



UHERO
THE ECONOMIC RESEARCH ORGANIZATION
AT THE UNIVERSITY OF HAWAII

Forecast Project

HAWAII'S TWO-SPEED RECOVERY: PROSPECTS FOR GROWTH

DR. CARL BONHAM

**E Kamakani Noi`i
Wind That Seeks Knowledge**

January 13-14, 2011

OVERVIEW

Hawaii economic backdrop



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Hawaii's two speed recovery

- Almost exclusively a tourism led recovery

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OVERVIEW

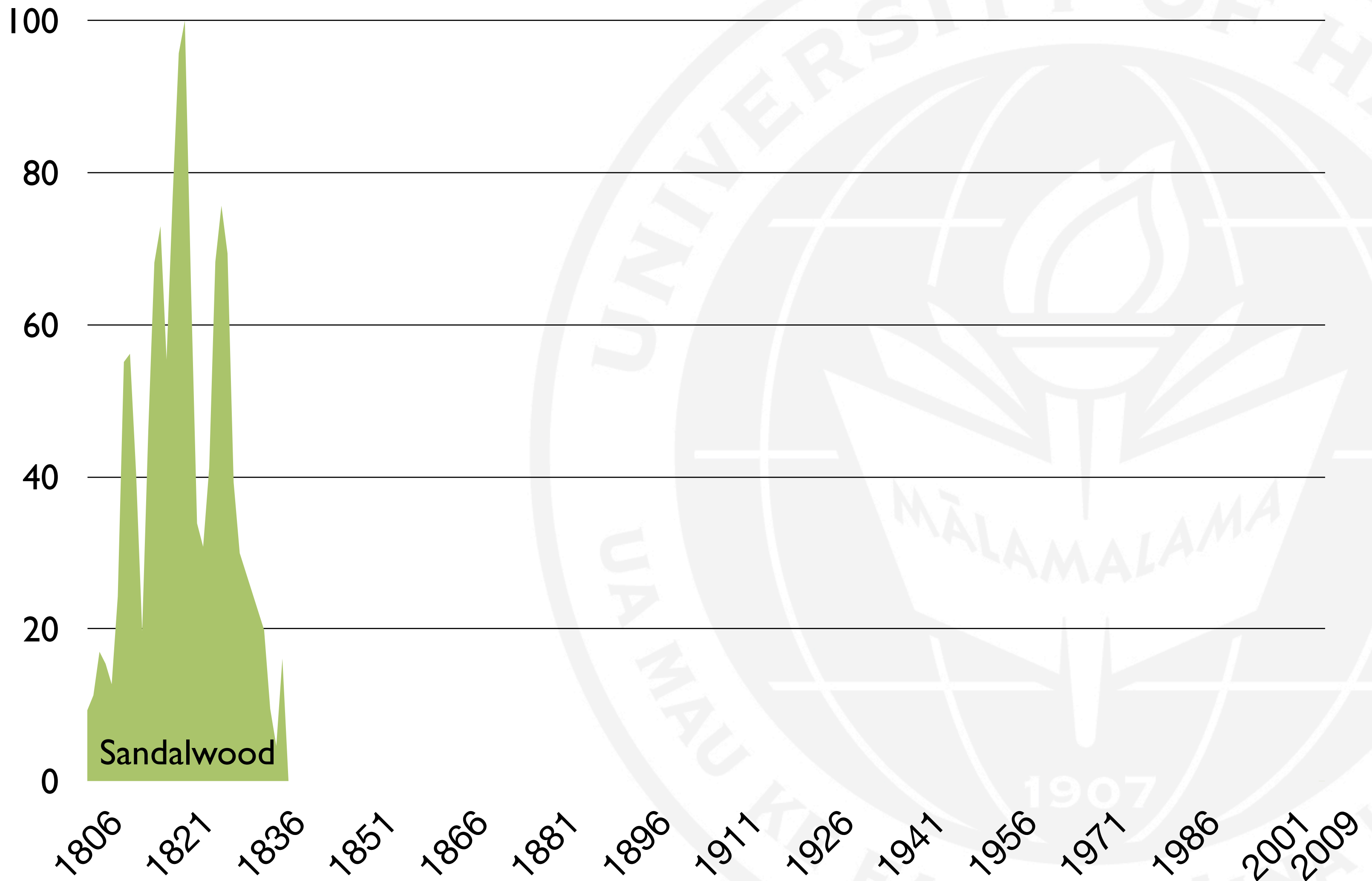
Hawaii economic backdrop

Hawaii's two speed recovery

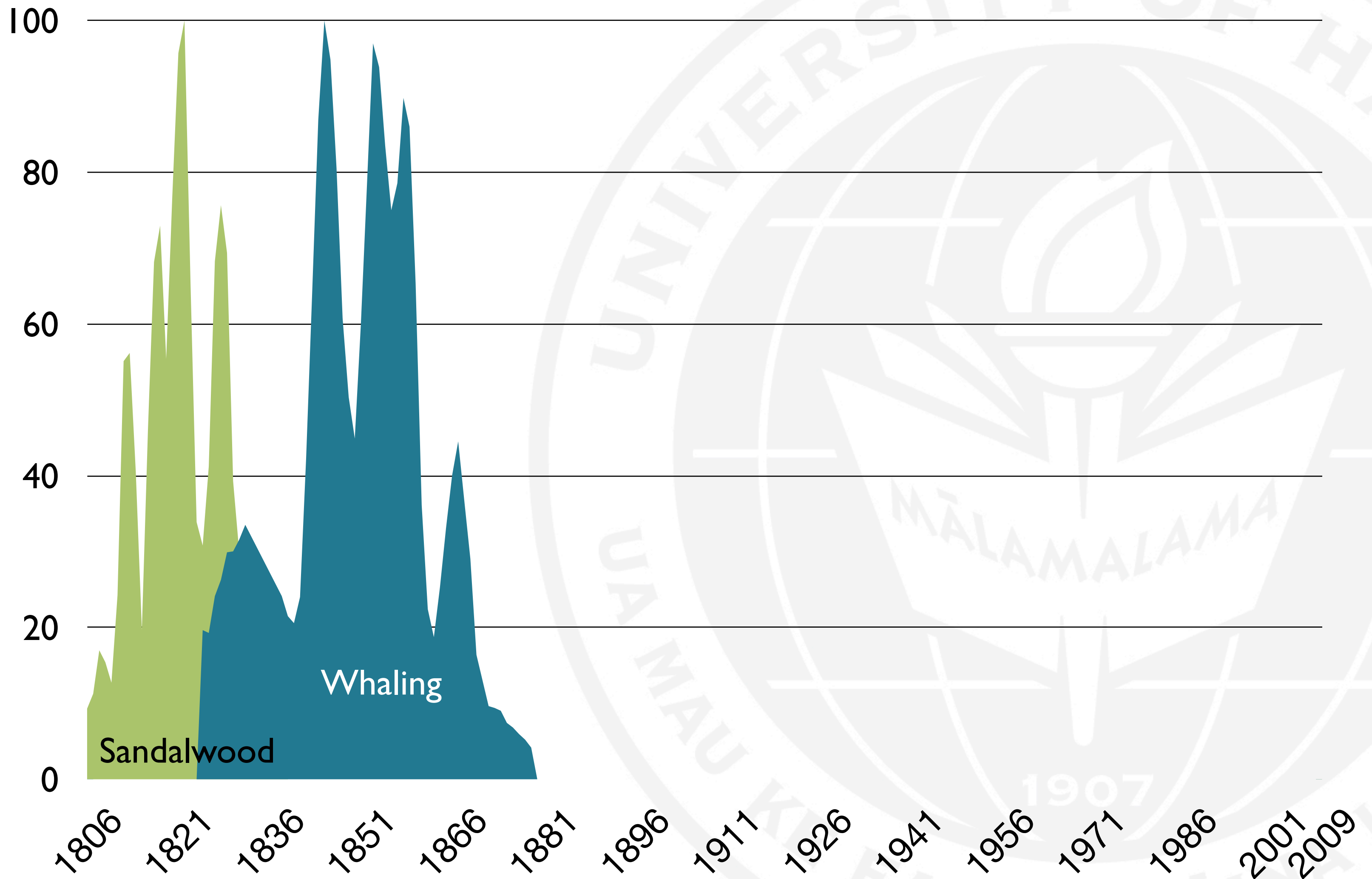
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Prospects for transformation

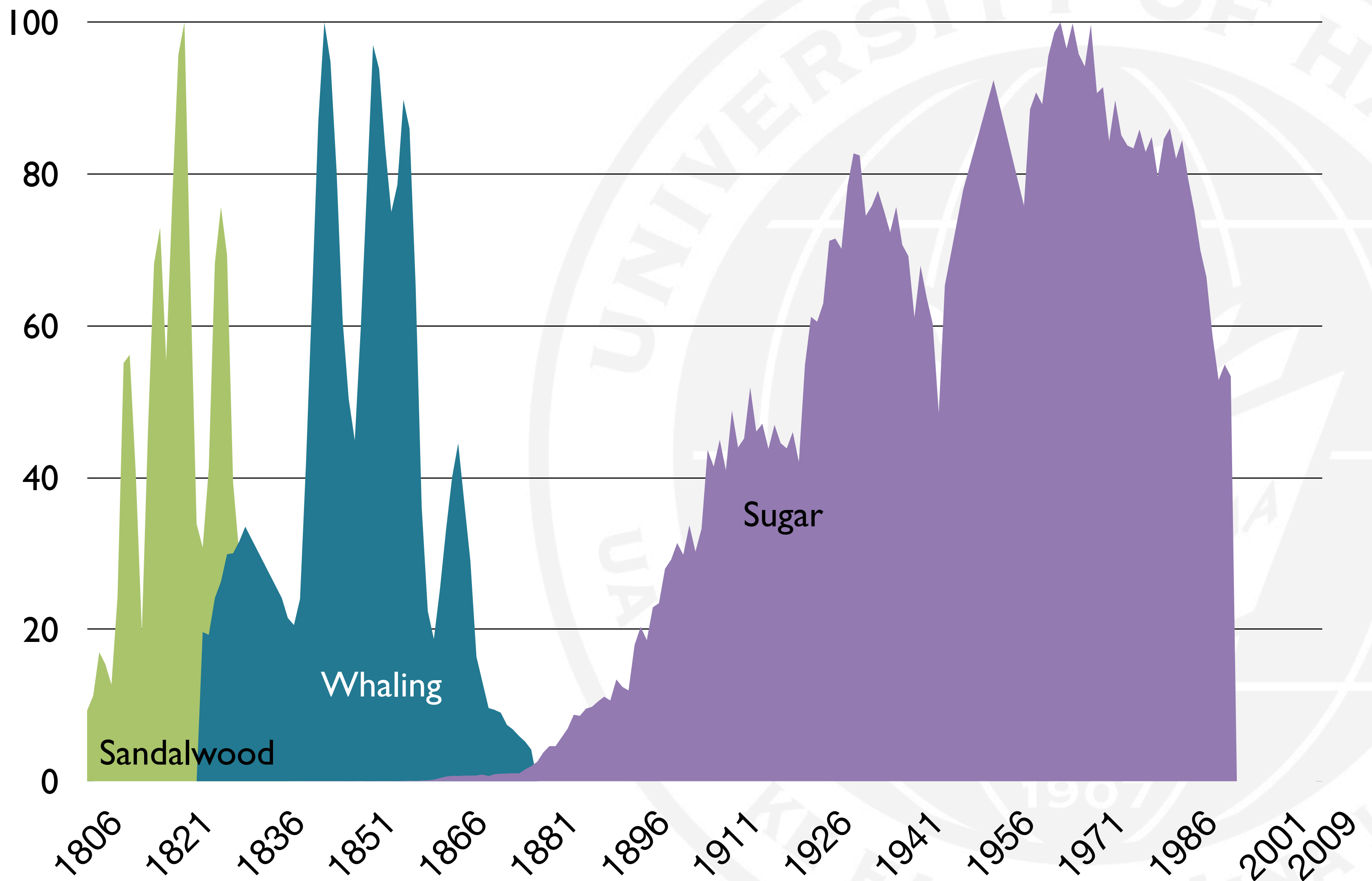
TRANSITIONS: FROM SANDALWOOD TO VISITORS



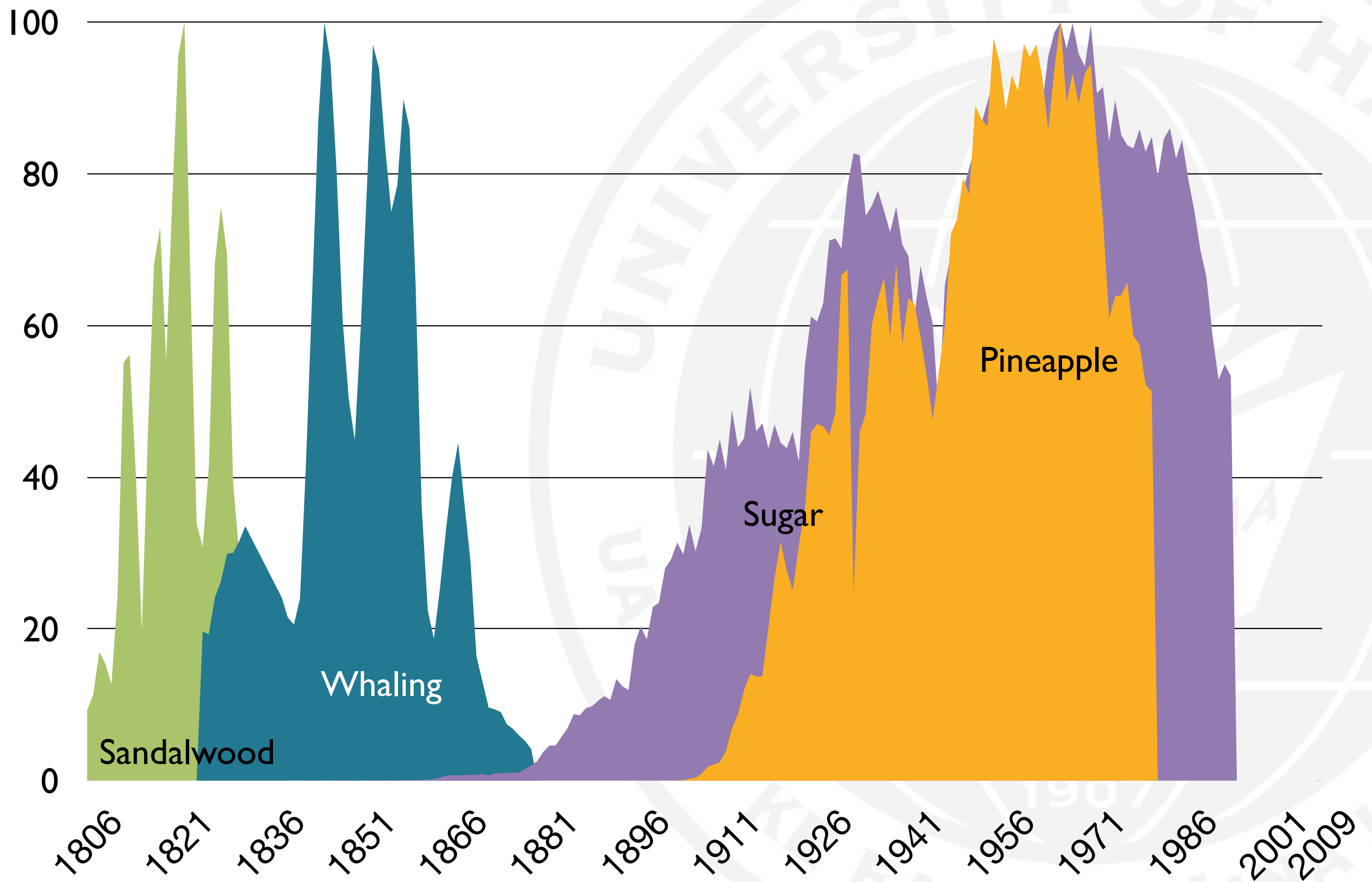
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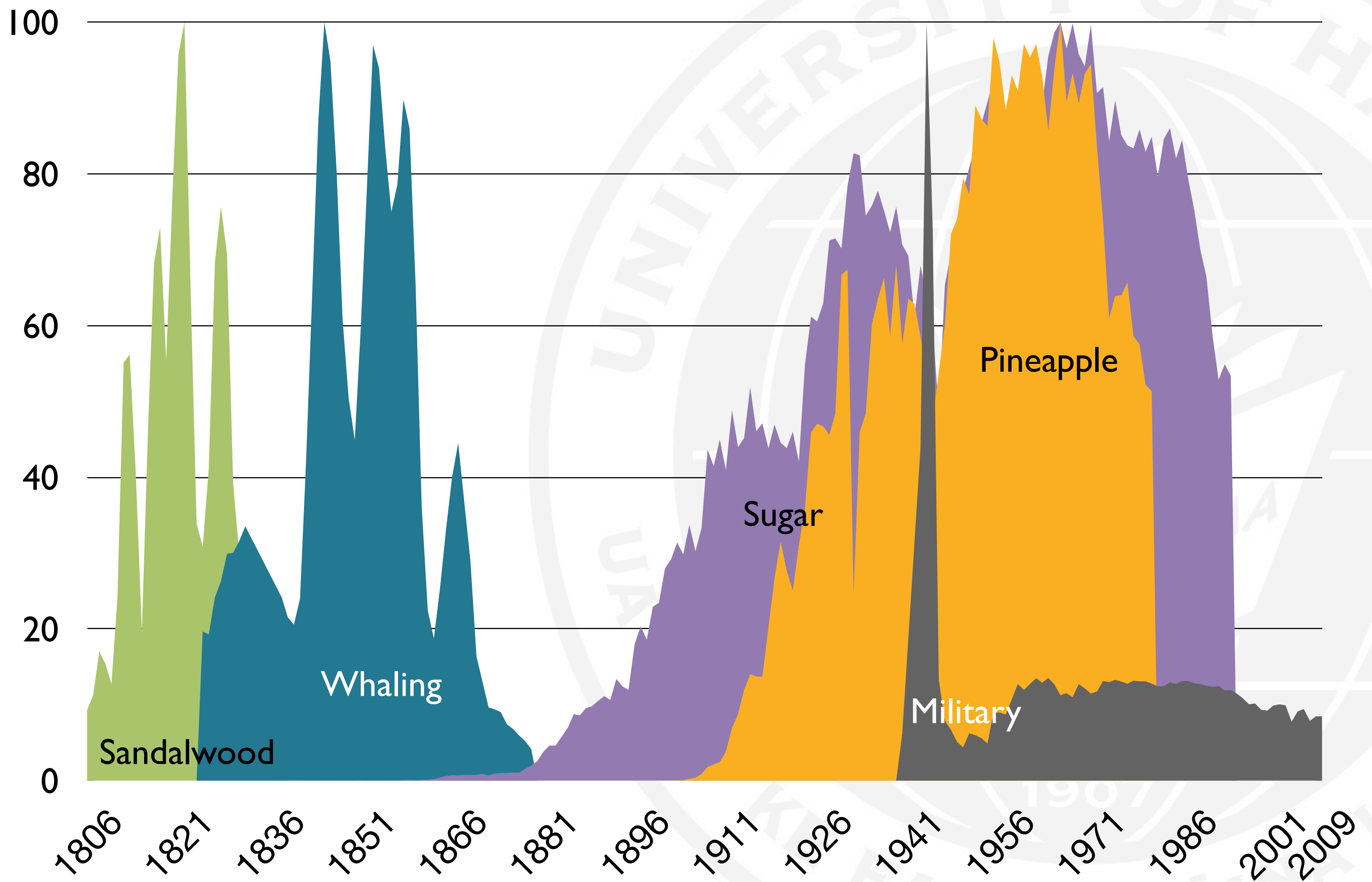
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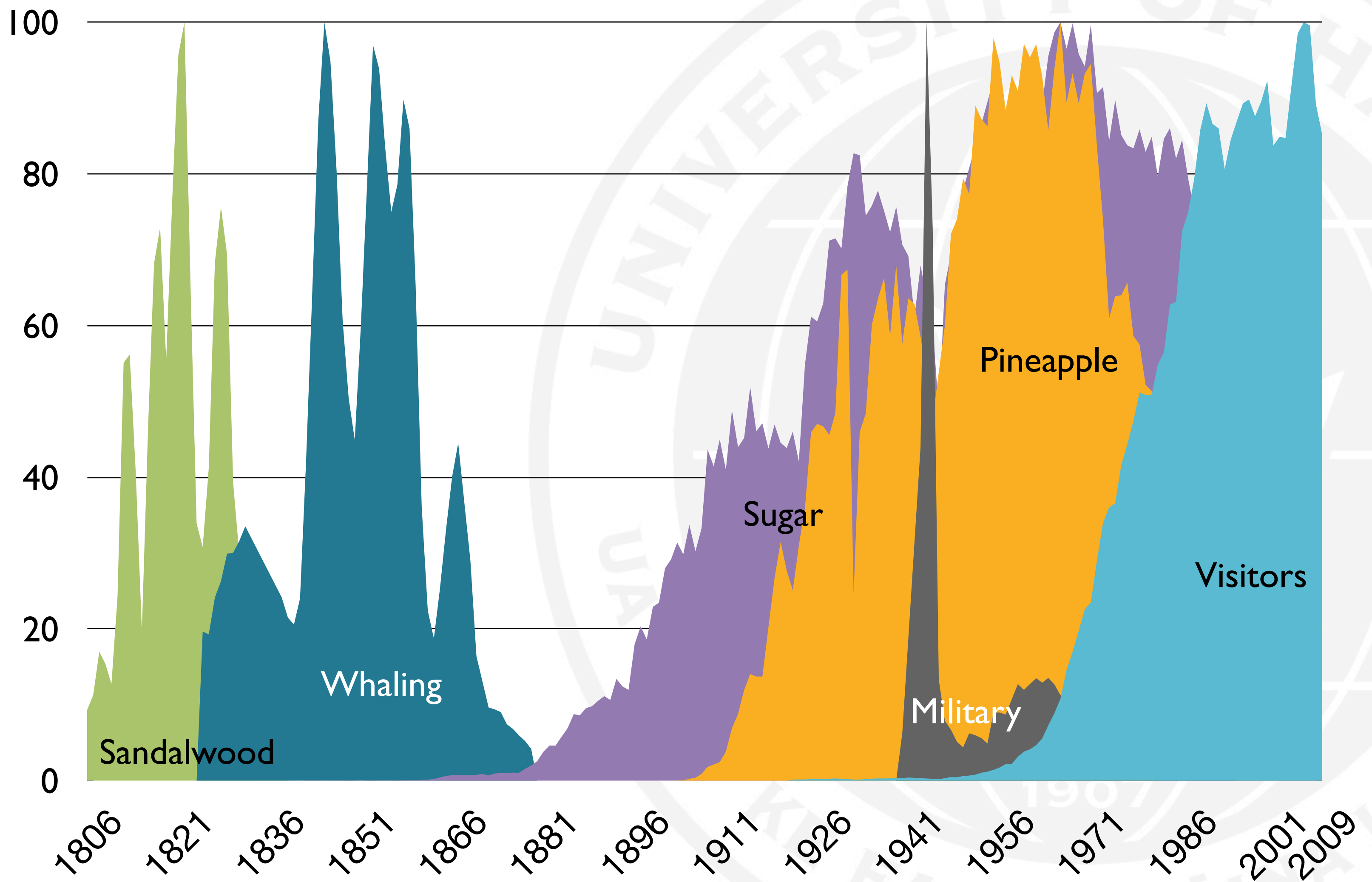
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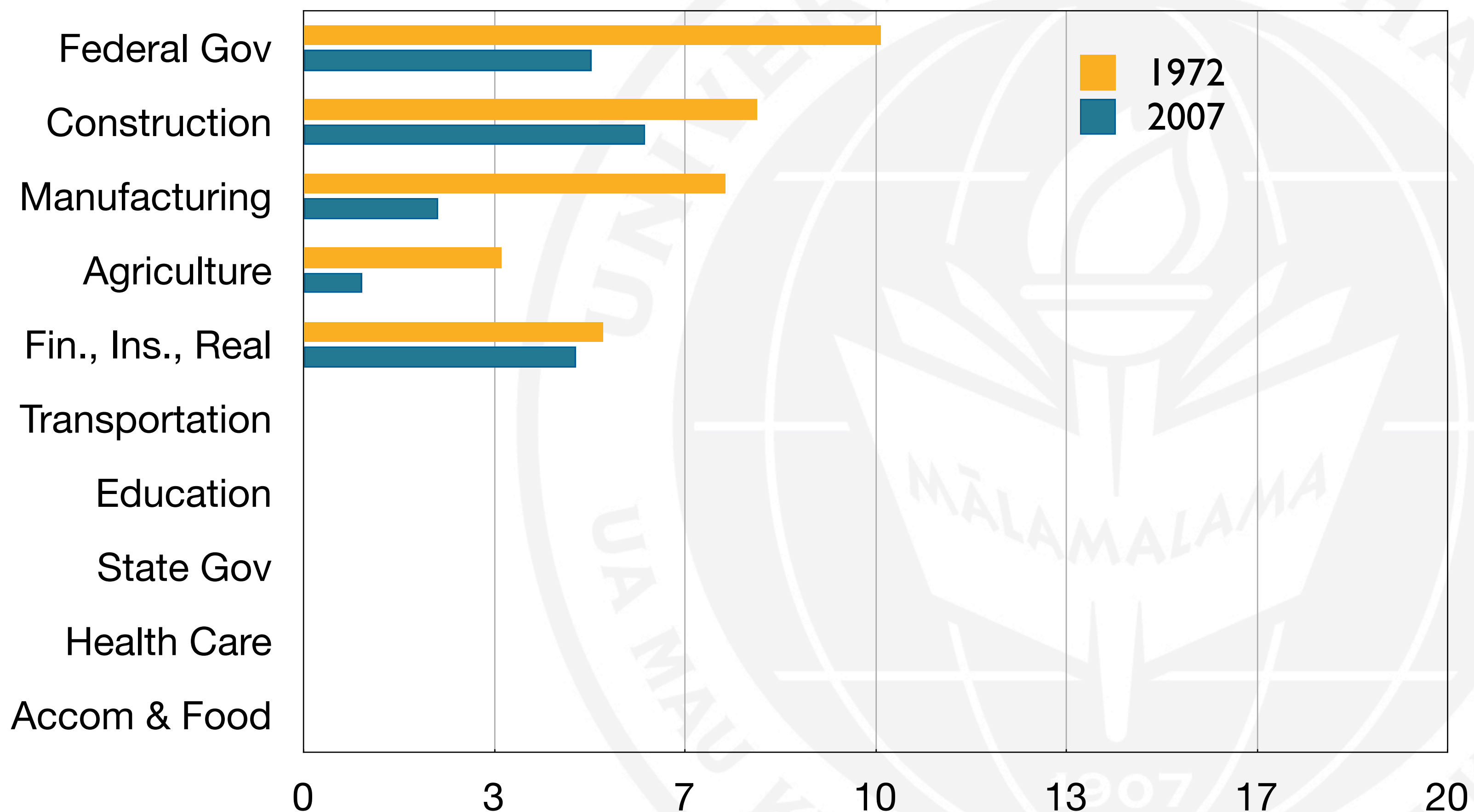


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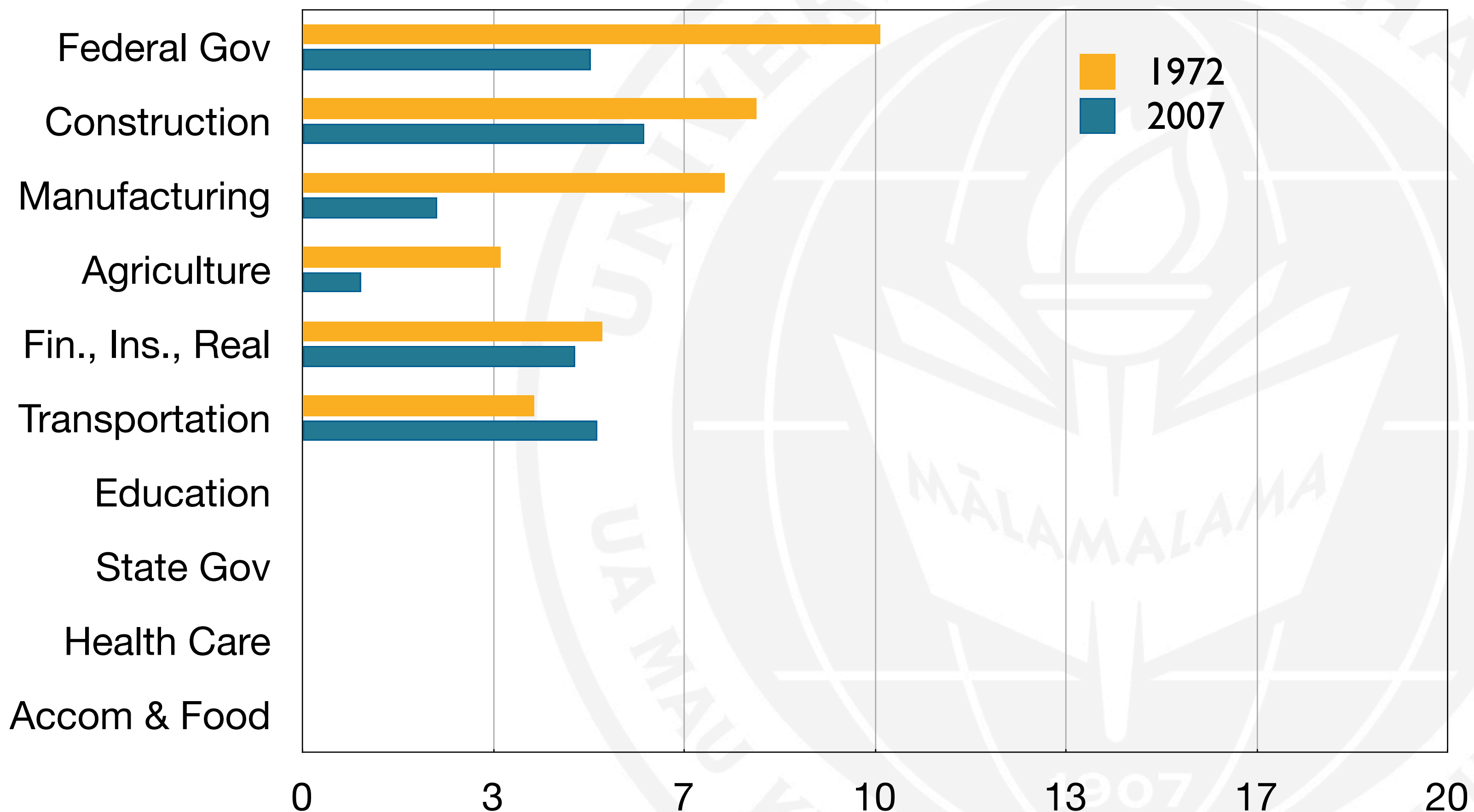
CHANGING SPECIALIZATION

Job Shares by Sector



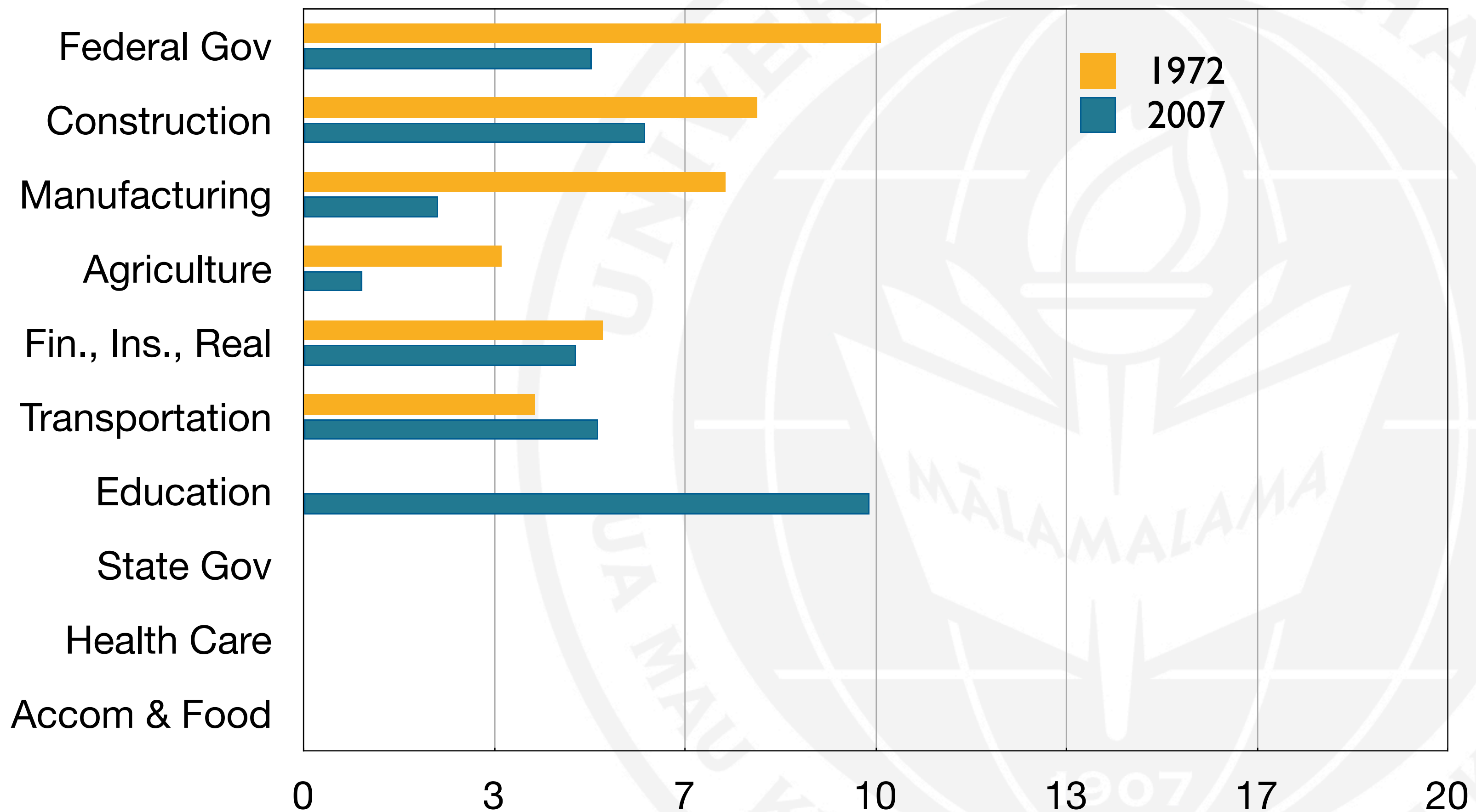
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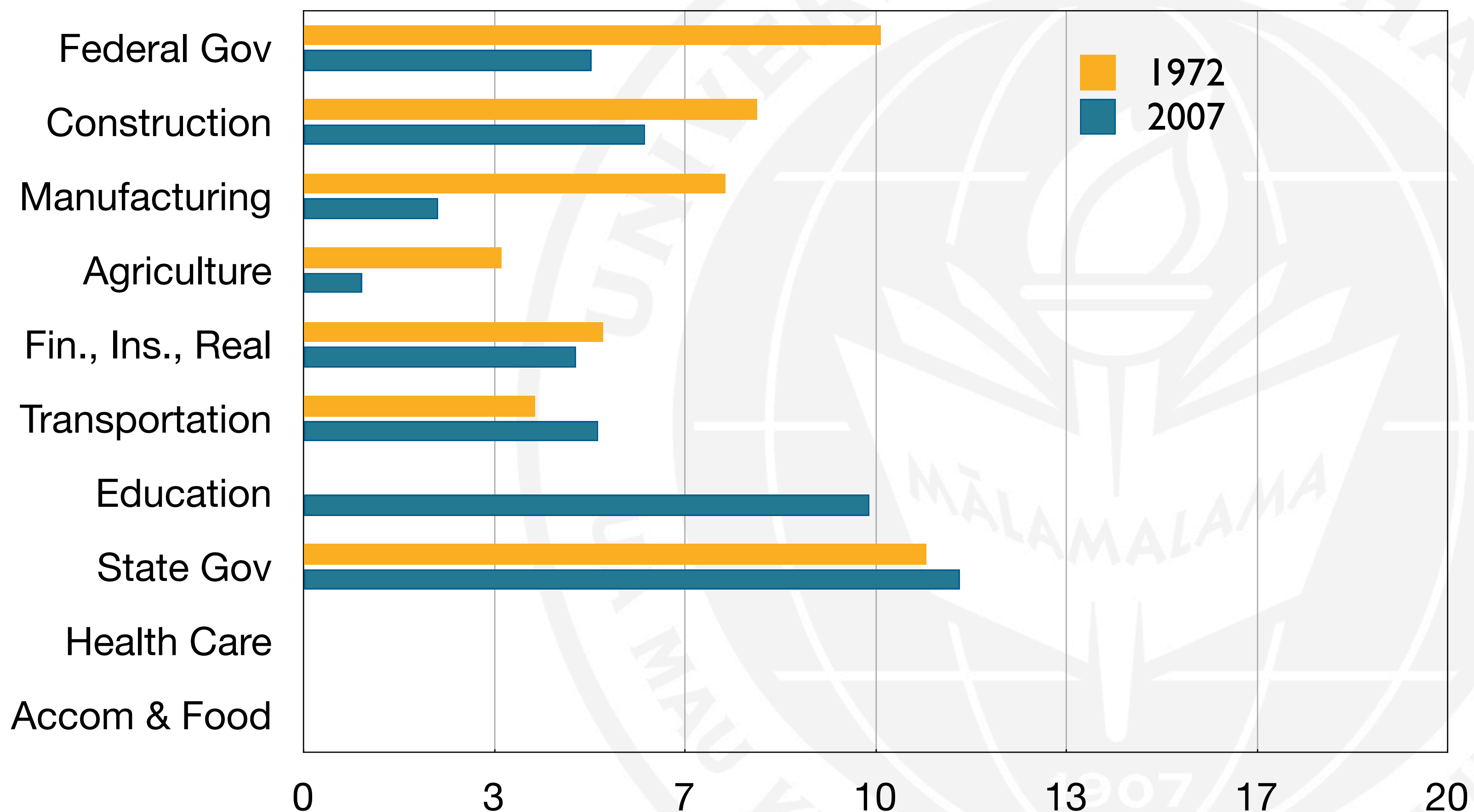
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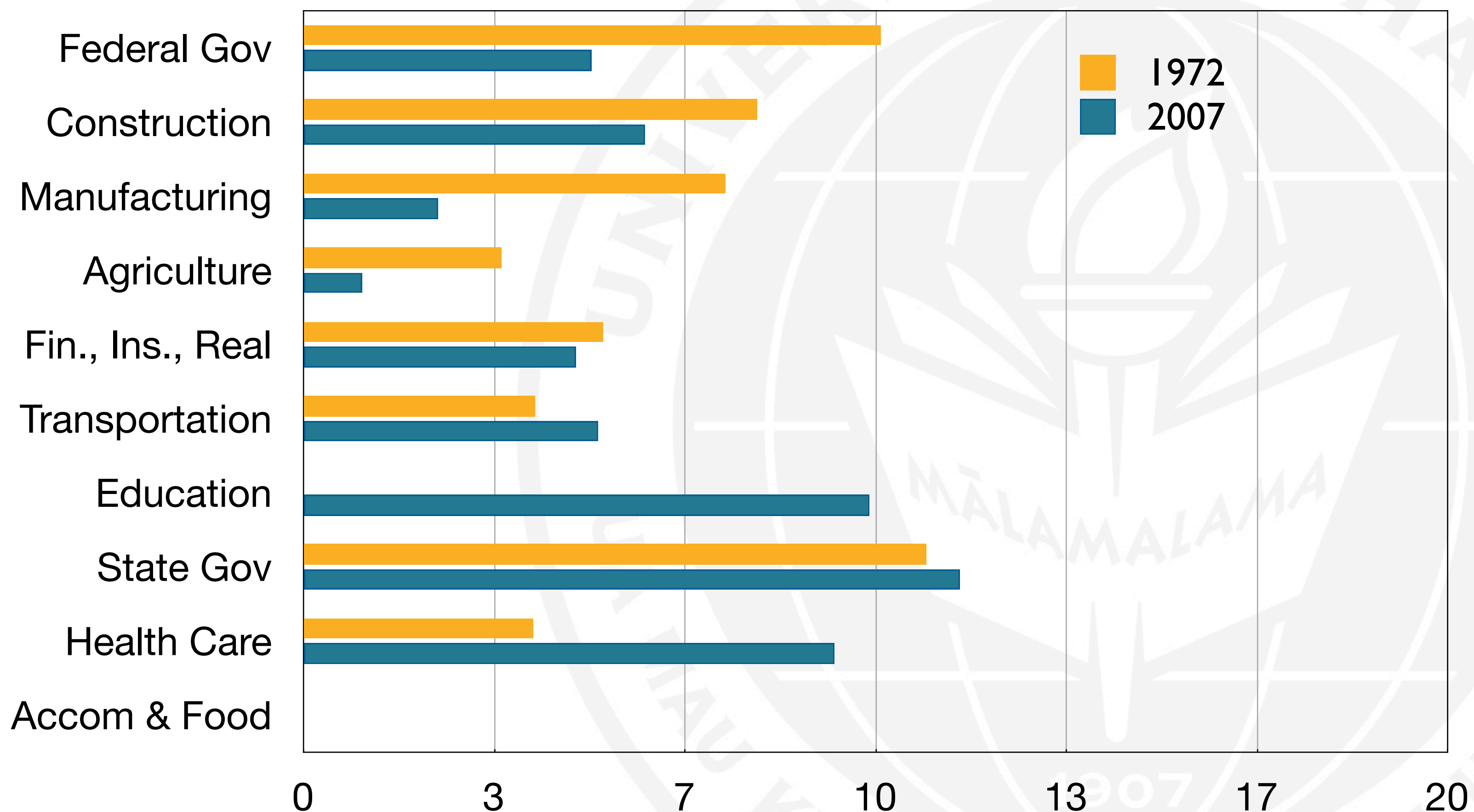
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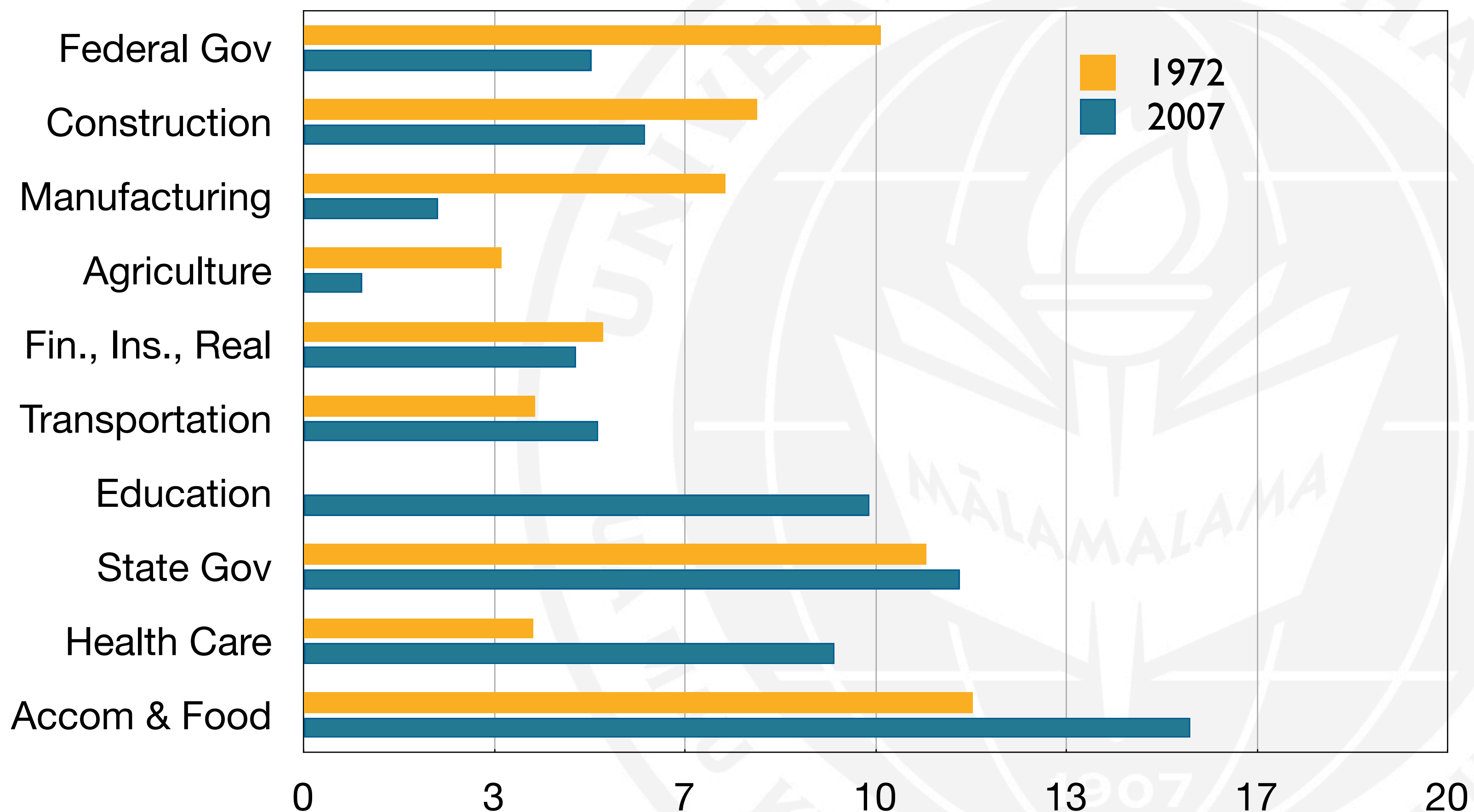
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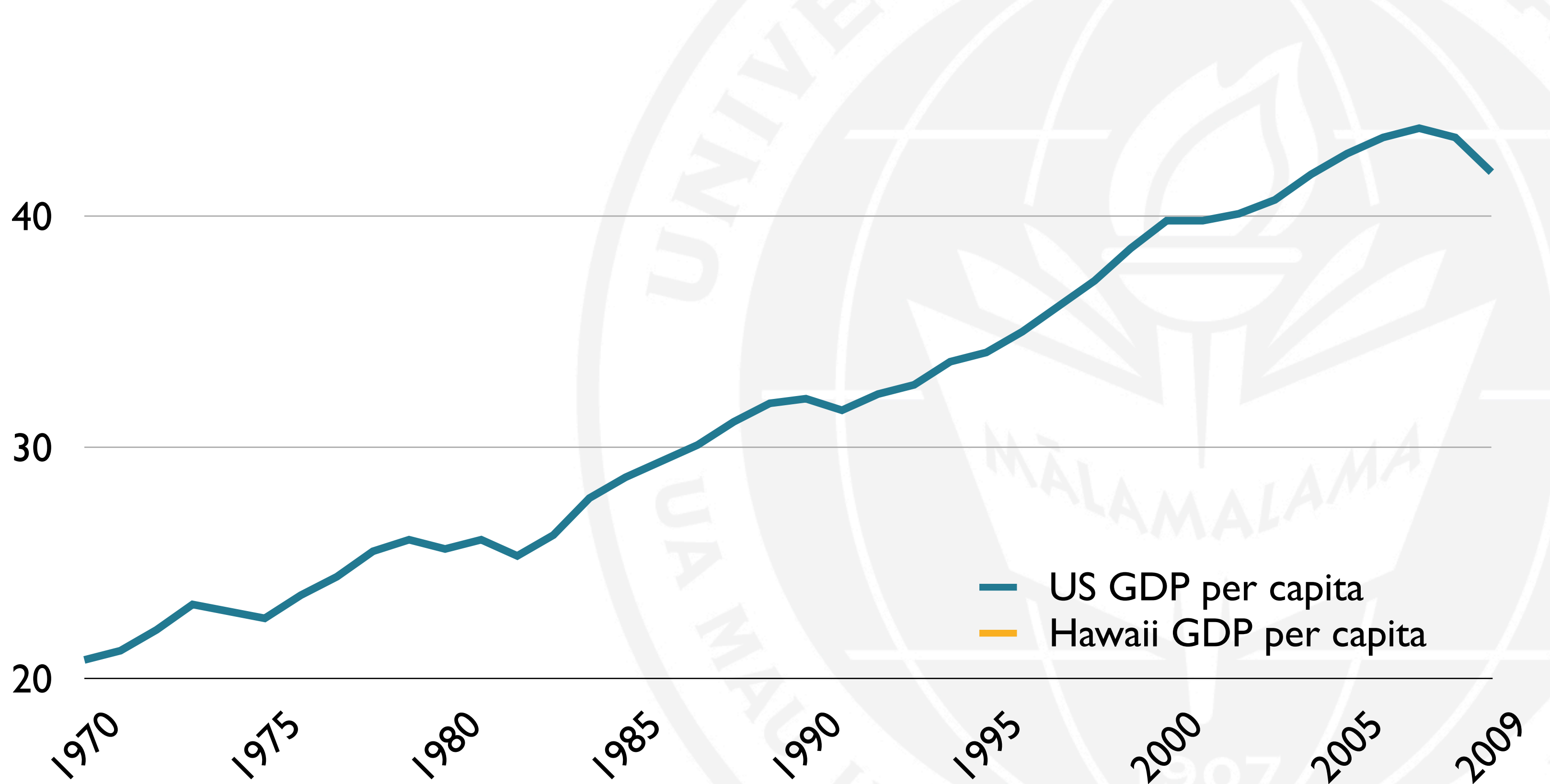
Job Shares by Sector



PER CAPITA GDP GROWTH SUB-PAR

Real per capita GDP

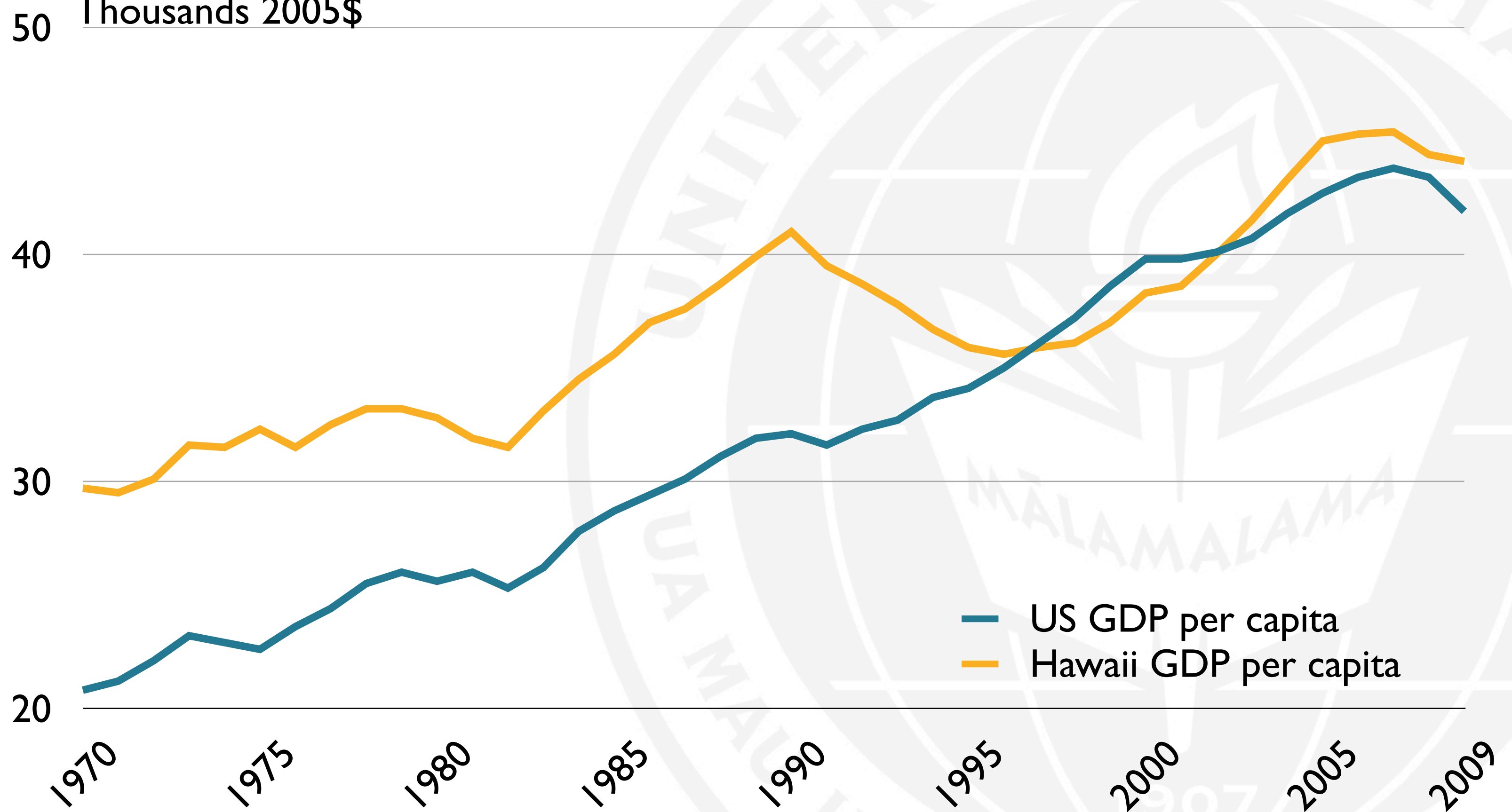
Thousands 2005\$



PER CAPITA GDP GROWTH SUB-PAR

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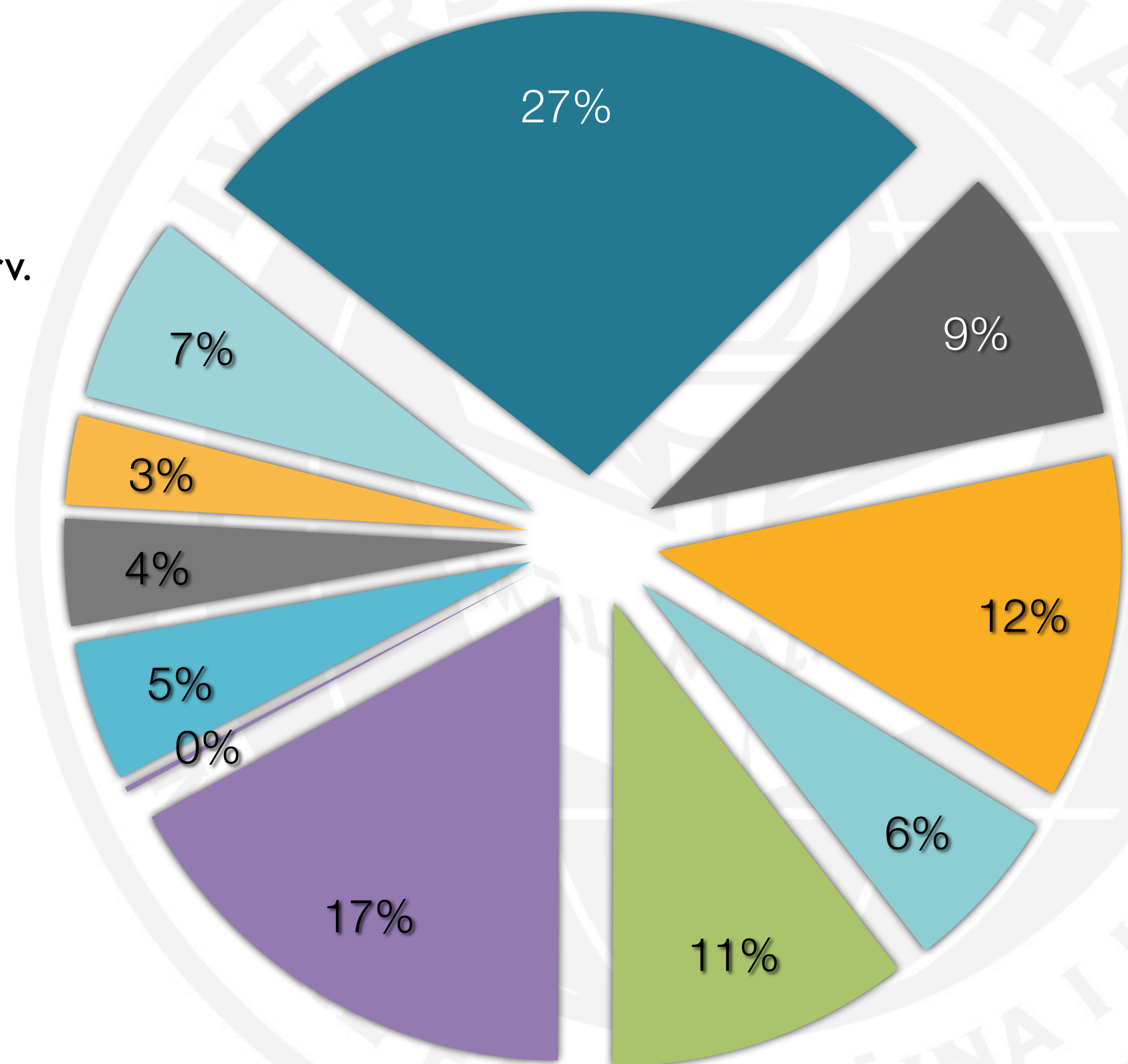
Thousands 2005\$



HAWAII OCCUPATION MIX

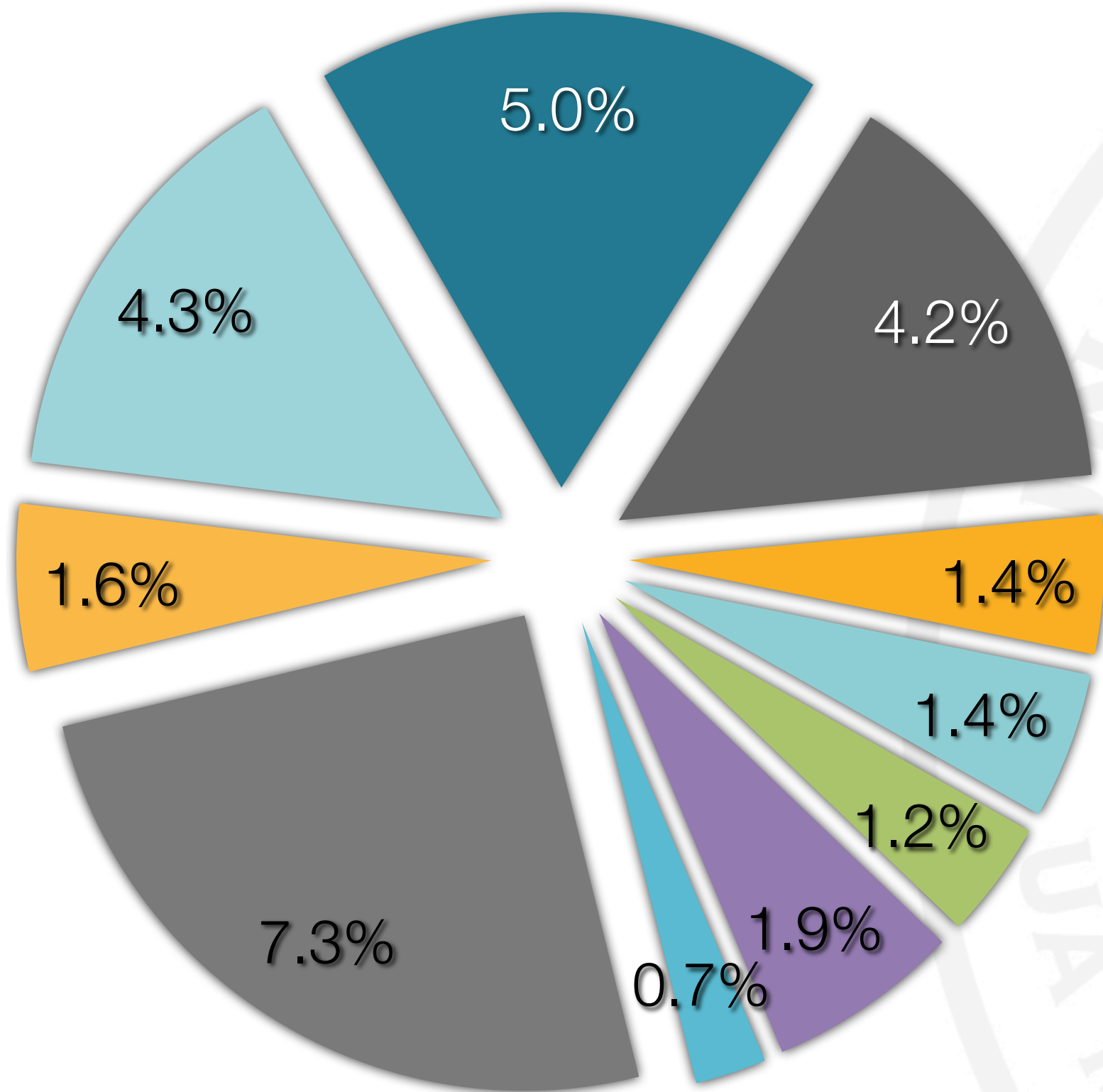
Average Share 2000-2009

- Health, Pers. Care, Protect Srv.
- Food Srv.
- Bldg. Ground Cleaning
- Sales
- Office Admin Support
- Farming, Fish, Forestry
- Construction
- Maintenance
- Production
- Transport
- High Human Capital

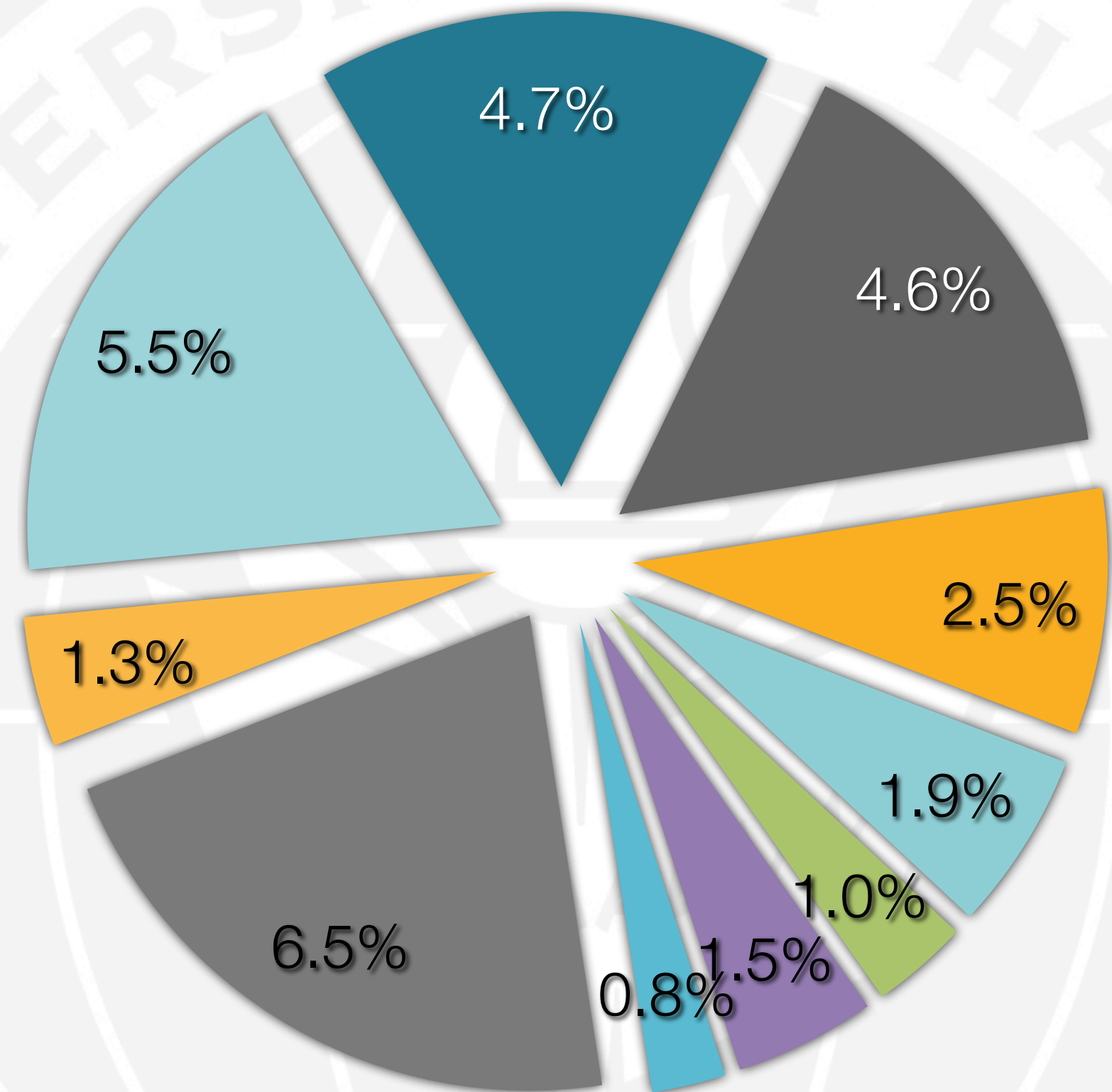


HIGH HUMAN CAPITAL OCCUPATION MIX

Hawaii 2009



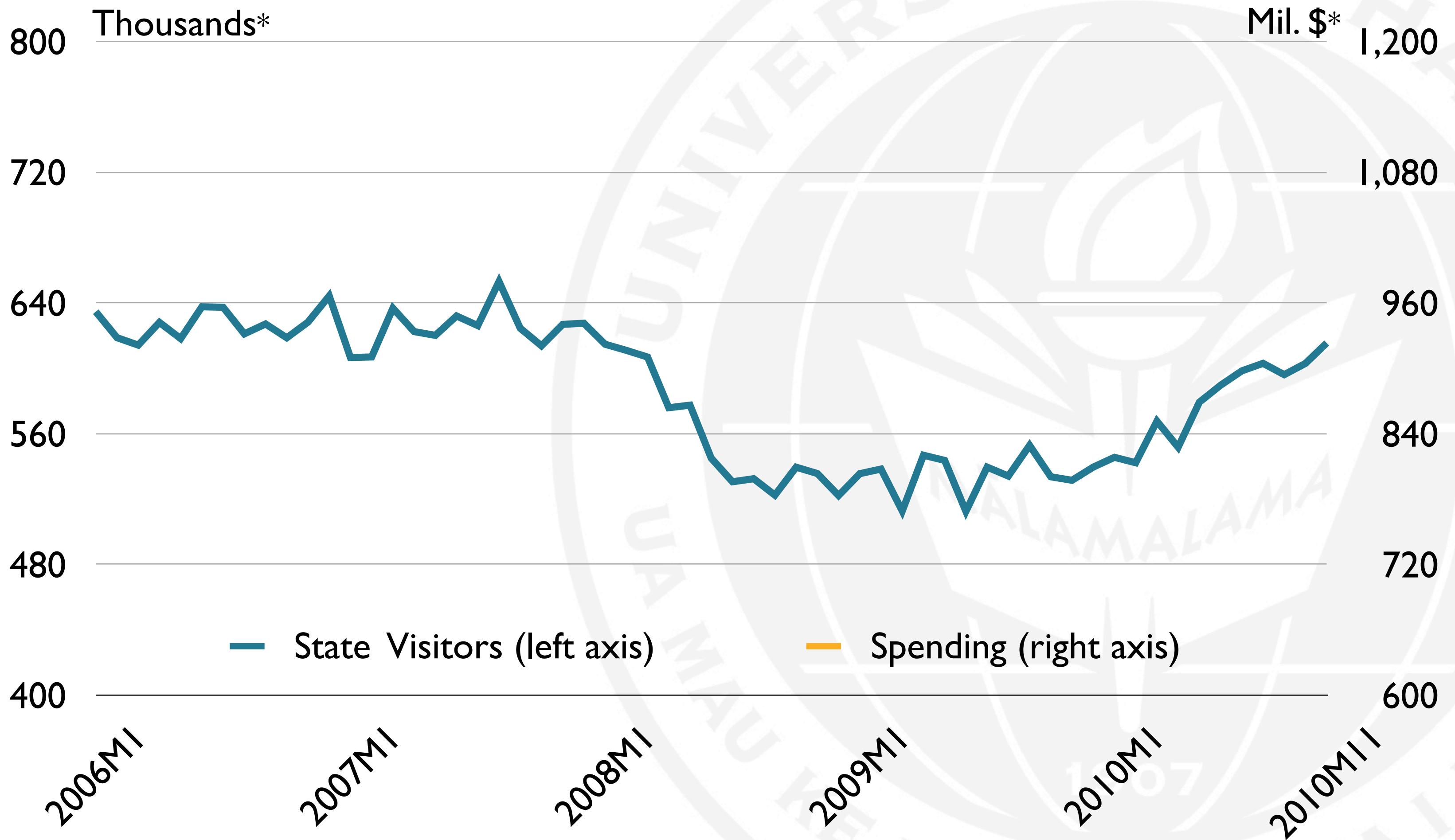
US 2009



- Management
- Architect & Engineering
- Legal
- Healthcare practitioner
- Business and Finance
- Education
- Life, Physical, Social Science
- Computer & Math Science
- Social Service
- Arts, Design, Media...

HAWAII TOURISM RECOVERY ON TRACK

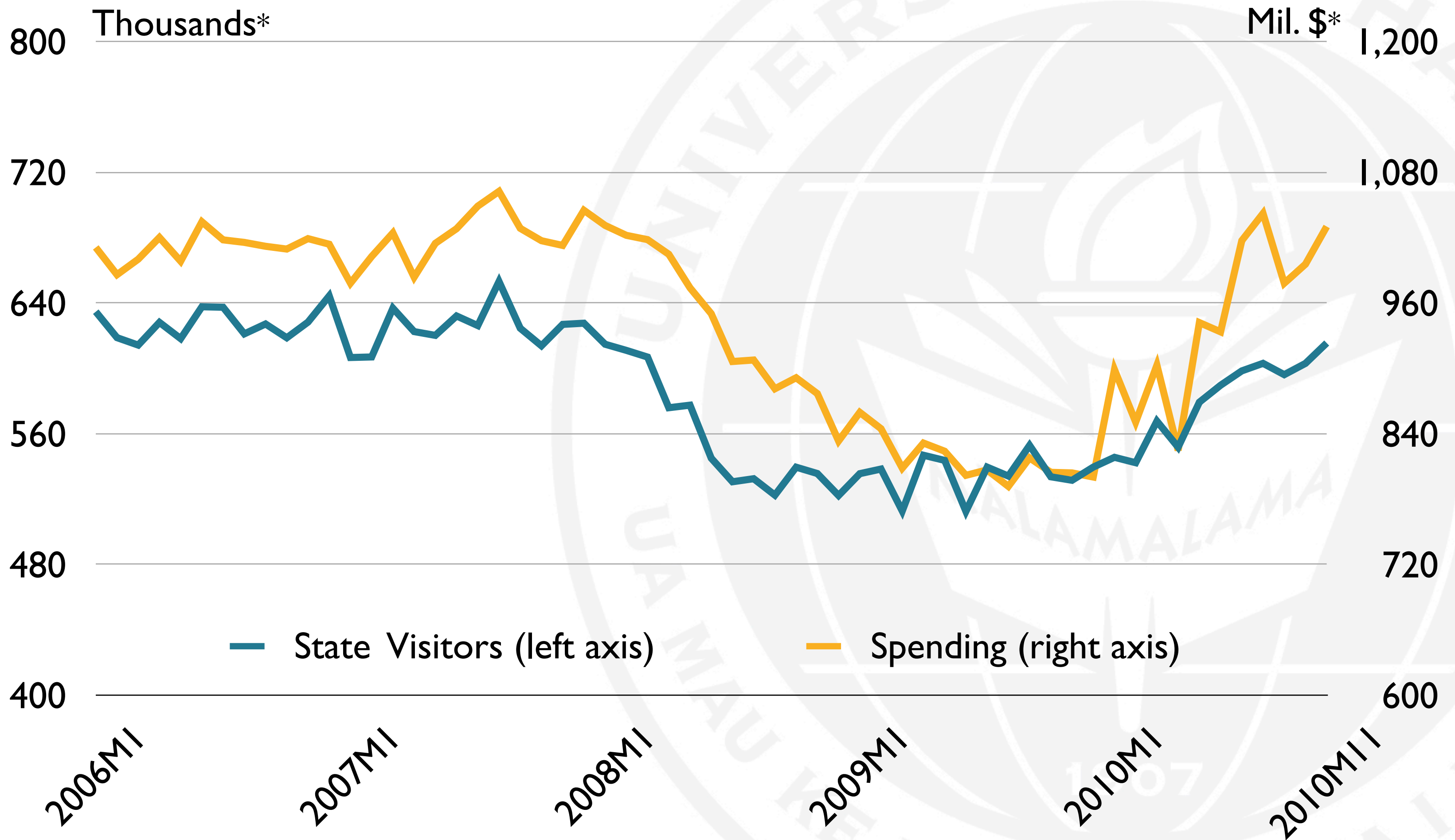
State Visitor Arrivals & Spending



* Seasonally adjusted

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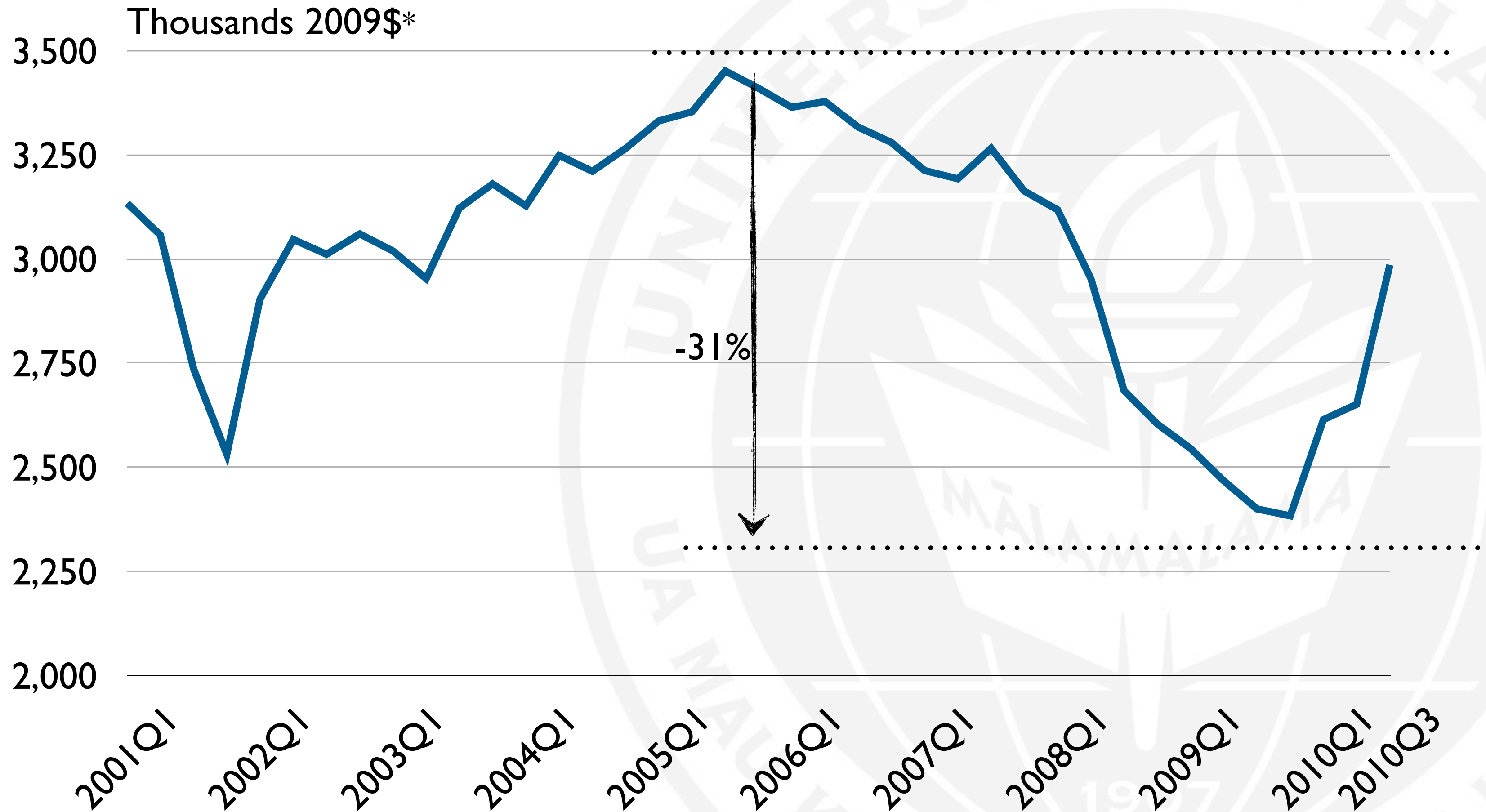
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BUT REAL VISITOR SPENDING STILL LAGS

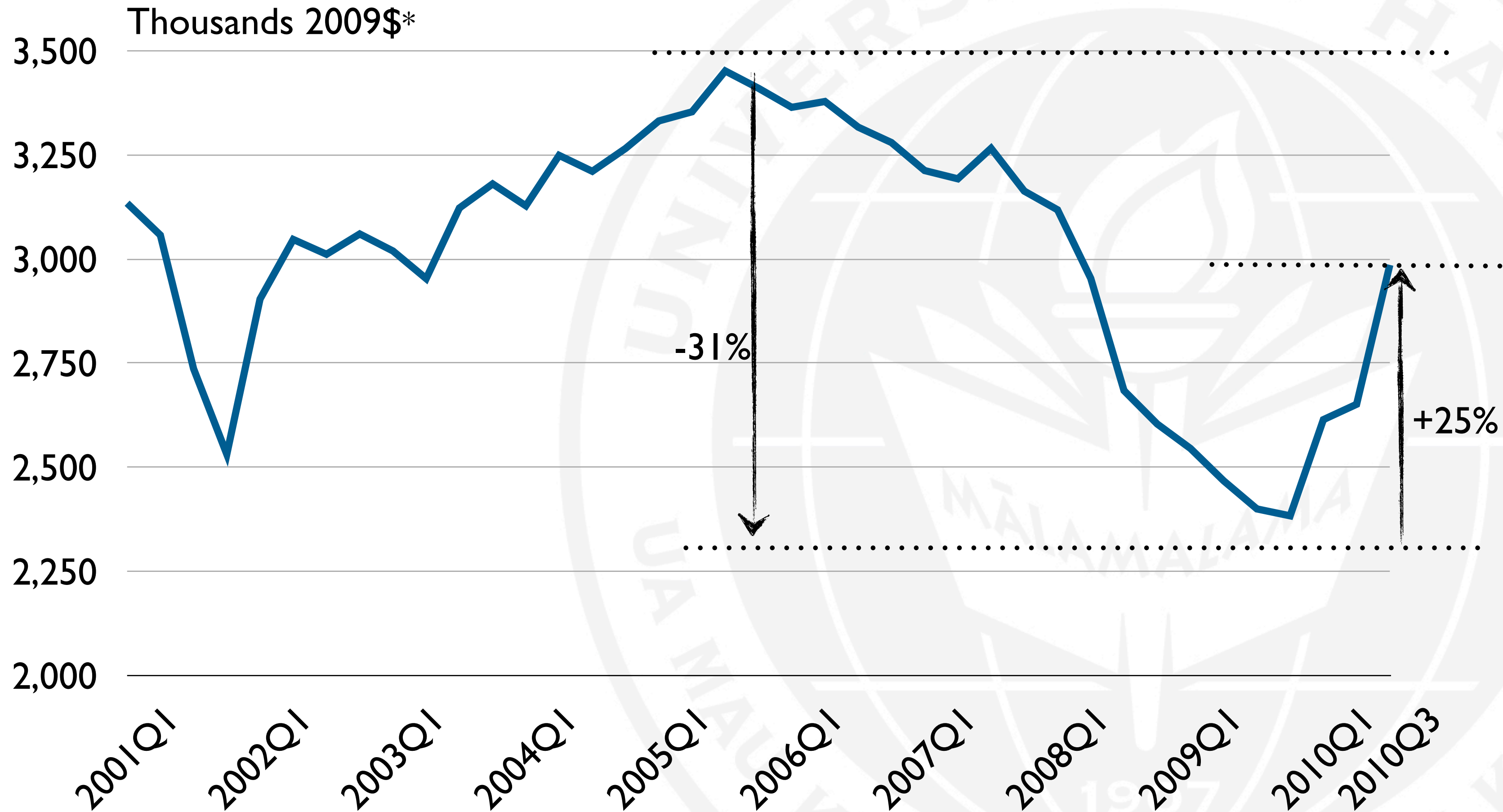
Statewide Visitor Spending



* Seasonally adjusted and deflated using Honolulu CPI

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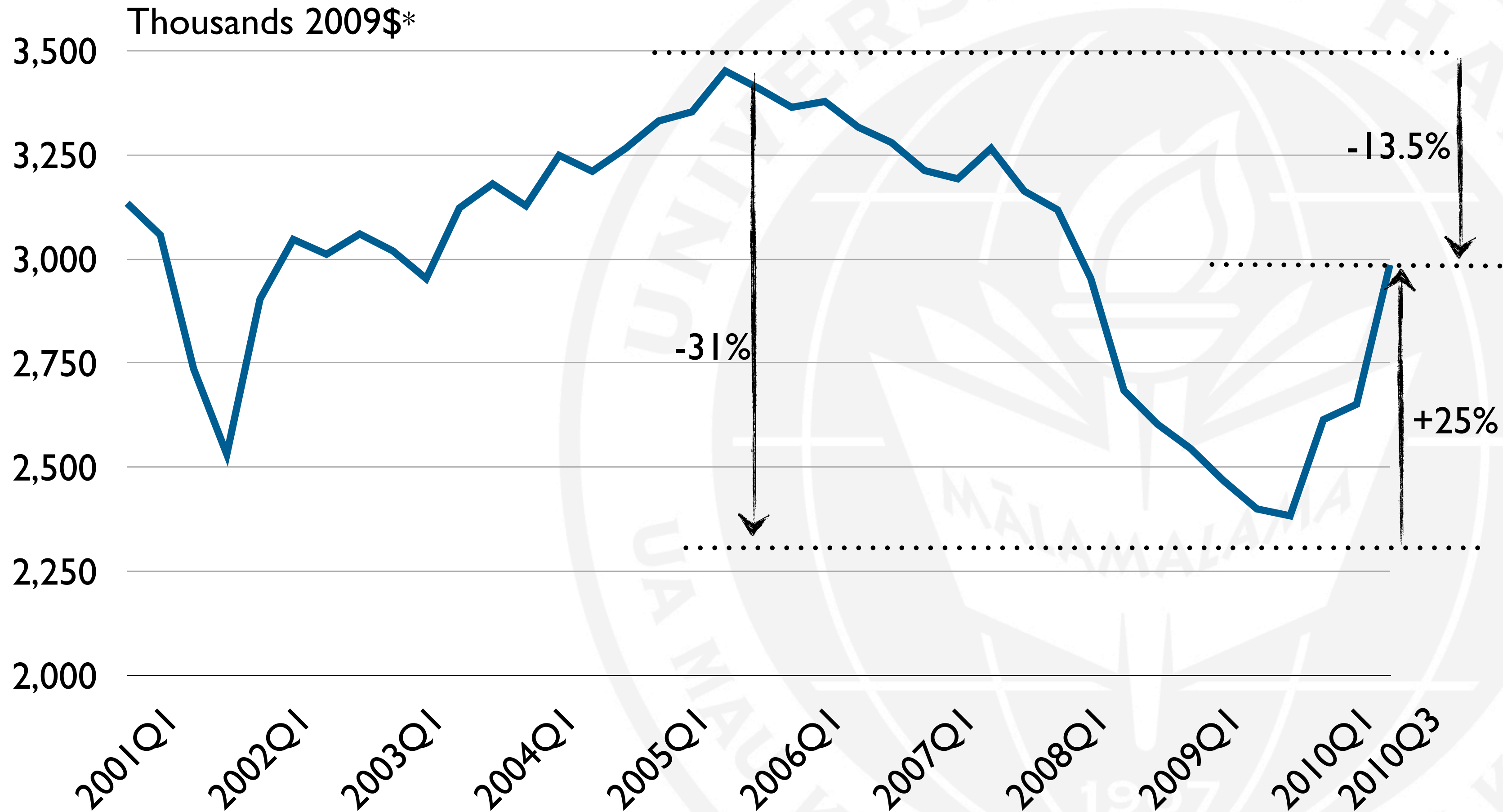
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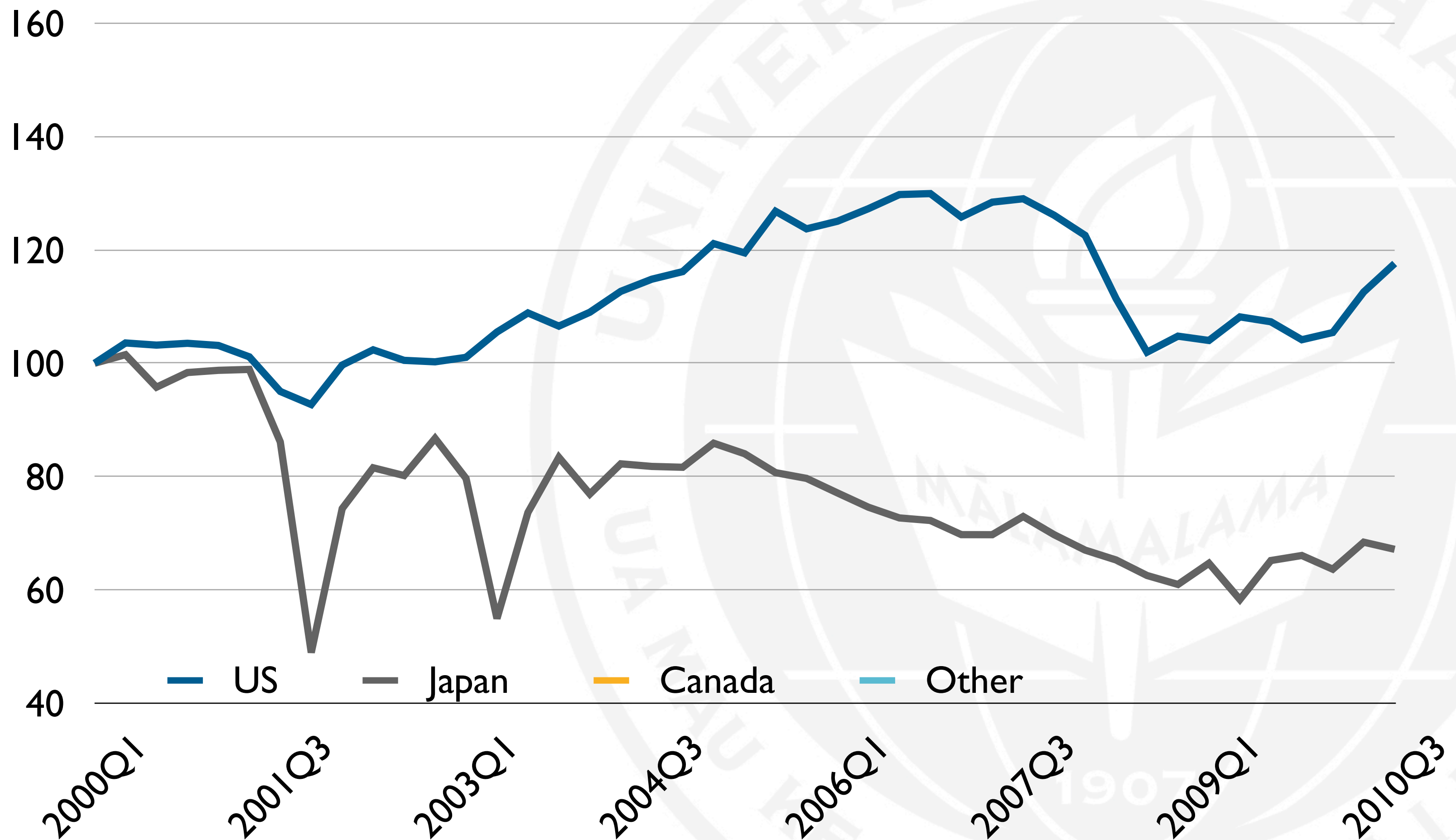
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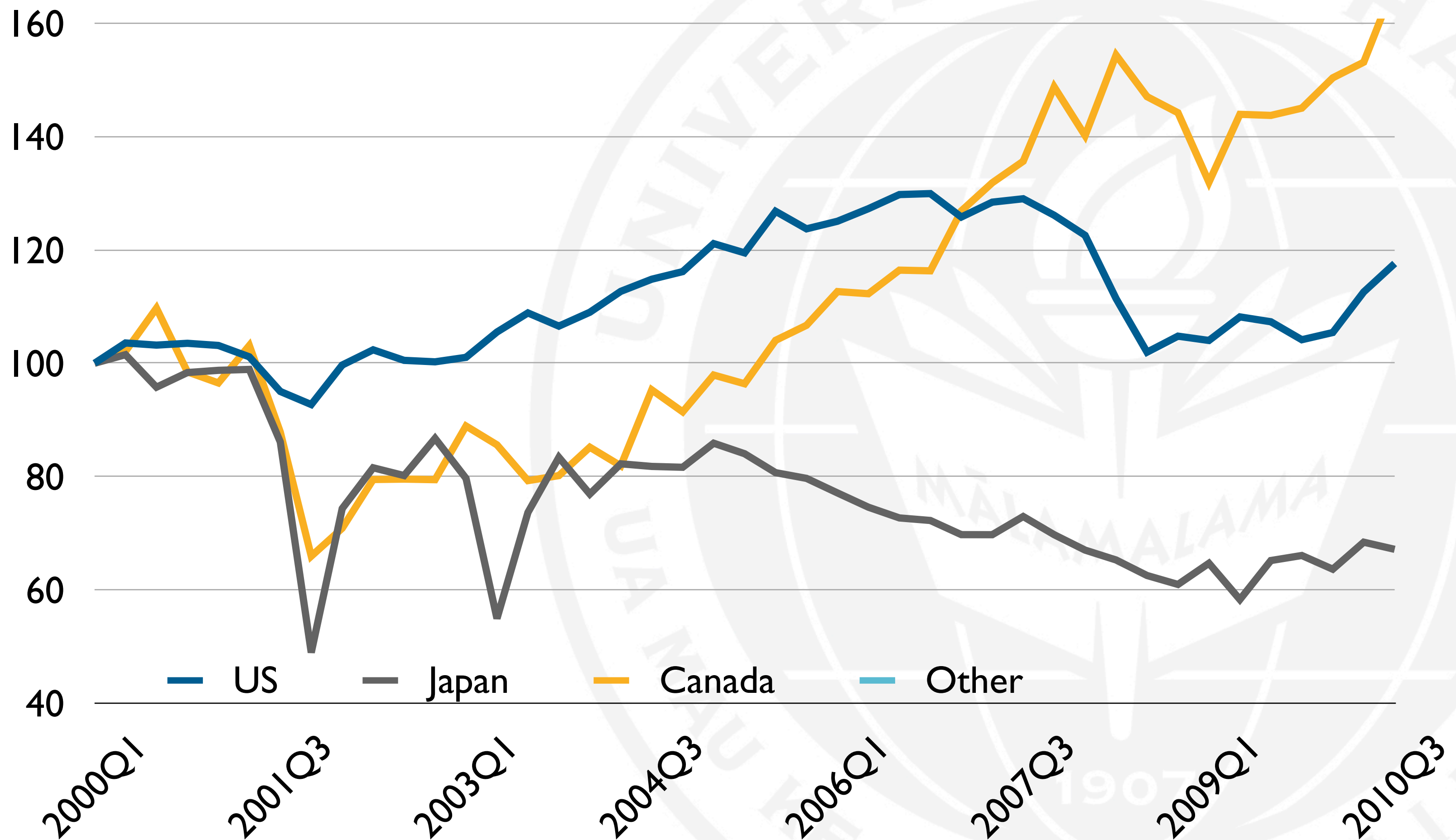
STRONG ECONOMIES DRIVE ARRIVALS GROWTH

Arrivals Indexed to 2000 Q1



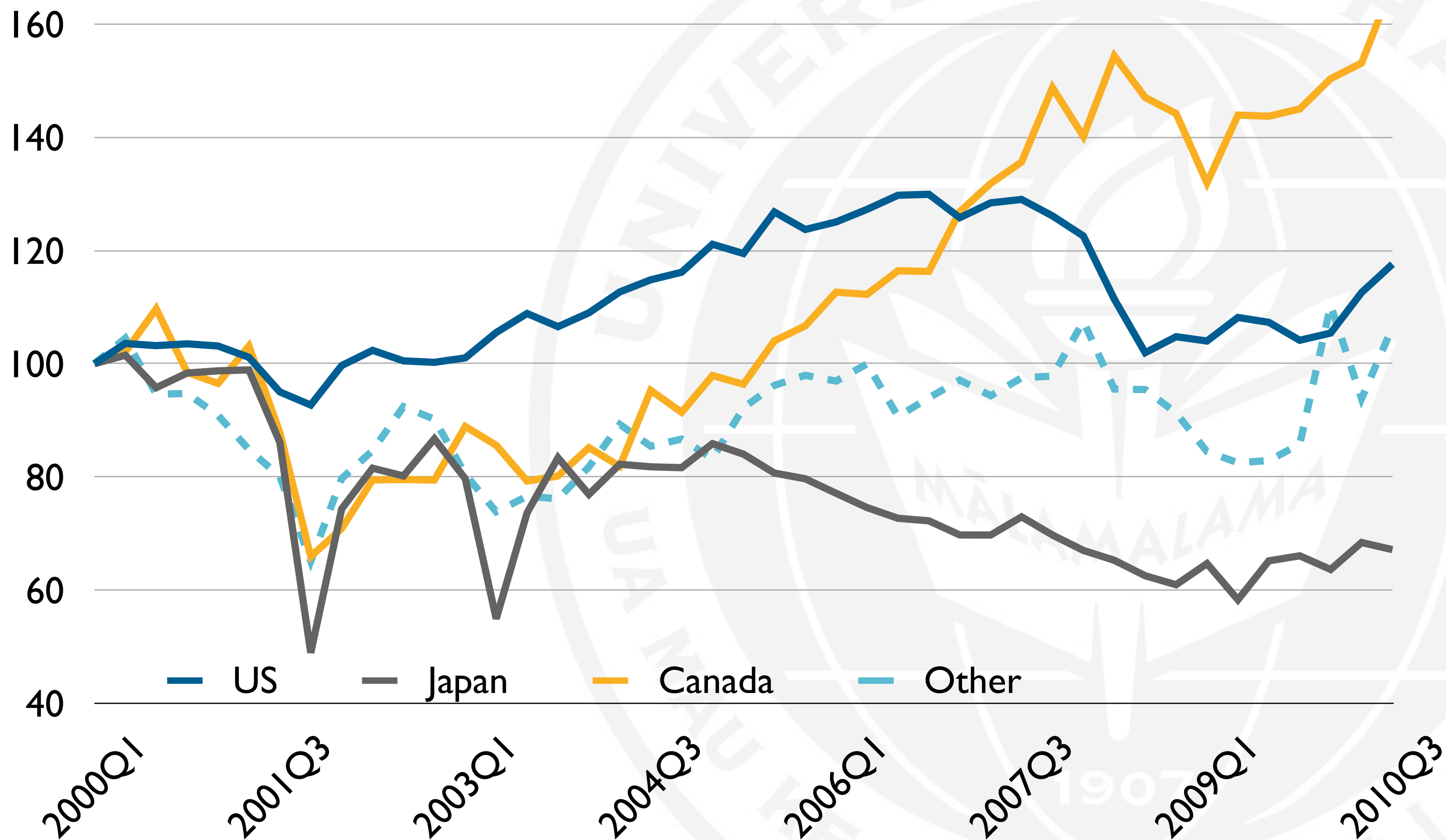
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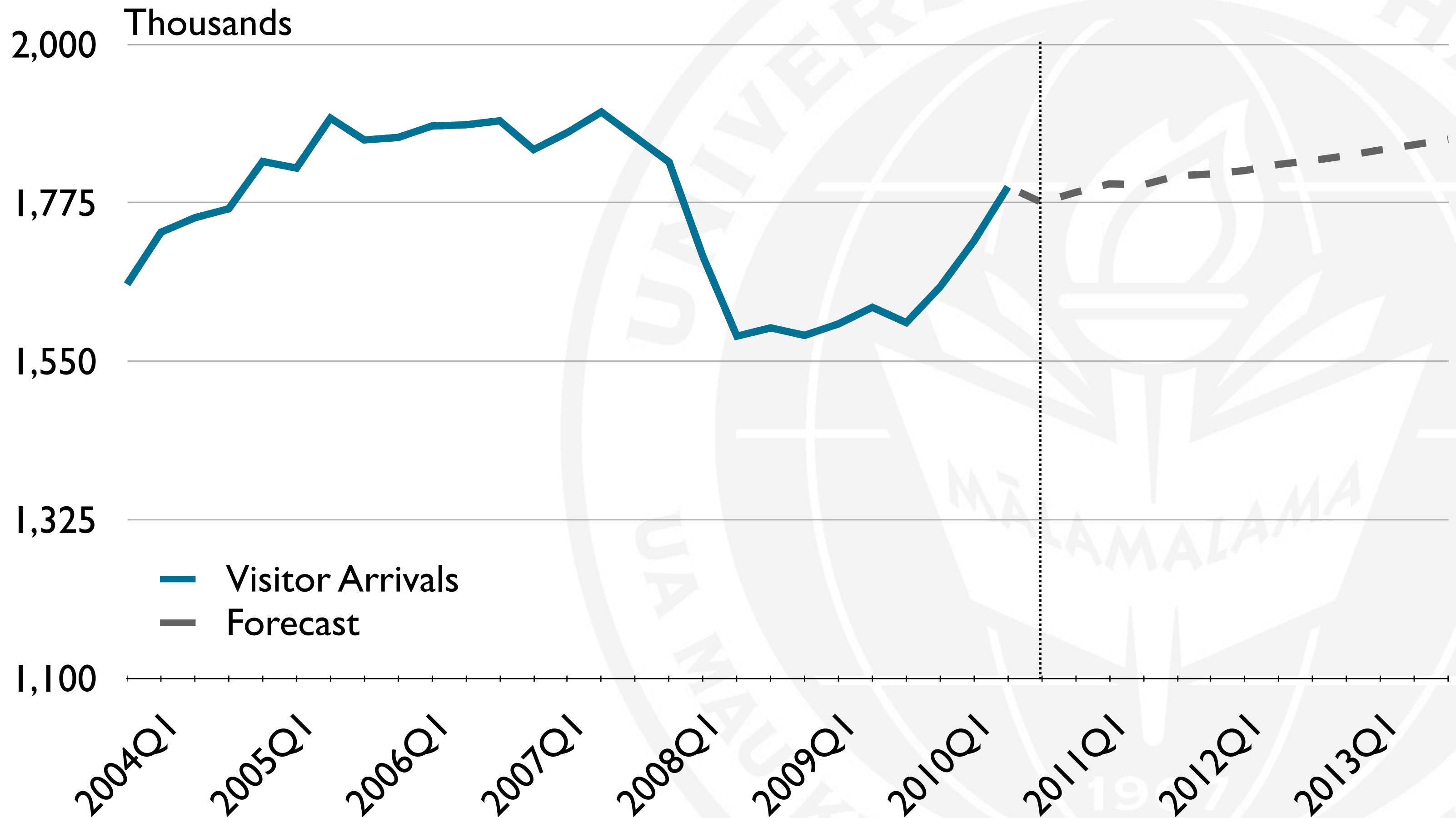
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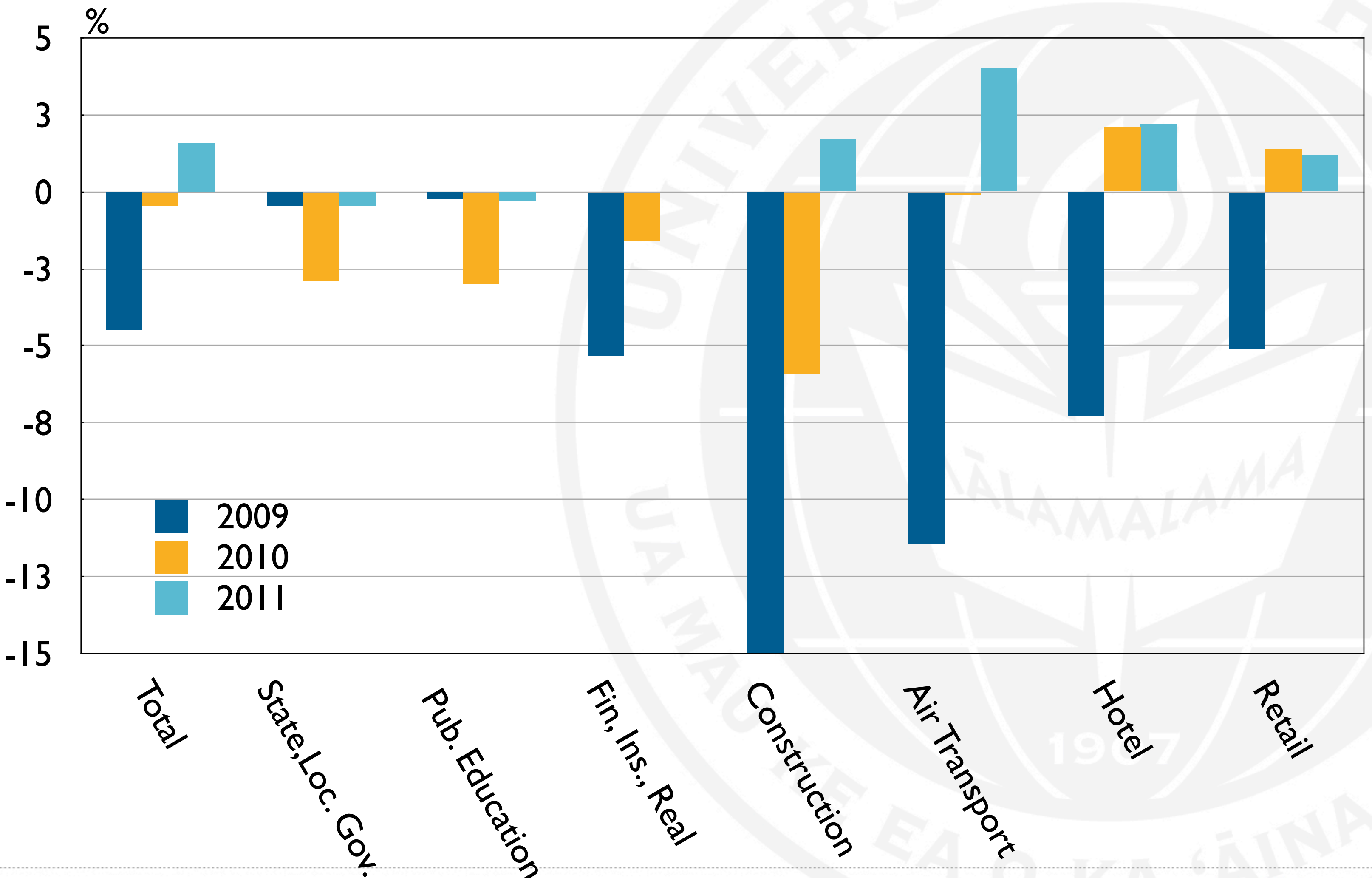
GROWTH EXPECTED TO SLOW

State Visitor Arrivals Forecasts



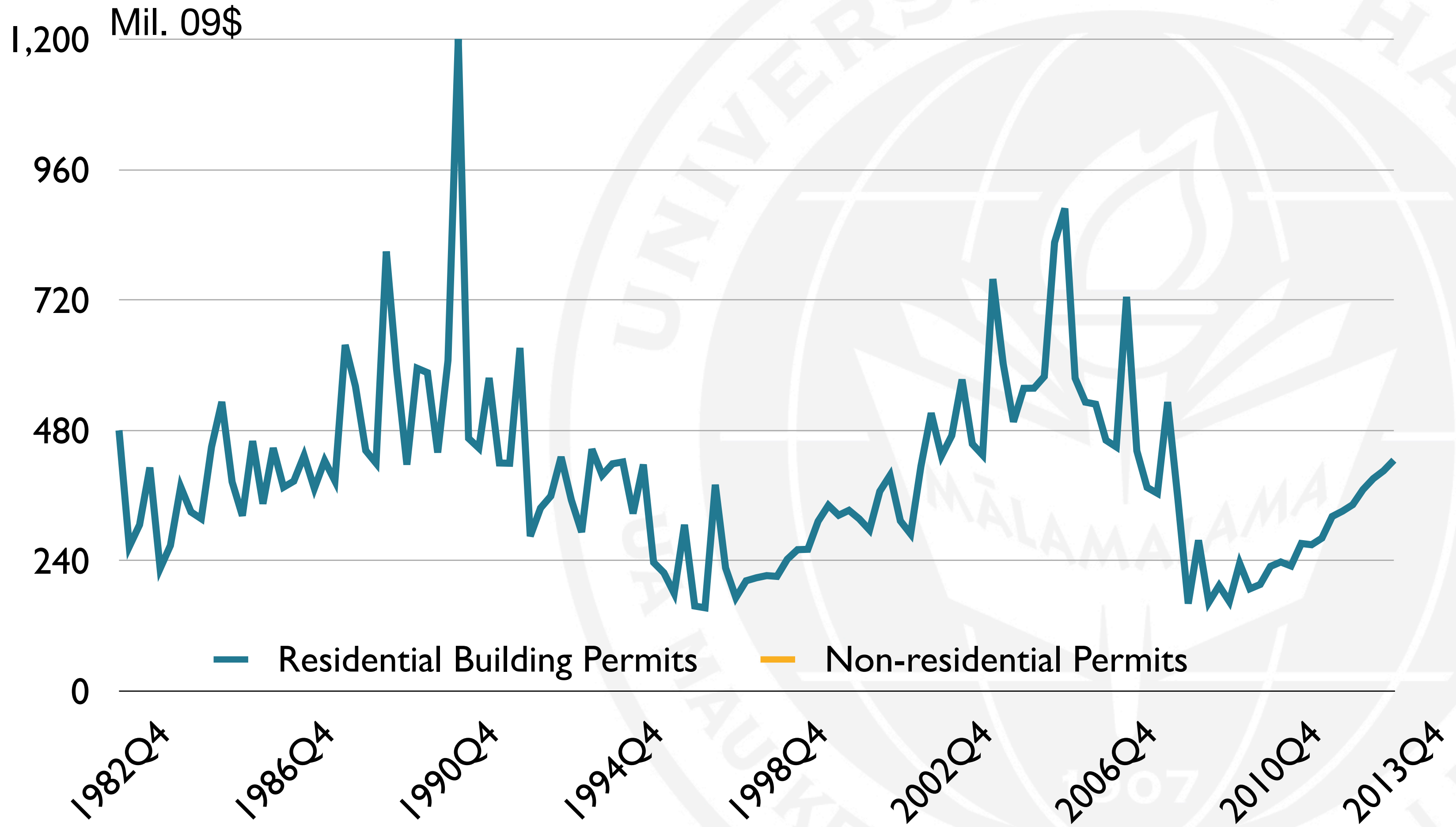
TOURISM CENTRIC GROWTH NEAR TERM

State Job Growth by Sector



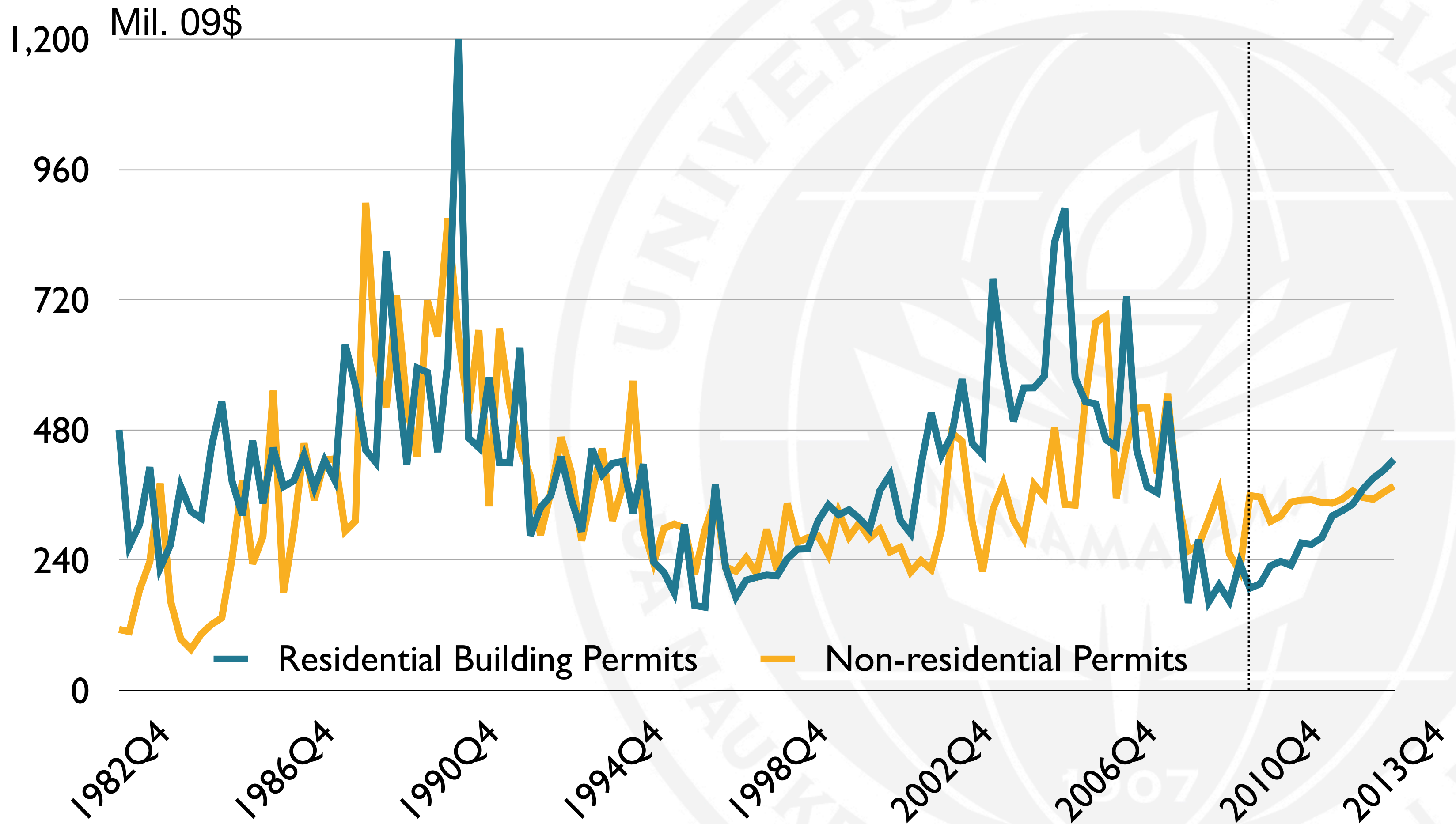
BUT CONSTRUCTION SECTOR POISED FOR RECOVERY

Real Building Permits—Statewide at Record lows



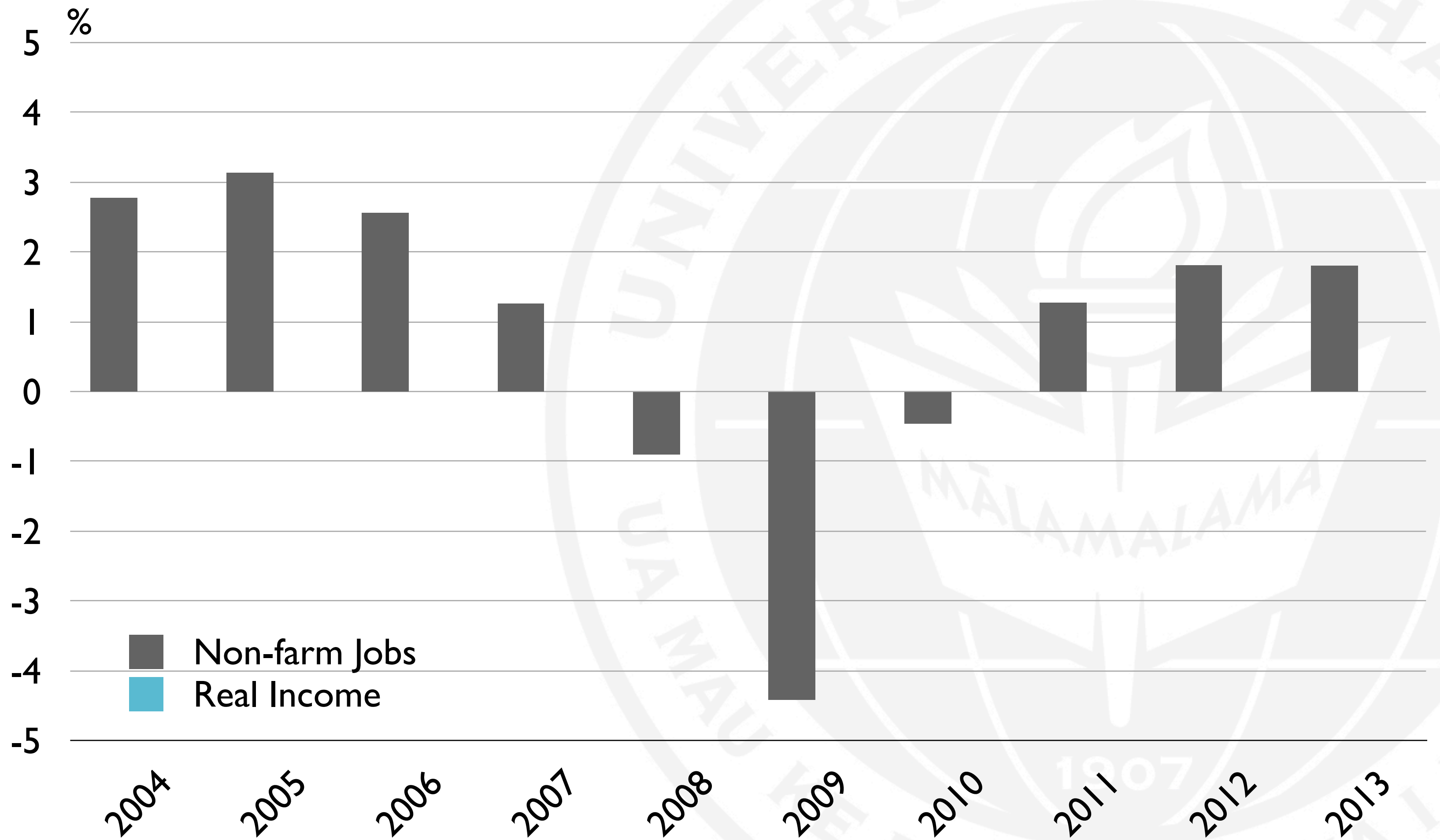
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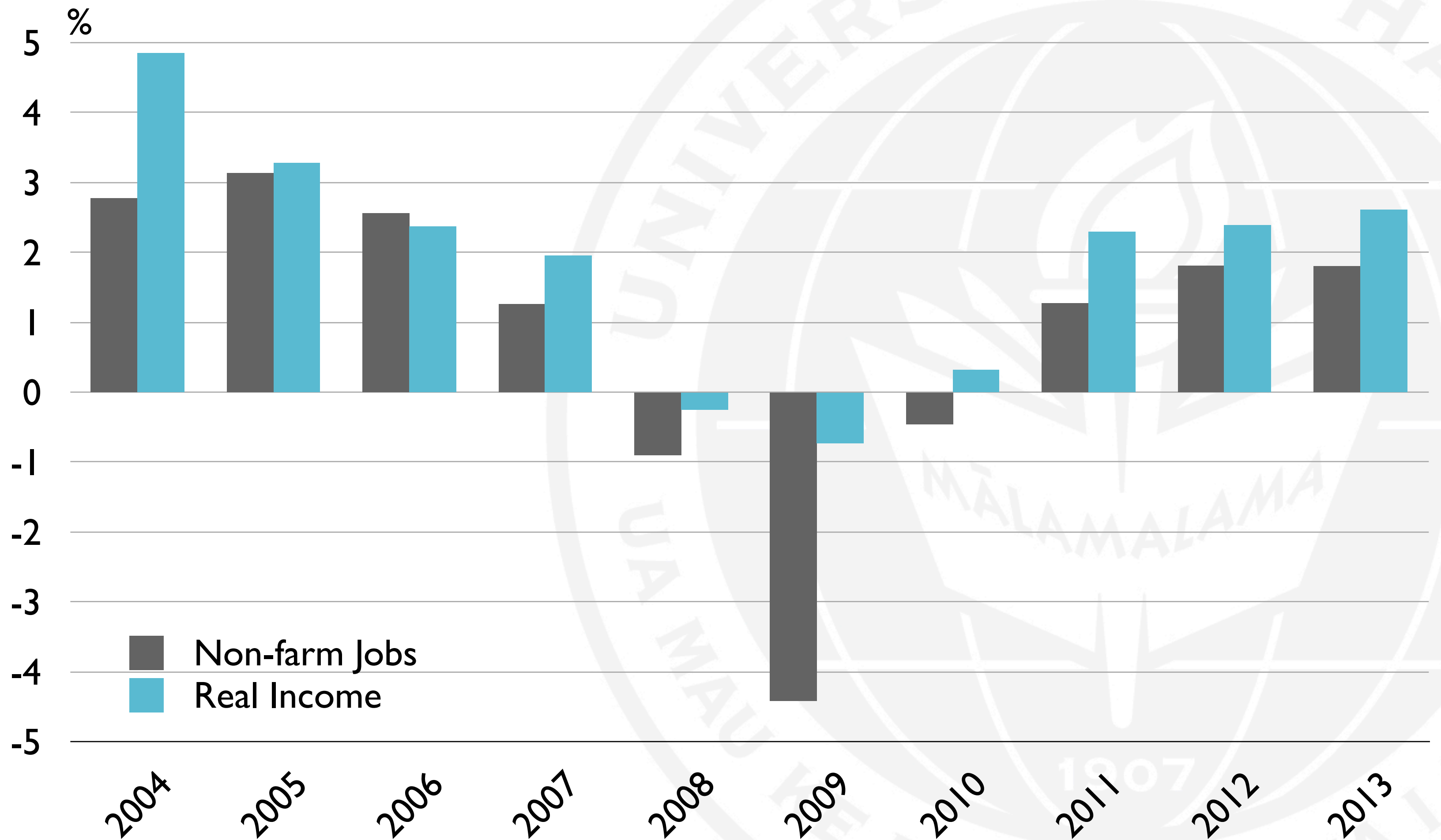
SLOW RECOVERY FROM DEEP RECESSION

Job and Income Forecasts



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BEYOND THE RECOVERY: PROSPECTS

APEC provides an opportunity to showcase Hawaii

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APEC provides an opportunity to showcase Hawaii

Investment in physical capital

- **Transformation of energy production**

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Investing in human capital

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- Directly influenced by University research
- Plays important role in regional productivity growth
- And raising living standards

AT A GLANCE

TABLES

GRAPHS

ANALYZER

FORECASTS

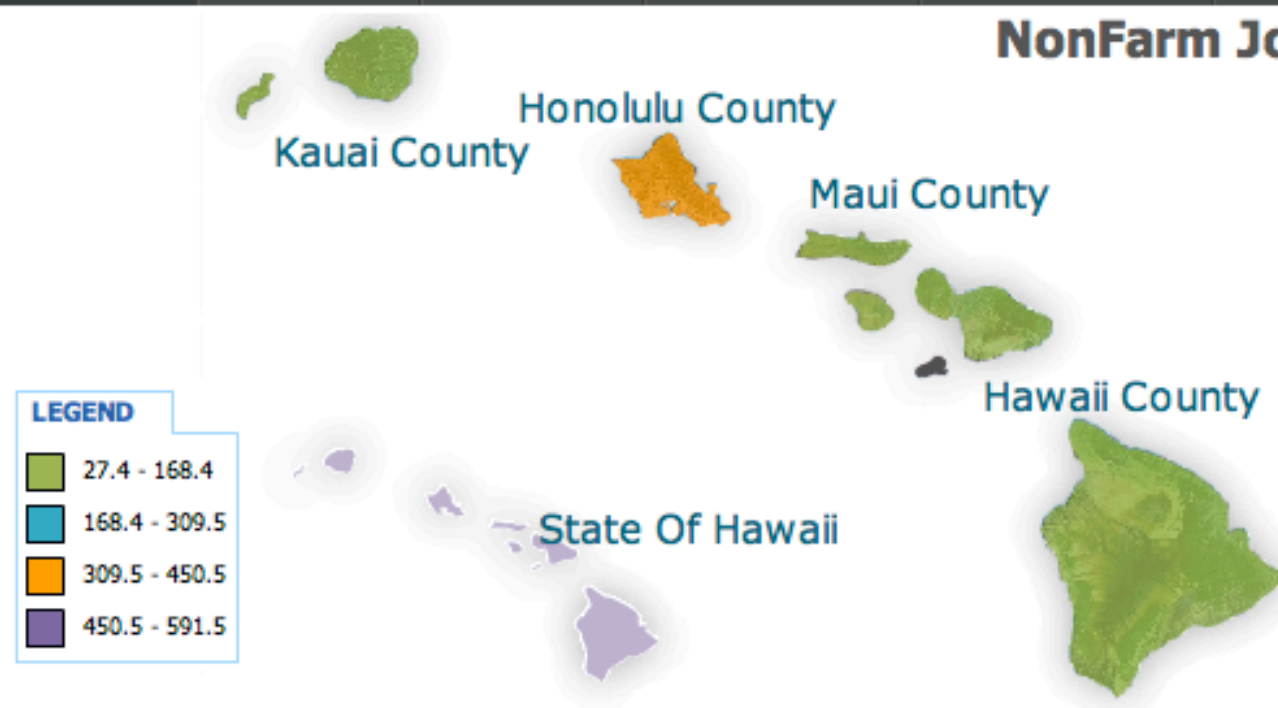
UHERO HOME

HELP

EXPORT

PRINT






NonFarm Jobs (Thou.), 2009



Annual

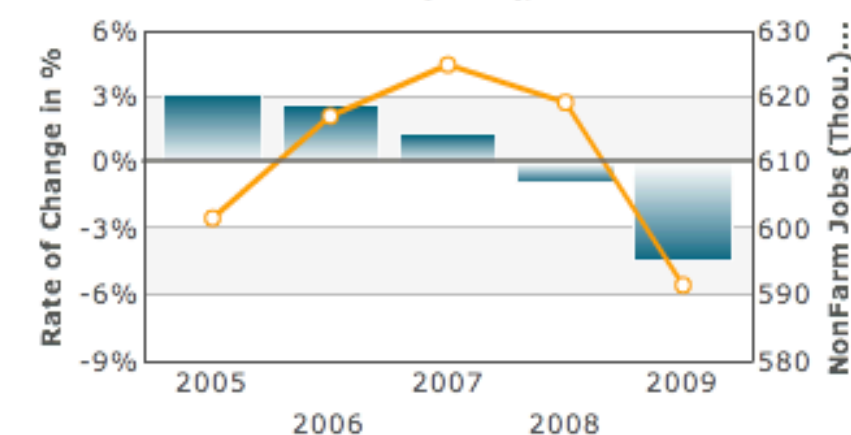
Statewide

Statewide At a Glance

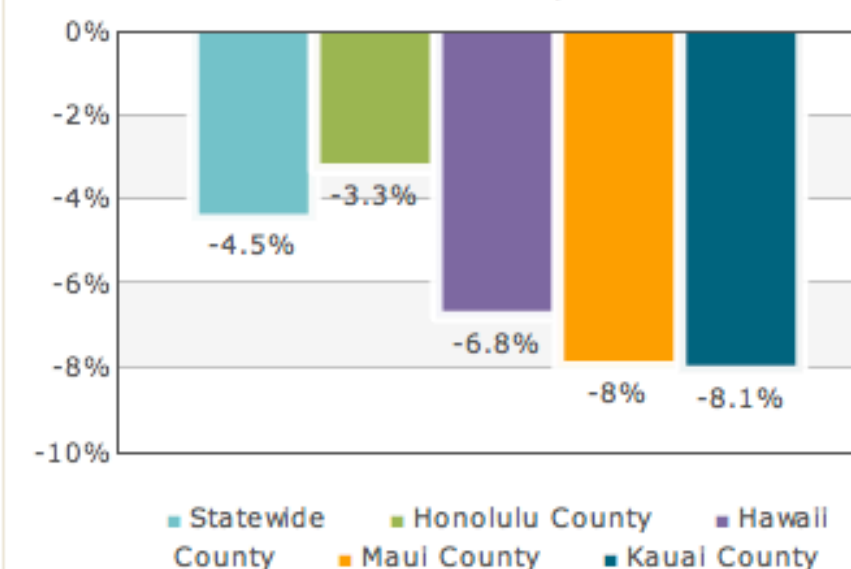
Indicators	Source	2005	2006	2007	2008	2009
NonFarm Jobs (Thou.)		601.6	617.1	624.9	619.2	591.5
Population (Thou.)		1,264.5	1,275.3	1,277.4	1,288.2	1,295.2
Real Per Capita Income (1982-84\$Thou.)		18.1	18.4	18.6	18.4	
Visitors (Thou.)		7,416.6	7,528.1	7,496.8	6,713.4	6,419.1
Unemployment Rate (%)		2.7	2.5	2.6	4.0	6.8

[Click here for more detailed information](#)

NonFarm Jobs (Thou.), Statewide



NonFarm Jobs, 2009



- ▼ Visitor Industry
 - ▼ Visitor Arrival
 - Total Visitor Arrivals
 - Domestic Visitor Arrivals
 - US Visitor Arrivals
 - US East Visitor Arrivals
 - US West Visitor Arrivals
 - International Visitor Arrivals
 - Japanese Visitor Arrivals
 - Canadian Visitor Arrivals
 - Visitor Census
 - Visitor Accommodation
 - Visitor Expenditures
 - Total Air Seats Outlook
- Income
- Employment and Jobs
- External Indicators
- Gross Domestic Product
- Population
- Construction
- State Revenue & Expenditure
- County Revenue & Expenditure
- Real Estate
- Agriculture
- Prices
- Discontinued series

[Source](#) [Go to Table](#) Number of scale: Two scale

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Total Visitor Arrivals (Seasonally Adjusted)
Statewide



Max. 2 series. Hold 'CTRL' key to select second series.

Frequency: **Quarterly** From Year: **1975** Quarter: **1** To Year: **2010** Quarter: **3** Chart Type: **Both** Select Area: **Statewide** Compare To: **[None]** ☒ Seasonally Adjusted [Update](#)

A full-page background image showing a sunset over a coastal landscape. The sun is low on the horizon, casting a warm orange and yellow glow across the sky and reflecting on the water. The sky is filled with scattered, dark clouds. In the foreground, the dark, silhouetted outlines of hills and a rocky shoreline are visible. The ocean stretches out to the horizon, with gentle waves breaking near the shore.

MAHALO