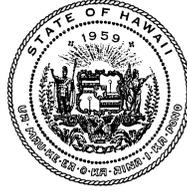


LINDA LINGLE
GOVERNOR
JAMES R. AIONA, JR.
LT. GOVERNOR



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COUNCIL ON REVENUES

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

August 5, 2008

The Honorable Linda Lingle
Governor, State of Hawaii
Executive Chambers
State Capitol, Fifth Floor
Honolulu, HI 96813

Dear Governor Lingle:

The Council on Revenues has updated the growth rates of Hawaii total personal income to be 4.5% for calendar year 2008 and 4.0% for calendar year 2009.

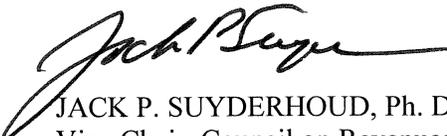
According to the latest estimates from the Bureau of Economic Analysis, total personal income grew at a rate of 5.3% during the first quarter of 2008, in line with the Council's expectations. The Council expects that the inflation rate, as measured by changes in the Honolulu Consumer Price Index, will continue to decline gradually.

The revised total personal income data for calendar years 2004 through 2007, as well as the estimates for 2008 and 2009, are listed below:

<u>Calendar Year</u>	<u>Millions of Dollars</u>	<u>% Growth From Previous Year</u>
2004	\$41,027	8.43%
2005	\$44,283	7.94%
2006	\$47,340	6.90%
2007	\$50,277	6.20%
2008 (Estimated)	\$52,539	4.50%
2009 (Estimated)	\$54,641	4.00%

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,



JACK P. SUYDERHOUD, Ph. D.
Vice-Chair, Council on Revenues