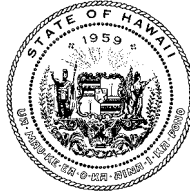


**NEIL ABERCROMBIE**  
GOVERNOR

**BRIAN SCHATZ**  
LT. GOVERNOR



**RICHARD F. KAHLE, JR.**  
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## **COUNCIL ON REVENUES**

STATE OF HAWAII  
P.O. BOX 259  
HONOLULU, HAWAII 96809-0259

November 4, 2011

The Honorable Neil Abercrombie  
Governor, State of Hawaii  
Executive Chambers  
State Capitol, Fifth Floor  
Honolulu, HI 96813

Dear Governor Abercrombie:

In its November 3, 2011 meeting, the Council on Revenues increased the growth rate estimate of Hawaii total personal income for calendar year 2011 from 3.8% to 4.5% and for calendar year 2012 from 3.5% to 4.0%.

According to the latest estimates from the U.S. Bureau of Economic Analysis (BEA), total personal income grew at a rate of 4.8% during the first and second quarters of 2011. In its latest revision, BEA increased the annual growth rate of personal income in 2010 from 2.1% to 3.7%, and the first quarter of 2011 from 4.4% to 4.8%.

The Council's forecast changes primarily reflect BEA's upward revision for the growth in personal income in the first quarter of 2011 and in prior quarters, along with other economic conditions discussed by the members, including strong visitor numbers so far during this year.

The Council was less optimistic about the growth rate of personal income in calendar year 2012 due to national and European economic uncertainties and the effects on the visitor sector of the Hawaii economy.

The revised total personal income data for calendar years 2006 through 2010, as well as the Council's forecasts for 2011 and 2012, are listed below:

<b>Calendar Year</b>	<b>Millions of Dollars</b>	<b>% Growth From Previous Year</b>
2006	\$49,124	8.36%
2007	\$52,556	6.99%
2008	\$55,296	5.21%
2009	\$54,786	-0.92%
2010	\$56,811	3.70%
2011 ( Forecast)	\$59,367	4.50%
2012 ( Forecast)	\$61,742	4.00%

The Honorable Neil Abercrombie

November 4, 2011

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Please advise us if we can be of further assistance or if we can answer any questions you may have concerning the foregoing estimates.

Sincerely,

A handwritten signature in black ink that reads "Richard F. Kahle, Jr." followed by a vertical line.

RICHARD F. KAHLE, JR.  
Chair, Council on Revenues