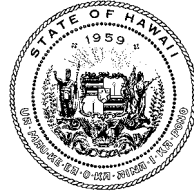


NEIL ABERCROMBIE  
GOVERNOR

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**COUNCIL ON REVENUES**

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

August 5, 2013

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

Dear Governor Abercrombie:

In its August 1, 2013 meeting, the Council on Revenues slightly lowered its forecast for growth in Hawaii total personal income (TPI) for calendar year 2013 from 4.7% to 4.3%. The Council also forecast growth in TPI of 4.9% for the calendar year 2014.

According to the latest estimates from the U.S. Bureau of Economic Analysis (BEA), TPI for Hawaii grew at a rate of 3.9% in 2013, and at a rate of 3.6% during the first quarter of 2013. Continued below-trend economic growth of the US economy, the federal sequestration and subdued inflation expectations were all factors in lowering the 2013 forecast.

For Hawaii, the Council's forecast reflects the continued strong but moderating growth in visitor arrivals and expectations for expanded construction activities, along with other economic conditions that were discussed by the members.

The revised total personal income data for the State for calendar years 2008 through 2012, along with the Council's forecasts for 2013 and 2014, are shown below:

<b>Calendar Year</b>	<b>Millions of Dollars</b>	<b>% Growth From Previous Year</b>
2008	\$55,314	5.25%
2009	\$54,194	-2.02%
2010	\$55,832	3.02%
2011	\$59,014	5.70%
2012	\$61,339	3.94%
2013 (Forecast)	\$63,977	4.30%
2014 (Forecast)	\$67,111	4.90%

The Honorable Neil Abercrombie  
August 5, 2013  
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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, appearing to read "Jack P. Suyderhoud". The signature is written in a cursive style with a long, sweeping underline.

JACK P. SUYDERHOUD  
Acting Chair, Council on Revenues