	-0.5	2.2
Japanese Visitors	47.0	48.7	<b>52.0</b>	53.4	64.0
% Change	4.9	3.7	<b>6.9</b>	2.6	19.9
Other Visitors	272.3	272.7	<b>278.4</b>	282.6	292.6
% Change	3.6	0.1	<b>2.1</b>	1.5	3.5
Average Daily Census (Thou)	37.1	36.1	<b>37.0</b>	37.2	38.4
% Change	-3.5	-2.5	<b>2.5</b>	0.5	3.1
Occupancy Rate (%)	57.1	57.1	<b>57.2</b>	57.6	59.4

Note: Source is UHERO. Income figures for 2025 are UHERO estimates. Occupancy rate includes UHERO's estimate of TVR occupancy. Figures for 2026-2028 are forecasts.

**TABLE 9: JOBS BY INDUSTRY**

## HAWAII COUNTY FORECAST

	2024	2025	2026	2027	2028
Nonfarm Payrolls (Thou)	72.5	73.3	<b>73.2</b>	73.3	73.6
% Change	1.9	1.2	<b>-0.3</b>	0.2	0.4
Construction and Mining	4.0	4.0	<b>4.1</b>	4.1	4.1
% Change	3.7	-1.9	<b>4.5</b>	-0.7	-0.4
Manufacturing	1.7	1.8	<b>1.7</b>	1.7	1.8
% Change	3.6	1.8	<b>-2.1</b>	0.5	1.1
Trade	12.1	12.2	<b>12.2</b>	12.2	12.2
% Change	1.4	1.0	<b>-0.1</b>	-0.2	0.1
Transportation and Utilities	3.5	3.4	<b>3.3</b>	3.3	3.3
% Change	2.2	-3.0	<b>-2.7</b>	0.5	-0.1
Finance, Insurance and Real Estate	2.6	2.6	<b>2.6</b>	2.6	2.6
% Change	0.7	0.3	<b>-0.6</b>	0.4	0.7
Services	33.4	34.0	<b>33.9</b>	34.1	34.2
% Change	1.3	1.7	<b>-0.4</b>	0.6	0.6
Health Care and Soc. Assistance	8.0	8.1	<b>8.2</b>	8.2	8.3
% Change	5.3	1.7	<b>0.9</b>	0.3	0.7
Accommodation and Food	13.5	13.4	<b>13.3</b>	13.5	13.6
% Change	-0.9	-0.1	<b>-0.8</b>	1.0	0.7
Other	12.0	12.5	<b>12.4</b>	12.4	12.4
% Change	1.2	3.7	<b>-0.8</b>	0.3	0.3
Government	15.1	15.5	<b>15.4</b>	15.4	15.5
% Change	3.1	2.3	<b>-0.6</b>	0.0	0.4
Federal Government	1.4	1.3	<b>1.2</b>	1.2	1.3
% Change	2.4	-4.8	<b>-9.3</b>	1.7	2.2
State and Local Government	13.7	14.2	<b>14.2</b>	14.2	14.2
% Change	3.1	3.0	<b>0.3</b>	-0.1	0.3

Note: Source is UHERO. Figures for 2026-2028 are forecasts.

**TABLE 10: PERSONAL INCOME BY INDUSTRY**

## HAWAII COUNTY FORECAST

	2024	2025	2026	2027	2028
Real Personal Income (Mil 2025\$)	12,417.8	12,733.3	<b>12,773.5</b>	12,980.9	13,199.4
% Change	1.9	2.5	<b>0.3</b>	1.6	1.7
Labor & Proprietors' Income	7,130.1	7,359.9	<b>7,350.3</b>	7,400.2	7,489.7
% Change	1.4	3.2	<b>-0.1</b>	0.7	1.2
Construction and Mining	—	—	—	—	—
% 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	1,611.2	1,721.1	<b>1,669.8</b>	1,691.7	1,729.1
% Change	4.5	6.8	<b>-3.0</b>	1.3	2.2
Federal, civilian (% ch.)	3.0	-2.2	<b>-3.4</b>	0.8	1.6
State & Local (% ch.)	4.8	8.1	<b>-3.3</b>	1.4	2.3
Less Social Security Taxes (-)	887.2	932.3	<b>933.8</b>	940.9	952.9
% Change	-1.5	5.1	<b>0.2</b>	0.8	1.3
Transfer Payments	3,154.2	3,277.2	<b>3,352.2</b>	3,412.5	3,471.9
% Change	-1.1	3.9	<b>2.3</b>	1.8	1.7
Dividends, Interest and Rent	2,987.2	3,007.6	<b>3,033.9</b>	3,126.8	3,217.1
% Change	5.1	0.7	<b>0.9</b>	3.1	2.9
Population (Thou)	209.1	210.0	<b>210.6</b>	210.6	210.6
% Change	0.8	0.5	<b>0.3</b>	0.0	0.0
Real Per Capita Income (Thou 2025\$)	59.4	60.6	<b>60.7</b>	61.6	62.7
% Change	1.1	2.1	<b>0.1</b>	1.6	1.7
Inflation Rate, Honolulu MSA (%)	4.4	2.6	<b>4.1</b>	3.0	2.3
Nominal Personal Income (Mil \$)	12,103.6	12,733.3	<b>13,300.5</b>	13,916.2	14,472.3
% Change	6.3	5.2	<b>4.5</b>	4.6	4.0

Note: Source is UHERO. Income figures for 2025 are UHERO estimates. Figures for 2026-2028 are forecasts. Because of data disclosure rules, industry-level income is not available for some sectors.

**TABLE 11: MAJOR ECONOMIC INDICATORS**

## KAUAI COUNTY FORECAST

	2024	2025	2026	2027	2028
<b>MAJOR INDICATORS</b>					
Nonfarm Payrolls (Thou)	32.4	33.1	<b>33.1</b>	33.2	33.4
% Change	1.3	2.2	<b>0.1</b>	0.3	0.4
Unemployment Rate (%)	2.4	2.1	<b>2.4</b>	2.5	2.5
Population (Thou)	73.4	73.4	<b>73.4</b>	73.5	73.5
% Change	-0.3	-0.1	<b>0.0</b>	0.1	0.1
Nominal Personal Income (Mil \$)	4,959.9	5,246.0	<b>5,484.6</b>	5,735.4	5,960.9
% Change	5.8	5.8	<b>4.5</b>	4.6	3.9
Inflation Rate, Honolulu MSA (%)	4.4	2.6	<b>4.1</b>	3.0	2.3
Real Personal Income (Mil 2025\$)	5,088.6	5,246.0	<b>5,267.3</b>	5,349.9	5,436.6
% Change	1.4	3.1	<b>0.4</b>	1.6	1.6
Real Per Capita Income (Thou 2025\$)	69.3	71.5	<b>71.7</b>	72.8	73.9
% Change	1.7	3.1	<b>0.4</b>	1.5	1.6
<b>TOURISM SECTOR DETAIL</b>					
Total Visitor Arrivals by Air (Thou)	1,391.3	1,427.4	<b>1,446.0</b>	1,443.0	1,459.6
% Change	-1.9	2.6	<b>1.3</b>	-0.2	1.1
U.S. Visitors	1,229.9	1,257.5	<b>1,273.4</b>	1,267.1	1,277.7
% Change	-1.5	2.2	<b>1.3</b>	-0.5	0.8
Japanese Visitors	6.8	6.8	<b>6.8</b>	7.8	9.1
% Change	15.9	0.5	<b>-0.4</b>	14.9	16.0
Other Visitors	154.6	163.0	<b>165.7</b>	168.0	172.8
% Change	-6.0	5.4	<b>1.7</b>	1.3	2.9
Average Daily Census (Thou)	28.4	28.7	<b>28.9</b>	28.9	29.3
% Change	-2.2	1.1	<b>0.8</b>	-0.1	1.6
Occupancy Rate (%)	62.9	64.7	<b>66.1</b>	65.1	65.6

Note: Source is UHERO. Income figures for 2025 are UHERO estimates. Occupancy rate includes UHERO's estimate of TVR occupancy. Figures for 2026-2028 are forecasts.

**TABLE 12: JOBS BY INDUSTRY**

## KAUAI COUNTY FORECAST

	2024	2025	2026	2027	2028
Nonfarm Payrolls (Thou)	32.4	33.1	<b>33.1</b>	33.2	33.4
% Change	1.3	2.2	<b>0.1</b>	0.3	0.4
Construction and Mining	2.1	2.1	<b>2.2</b>	2.2	2.2
% Change	0.4	-0.7	<b>4.9</b>	-0.7	-0.4
Manufacturing	0.5	0.5	<b>0.5</b>	0.5	0.5
% Change	-9.9	-1.6	<b>-2.2</b>	0.6	1.3
Trade	4.3	4.3	<b>4.3</b>	4.3	4.3
% Change	-1.9	-0.2	<b>0.4</b>	-0.3	0.0
Transportation and Utilities	1.9	1.9	<b>1.9</b>	1.9	1.9
% Change	5.2	2.2	<b>-1.9</b>	0.4	-0.1
Finance, Insurance and Real Estate	1.1	1.1	<b>1.1</b>	1.1	1.1
% Change	0.0	0.0	<b>-0.2</b>	0.4	0.7
Services	17.4	18.1	<b>18.0</b>	18.1	18.2
% Change	2.1	3.5	<b>-0.1</b>	0.6	0.6
Health Care and Soc. Assistance	2.7	2.7	<b>2.7</b>	2.8	2.8
% Change	0.0	0.0	<b>1.4</b>	0.3	0.7
Accommodation and Food	9.1	9.3	<b>9.3</b>	9.4	9.4
% Change	4.3	2.9	<b>-0.4</b>	0.8	0.7
Other	5.7	6.0	<b>6.0</b>	6.0	6.0
% Change	-0.3	6.0	<b>-0.4</b>	0.2	0.3
Government	5.0	5.1	<b>5.1</b>	5.1	5.2
% Change	2.2	2.3	<b>-0.4</b>	0.0	0.4
Federal Government	0.6	0.6	<b>0.5</b>	0.5	0.6
% Change	0.0	-4.2	<b>-8.6</b>	1.6	2.1
State and Local Government	4.4	4.6	<b>4.6</b>	4.6	4.6
% Change	2.5	3.2	<b>0.7</b>	-0.2	0.2

Note: Source is UHERO. Figures for 2026-2028 are forecasts.

**TABLE 13: PERSONAL INCOME BY INDUSTRY**

## KAUAI COUNTY FORECAST

	2024	2025	2026	2027	2028
Real Personal Income (Mil 2025\$)	5,088.6	5,246.0	<b>5,267.3</b>	5,349.9	5,436.6
% Change	1.4	3.1	<b>0.4</b>	1.6	1.6
Labor & Proprietors' Income	3,306.1	3,426.5	<b>3,422.8</b>	3,445.6	3,486.7
% Change	1.7	3.6	<b>-0.1</b>	0.7	1.2
Construction and Mining	—	—	—	—	—
% 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	546.1	583.1	<b>568.8</b>	575.8	588.3
% Change	3.2	6.8	<b>-2.5</b>	1.2	2.2
Federal, civilian (% ch.)	-1.3	-1.6	<b>-2.8</b>	0.8	1.6
State & Local (% ch.)	4.1	8.5	<b>-2.9</b>	1.3	2.3
Less Social Security Taxes (-)	398.0	416.7	<b>416.0</b>	418.9	424.0
% Change	-0.9	4.7	<b>-0.2</b>	0.7	1.2
Transfer Payments	1,033.2	1,074.2	<b>1,099.5</b>	1,120.1	1,139.6
% Change	-1.6	4.0	<b>2.4</b>	1.9	1.7
Dividends, Interest and Rent	1,160.2	1,162.6	<b>1,169.5</b>	1,204.8	1,239.1
% Change	2.4	0.2	<b>0.6</b>	3.0	2.9
Population (Thou)	73.4	73.4	<b>73.4</b>	73.5	73.5
% Change	-0.3	-0.1	<b>0.0</b>	0.1	0.1
Real Per Capita Income (Thou 2025\$)	69.3	71.5	<b>71.7</b>	72.8	73.9
% Change	1.7	3.1	<b>0.4</b>	1.5	1.6
Inflation Rate, Honolulu MSA (%)	4.4	2.6	<b>4.1</b>	3.0	2.3
Nominal Personal Income (Mil \$)	4,959.9	5,246.0	<b>5,484.6</b>	5,735.4	5,960.9
% Change	5.8	5.8	<b>4.5</b>	4.6	3.9

Note: Source is UHERO. Income figures for 2025 are UHERO estimates. Figures for 2026-2028 are forecasts. Because of data disclosure rules, industry-level income is not available for some sectors.

**TABLE 14: MAJOR ECONOMIC INDICATORS**

## MAUI COUNTY FORECAST

	2024	2025	2026	2027	2028
<b>MAJOR INDICATORS</b>					
Nonfarm Payrolls (Thou)	73.3	74.0	<b>74.5</b>	74.8	75.0
% Change	-1.4	1.1	<b>0.6</b>	0.4	0.3
Unemployment Rate (%)	4.1	2.6	<b>2.6</b>	2.8	2.9
Population (Thou)	162.3	160.7	<b>160.1</b>	160.5	160.7
% Change	-1.1	-1.0	<b>-0.3</b>	0.2	0.1
Nominal Personal Income (Mil \$)	11,052.6	11,621.2	<b>12,750.6</b>	13,514.4	14,025.5
% Change	4.4	5.1	<b>9.7</b>	6.0	3.8
Inflation Rate, Honolulu MSA (%)	4.4	2.6	<b>4.1</b>	3.0	2.3
Real Personal Income (Mil 2025\$)	11,339.5	11,621.2	<b>12,245.6</b>	12,606.1	12,792.7
% Change	0.0	2.5	<b>5.4</b>	2.9	1.5
Real Per Capita Income (Thou 2025\$)	69.9	72.3	<b>76.5</b>	78.5	79.6
% Change	1.1	3.5	<b>5.7</b>	2.7	1.3
<b>TOURISM SECTOR DETAIL</b>					
Total Visitor Arrivals by Air (Thou)	2,392.2	2,539.8	<b>2,743.0</b>	2,757.8	2,760.7
% Change	-5.5	6.2	<b>8.0</b>	0.5	0.1
U.S. Visitors	2,036.0	2,170.5	<b>2,339.7</b>	2,347.3	2,343.9
% Change	-3.9	6.6	<b>7.8</b>	0.3	-0.1
Japanese Visitors	14.1	15.2	<b>14.4</b>	14.8	16.4
% Change	18.5	8.0	<b>-5.3</b>	2.9	10.6
Other Visitors	342.1	354.1	<b>388.9</b>	395.7	400.4
% Change	-14.4	3.5	<b>9.8</b>	1.7	1.2
Average Daily Census (Thou)	52.5	54.6	<b>58.7</b>	60.0	60.4
% Change	-6.8	4.0	<b>7.5</b>	2.1	0.8
Occupancy Rate (%)	58.2	58.0	<b>60.3</b>	62.0	65.8

Note: Source is UHERO. Income figures for 2025 are UHERO estimates. Occupancy rate includes UHERO's estimate of TVR occupancy. Figures for 2026-2028 are forecasts.

**TABLE 15: JOBS BY INDUSTRY**

## MAUI COUNTY FORECAST

	2024	2025	2026	2027	2028
Nonfarm Payrolls (Thou)	73.3	74.0	<b>74.5</b>	74.8	75.0
% Change	-1.4	1.1	<b>0.6</b>	0.4	0.3
Construction and Mining	4.8	4.9	<b>5.2</b>	5.1	5.1
% Change	2.7	1.6	<b>4.7</b>	-0.6	-0.4
Manufacturing	1.1	1.0	<b>1.0</b>	1.0	1.0
% Change	-9.6	-7.8	<b>-1.8</b>	0.8	1.3
Trade	9.9	9.9	<b>10.0</b>	10.0	9.9
% Change	-4.2	-0.5	<b>1.0</b>	-0.2	-0.1
Transportation and Utilities	4.1	4.0	<b>4.0</b>	4.0	4.0
% Change	-2.8	-1.3	<b>-1.8</b>	0.6	-0.2
Finance, Insurance and Real Estate	2.7	2.7	<b>2.7</b>	2.7	2.7
% Change	-3.5	0.0	<b>0.3</b>	0.5	0.6
Services	41.7	42.5	<b>42.7</b>	43.0	43.2
% Change	-1.0	1.9	<b>0.5</b>	0.6	0.5
Health Care and Soc. Assistance	8.2	8.2	<b>8.3</b>	8.4	8.4
% Change	2.6	-0.5	<b>1.8</b>	0.3	0.5
Accommodation and Food	19.4	20.0	<b>20.0</b>	20.2	20.3
% Change	-2.9	2.8	<b>0.2</b>	1.0	0.7
Other	14.0	14.3	<b>14.3</b>	14.4	14.4
% Change	-0.4	2.1	<b>0.2</b>	0.3	0.1
Government	8.9	9.0	<b>9.0</b>	9.0	9.1
% Change	0.7	0.9	<b>0.3</b>	0.1	0.3
Federal Government	0.9	0.8	<b>0.8</b>	0.8	0.8
% Change	0.0	-9.3	<b>-8.3</b>	1.8	2.0
State and Local Government	8.0	8.2	<b>8.3</b>	8.3	8.3
% Change	0.7	2.1	<b>1.2</b>	-0.1	0.1

Note: Source is UHERO. Figures for 2026-2028 are forecasts.

**TABLE 16: PERSONAL INCOME BY INDUSTRY**

## MAUI COUNTY FORECAST

	2024	2025	2026	2027	2028
Real Personal Income (Mil 2025\$)	11,339.5	11,621.2	<b>12,245.6</b>	12,606.1	12,792.7
% Change	0.0	2.5	<b>5.4</b>	2.9	1.5
Labor & Proprietors' Income	7,394.4	7,629.7	<b>7,635.1</b>	7,692.9	7,774.9
% Change	-0.8	3.2	<b>0.1</b>	0.8	1.1
Construction and Mining	685.2	703.5	<b>724.3</b>	723.4	725.3
% Change	8.1	2.7	<b>3.0</b>	-0.1	0.3
Manufacturing	84.1	77.7	<b>75.2</b>	76.4	78.5
% Change	-11.4	-7.7	<b>-3.1</b>	1.5	2.8
Trade	698.7	714.9	<b>719.0</b>	720.7	727.9
% Change	-5.1	2.3	<b>0.6</b>	0.2	1.0
Transportation and Utilities	371.6	374.7	<b>365.0</b>	369.2	371.6
% Change	-2.4	0.8	<b>-2.6</b>	1.1	0.7
Finance, Insurance & Real Estate	517.6	523.2	<b>522.5</b>	525.0	528.8
% Change	-3.4	1.1	<b>-0.1</b>	0.5	0.7
Services	3,974.3	4,145.5	<b>4,141.2</b>	4,186.1	4,240.7
% Change	-1.6	4.3	<b>-0.1</b>	1.1	1.3
Health Care & Soc. Assist. (% ch.)	1.5	1.6	<b>1.2</b>	0.8	1.3
Accommodation & Food (% ch.)	-4.8	6.1	<b>-0.5</b>	1.7	1.7
Other (% ch.)	0.4	3.8	<b>-0.4</b>	0.6	0.8
Government	979.4	1,027.4	<b>1,006.9</b>	1,020.1	1,040.7
% Change	0.3	4.9	<b>-2.0</b>	1.3	2.0
Federal, civilian (% ch.)	1.2	-6.9	<b>-2.5</b>	0.9	1.5
State & Local (% ch.)	0.0	7.0	<b>-2.3</b>	1.4	2.1
Less Social Security Taxes (-)	819.1	855.1	<b>851.4</b>	857.0	865.4
% Change	-3.6	4.4	<b>-0.4</b>	0.7	1.0
Transfer Payments	2,006.4	2,085.6	<b>2,661.2</b>	2,871.5	2,894.2
% Change	-1.7	4.0	<b>27.6</b>	7.9	0.8
Dividends, Interest and Rent	2,718.8	2,723.3	<b>2,728.9</b>	2,812.3	2,887.0
% Change	2.2	0.2	<b>0.2</b>	3.0	2.7
Population (Thou)	162.3	160.7	<b>160.1</b>	160.5	160.7
% Change	-1.1	-1.0	<b>-0.3</b>	0.2	0.1
Real Per Capita Income (Thou 2025\$)	69.9	72.3	<b>76.5</b>	78.5	79.6
% Change	1.1	3.5	<b>5.7</b>	2.7	1.3
Inflation Rate, Honolulu MSA (%)	4.4	2.6	<b>4.1</b>	3.0	2.3
Nominal Personal Income (Mil \$)	11,052.6	11,621.2	<b>12,750.6</b>	13,514.4	14,025.5
% Change	4.4	5.1	<b>9.7</b>	6.0	3.8

Note: Source is UHERO. Income figures for 2025 are UHERO estimates. Figures for 2026-2028 are forecasts.

**TABLE 17: EXTERNAL INDICATORS**

## STATE OF HAWAII FORECAST

	2024	2025	2026	2027	2028
<b>U.S. FACTORS</b>					
Employment (Thou)	162,902.8	163,564.4	<b>163,241.4</b>	164,062.8	165,431.6
% Change	0.6	0.4	<b>-0.2</b>	0.5	0.8
Unemployment Rate (%)	4.0	4.3	<b>4.5</b>	4.6	4.3
Inflation Rate (%)	3.0	2.7	<b>4.0</b>	3.2	2.9
Real GDP (Bil chained 2012\$)	23,358.4	23,850.4	<b>24,265.0</b>	24,728.7	25,316.9
% Change	2.8	2.1	<b>1.7</b>	1.9	2.4
Population (Thou)	340,095.0	341,945.0	<b>342,926.9</b>	343,735.6	344,578.2
% Change	0.9	0.5	<b>0.3</b>	0.2	0.2
<b>JAPAN FACTORS</b>					
Employment (Thou)	67,806.7	68,284.2	<b>68,233.4</b>	67,969.5	67,795.2
% Change	0.5	0.7	<b>-0.1</b>	-0.4	-0.3
Unemployment Rate (%)	2.5	2.5	<b>2.7</b>	2.7	2.5
Inflation Rate (%)	2.7	3.2	<b>3.0</b>	2.9	1.4
Real GDP (Bil chained 2012\$)	584,489.4	591,461.9	<b>592,873.6</b>	595,860.2	600,521.6
% Change	-0.2	1.2	<b>0.2</b>	0.5	0.8
Population (Thou)	123,975.4	123,372.4	<b>122,711.3</b>	122,027.3	121,326.0
% Change	-0.4	-0.5	<b>-0.5</b>	-0.6	-0.6
Exchange Rate (Yen/\$)	151.5	149.6	<b>155.2</b>	149.8	142.7
% Change	7.8	-1.2	<b>3.7</b>	-3.4	-4.8

Note: Source is UHERO. US Employment for 2024 and 2025 is adjusted by UHERO to reflect population revisions by the US Census Bureau. Figures for 2026-2028 are forecasts.

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