



UHERO

THE ECONOMIC RESEARCH ORGANIZATION
AT THE UNIVERSITY OF HAWAII

Covid-19 Surge Means a Bleak Winter, But Vaccines Promise 2021 Growth

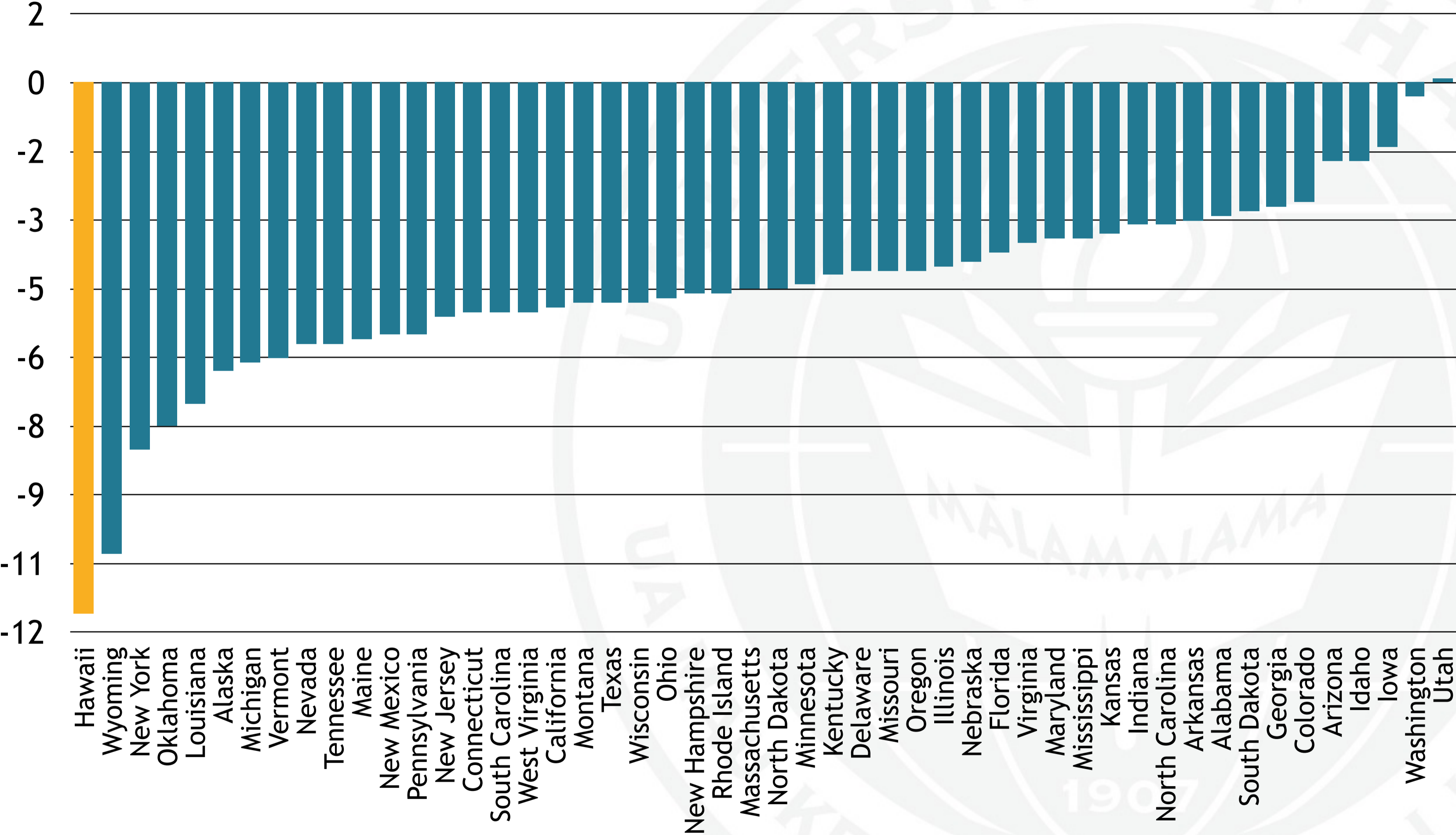
Dr. Carl Bonham
Executive Director, UHERO

House Finance Committee
Informational Briefing

January 4, 2021

Hawaii leads pandemic output loss

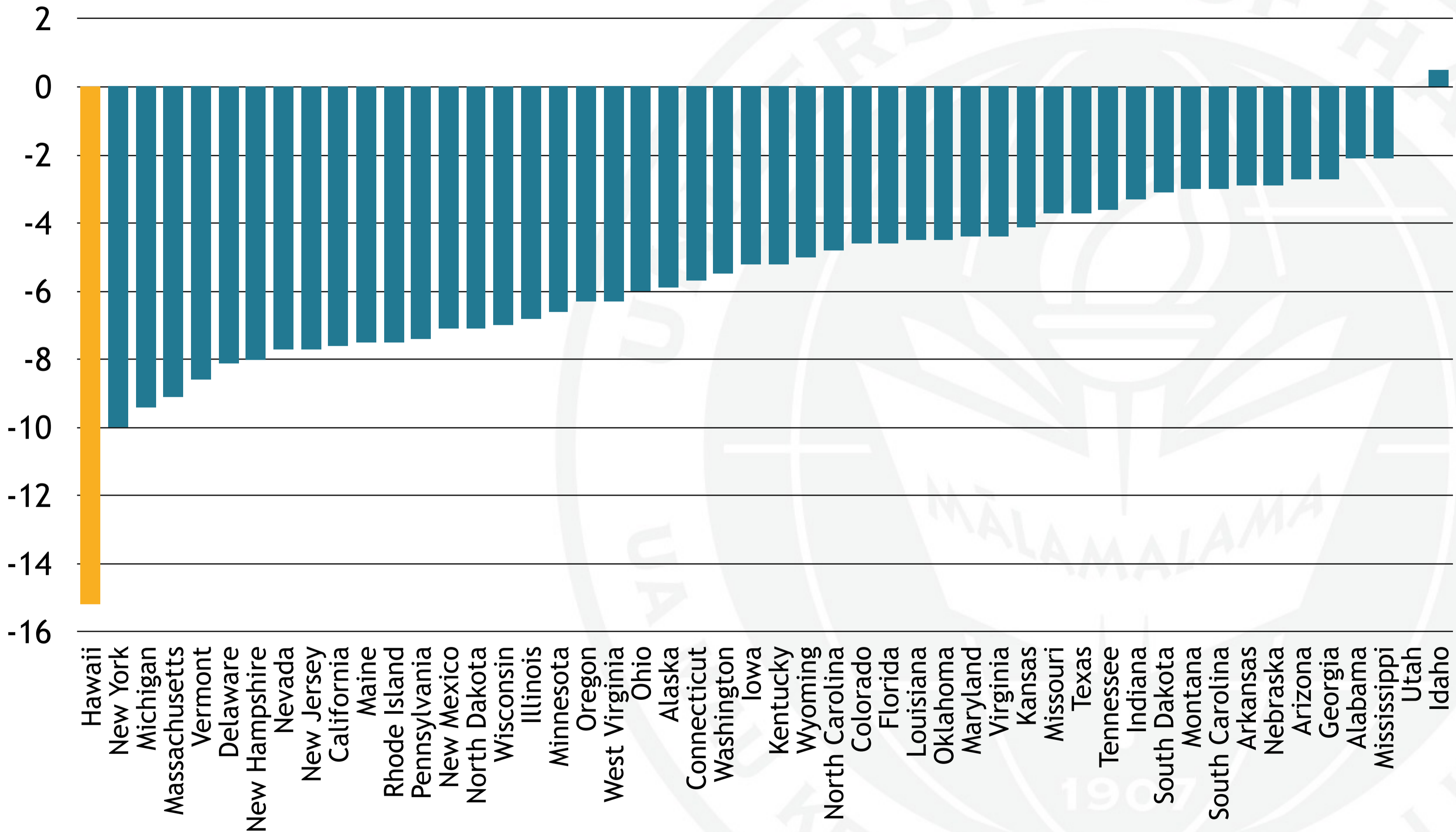
Real GDP—compound annual growth 2019Q4-2020Q3



Source: Bureau of Economic Analysis

And loss of employment

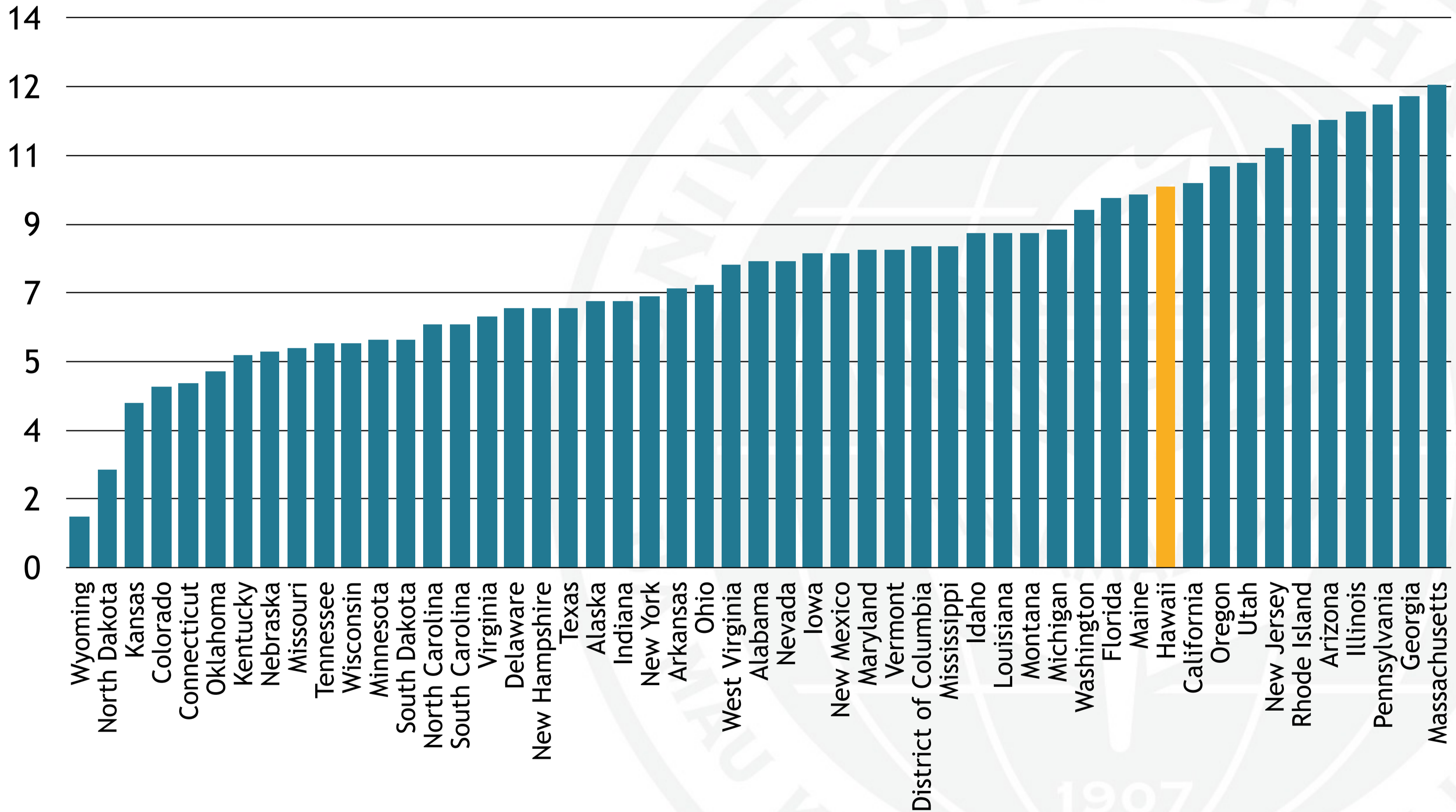
November 2020, year-over-year percentage change in payroll jobs



Source: Bureau of Labor Statistics

While personal income is supported by federal \$, for now

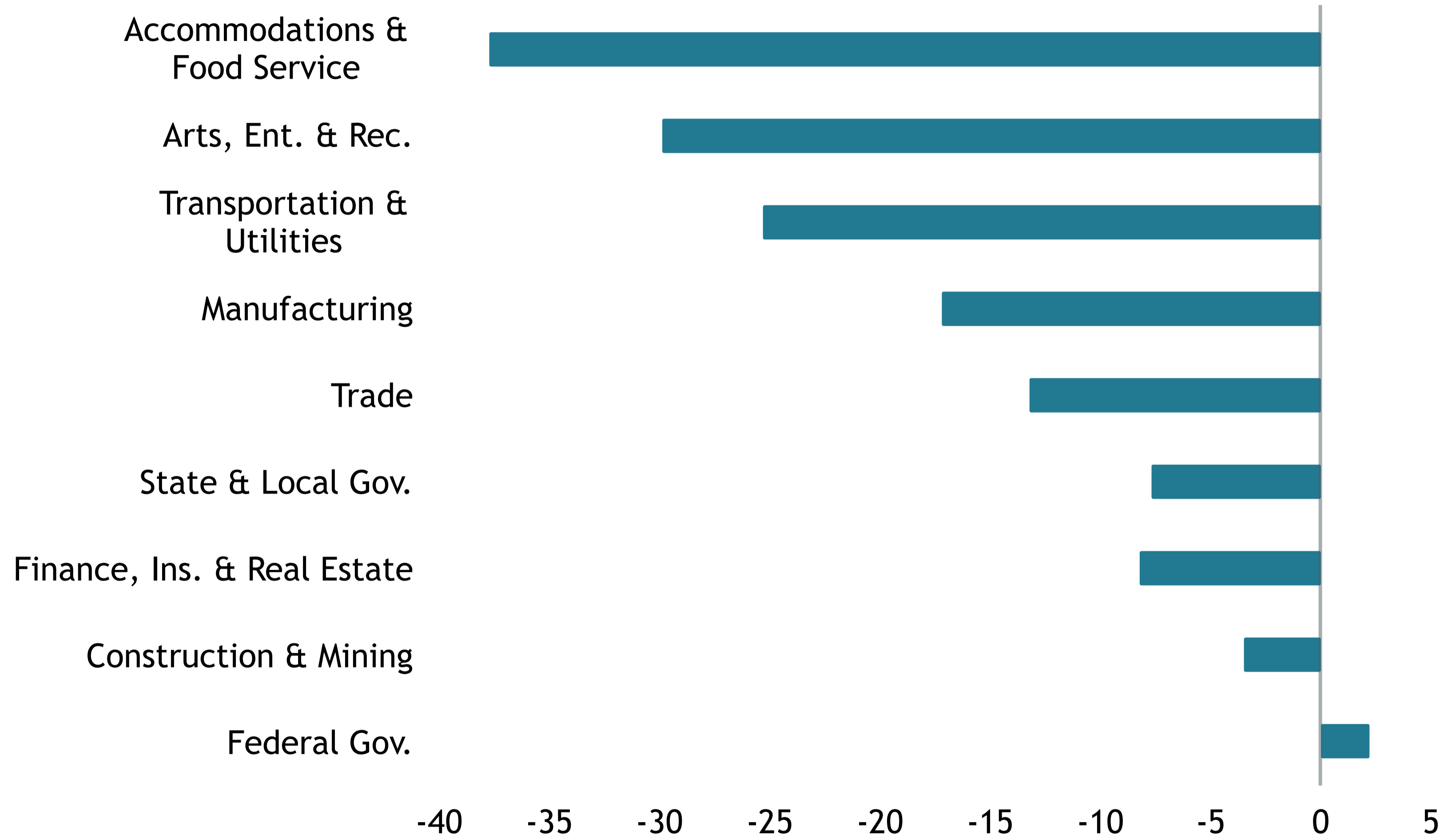
2019Q4-20Q3 compound annual growth of nominal personal income



Source: Bureau of Economic Analysis

Job losses are everywhere

State payroll job losses through November

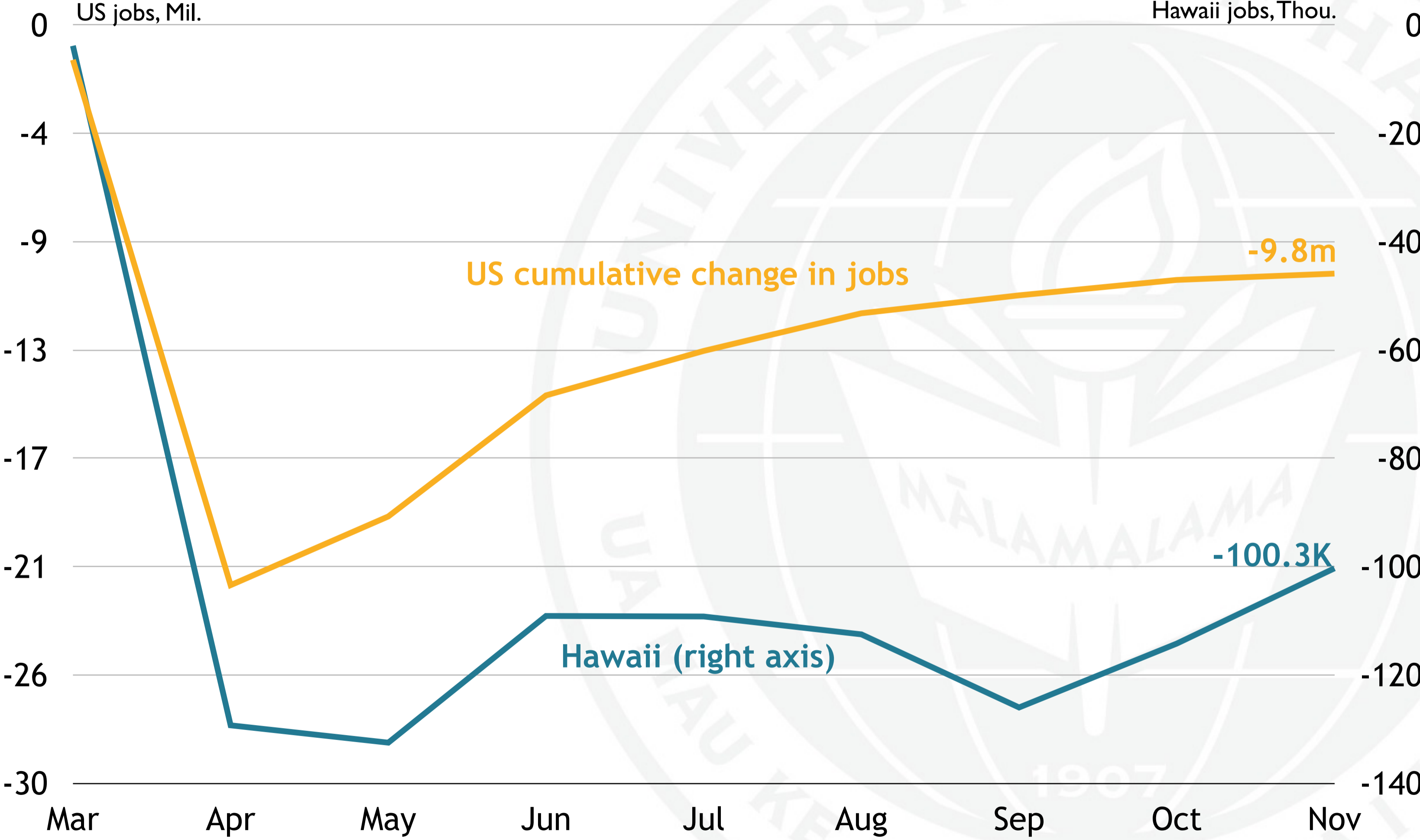


Source: UHERO benchmarked payroll jobs.

<https://uhero.hawaii.edu/benchmarking-for-a-clearer-employment-picture/>

Recovery in perspective – limited and sporadic

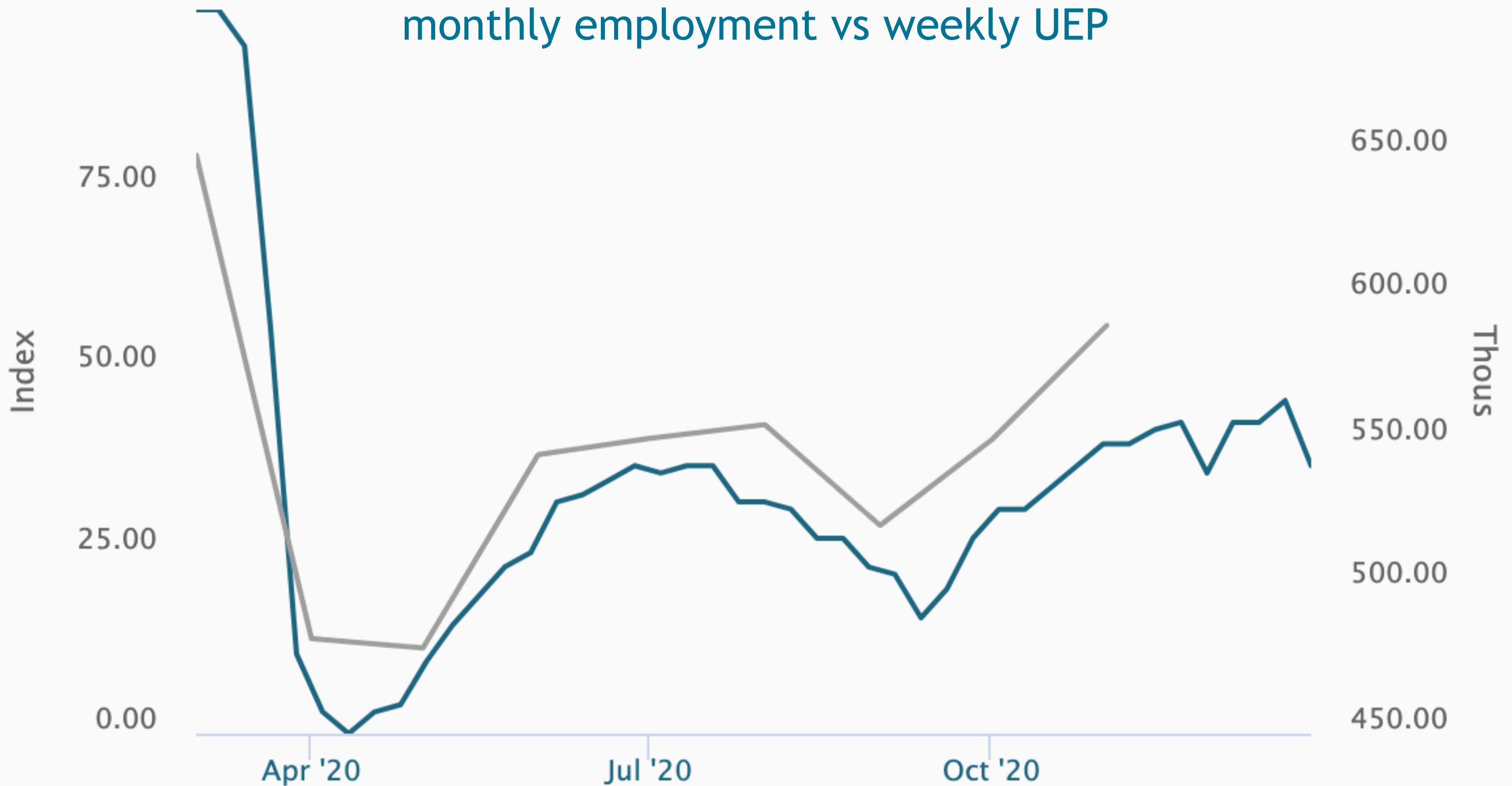
Cumulative change in jobs since before the pandemic



Source: Bureau of Labor Statistics, UHERO.
<https://tinyurl.com/UHERO-ENF-USvsHI>

UHERO Economic Pulse suggests slowing employment gains

monthly employment vs weekly UEP

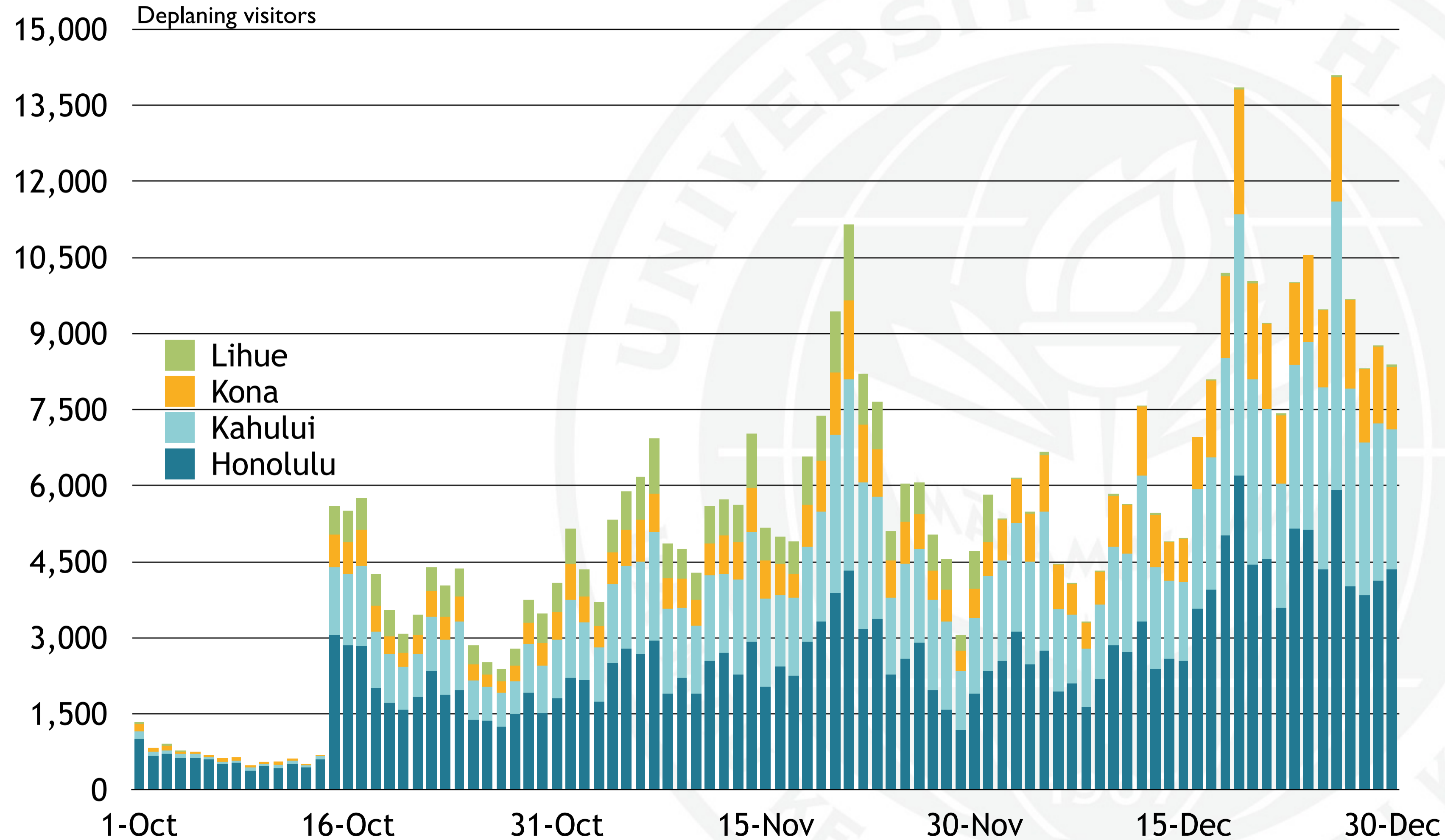


— UHERO Economic Pulse (Index) (State of Hawaii; Weekly; Not Seasonally Adjusted) (left)
— Employment (Thous) (State of Hawaii; Monthly; Seasonally Adjusted) (right)

Source: data.uhero.hawaii.edu
<https://tinyurl.com/UHERO-UEPvsEMPL>



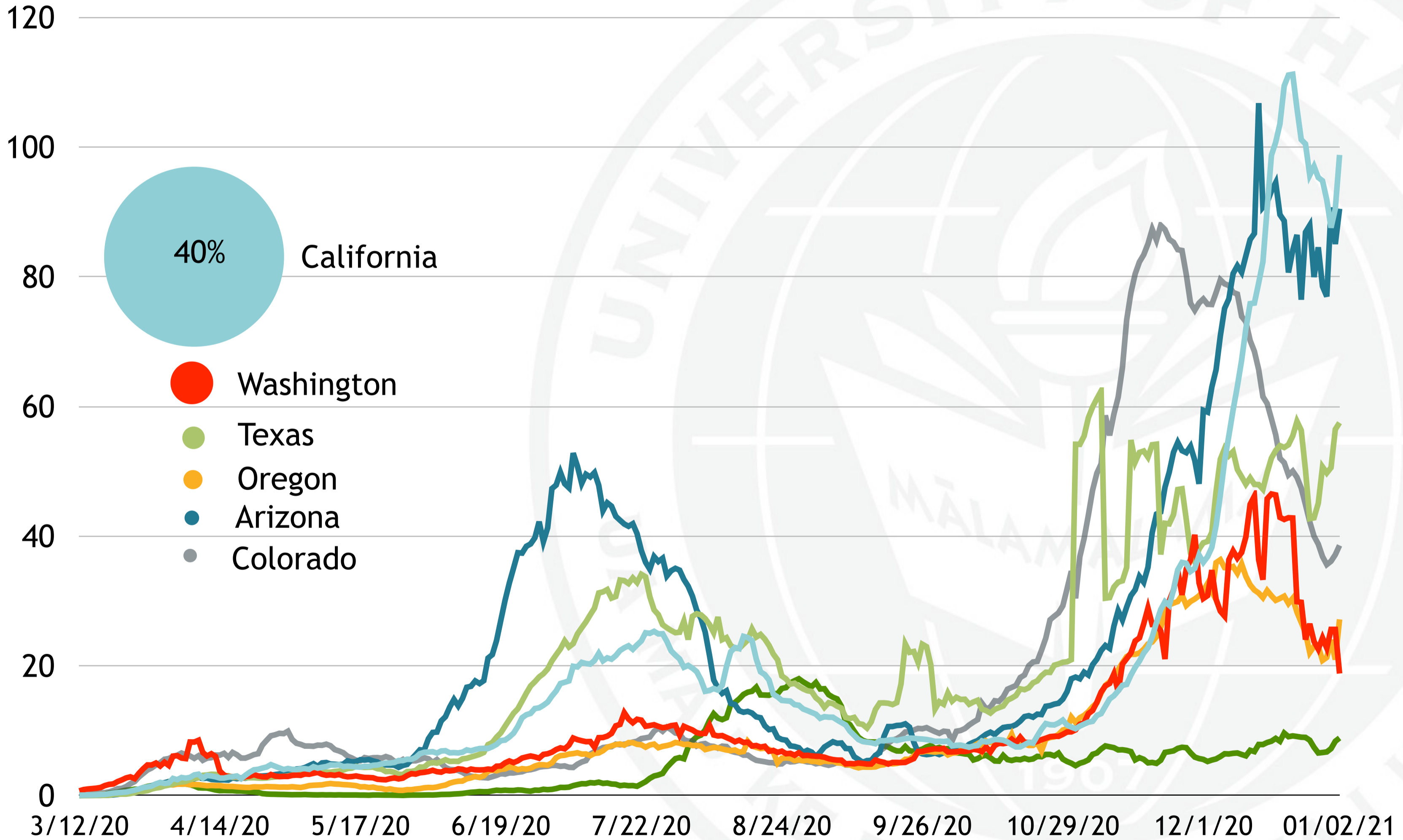
December arrivals stronger than assumed in Q4 forecast



Source: OETS via HTA. <https://tinyurl.com/UHEROdailyvis>
<https://uhero.hawaii.edu/pre-travel-testing-and-hawaiis-daily-trans-pacific-visitors/>

But limited tourism recovery is fragile

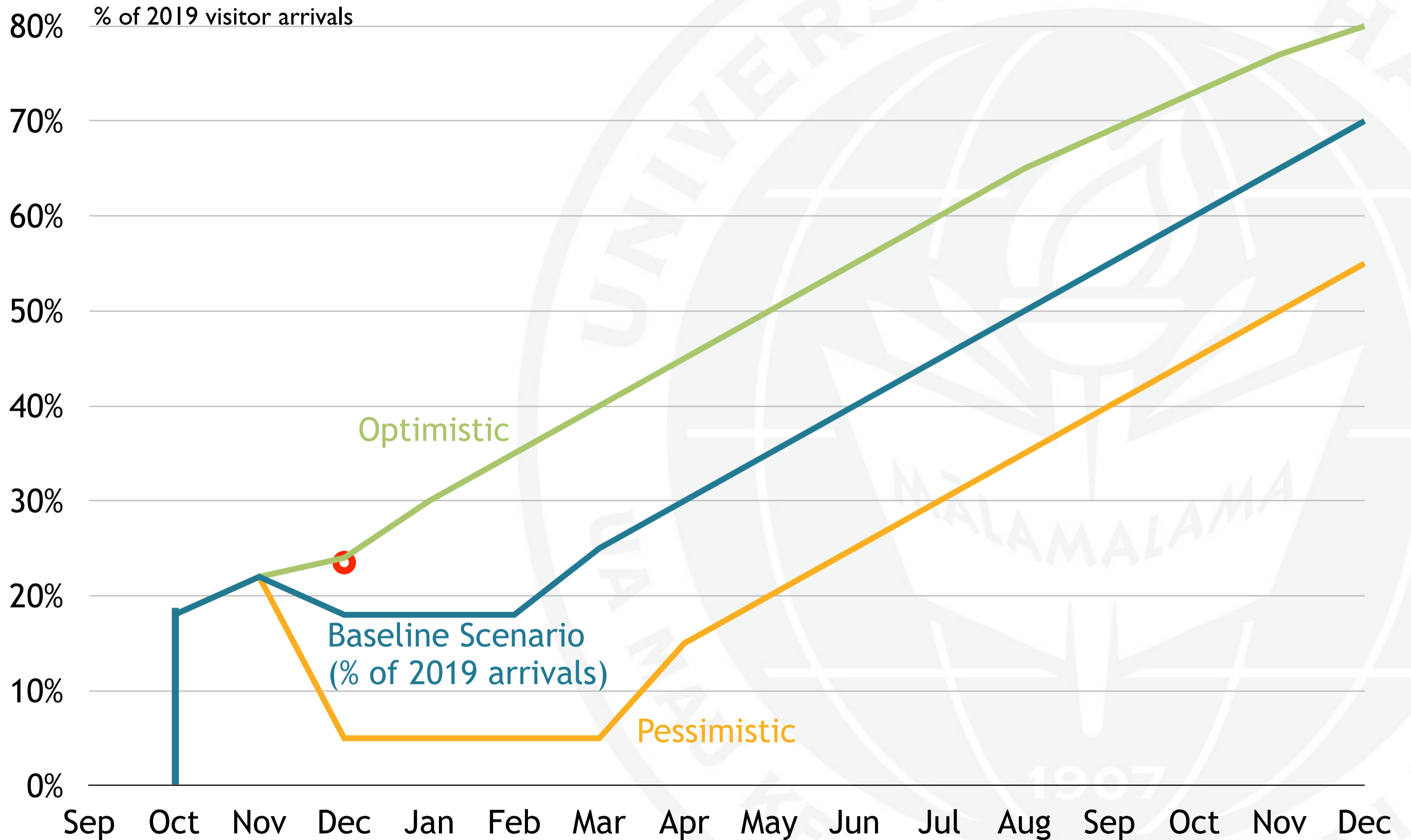
7-day average new Covid-19 cases per 100k



Source: https://covid.cdc.gov/covid-data-tracker/#compare-trends_newcasesper100k; UHERO.

20Q4 forecast visitor arrivals scenarios

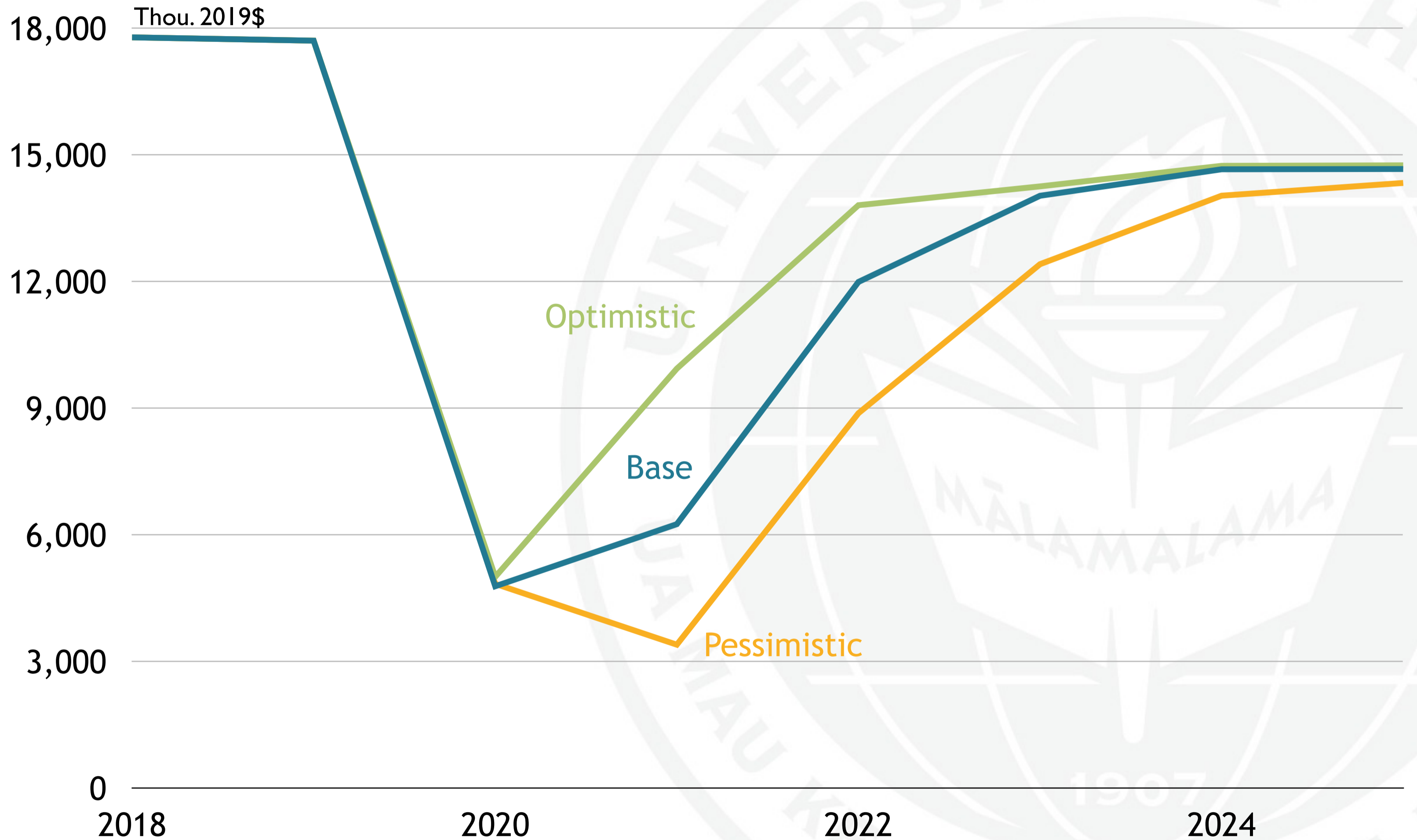
uncertain recovery depends on virus, policy, science, and economic fallout



Source: <https://uhero.hawaii.edu/annual-hawaii-forecast-with-global-outlook-mainland-covid-19-surge-means-a-bleak-winter-but-vaccines-promise-2021-growth/>

Uncertainty leads to wide range of outcomes

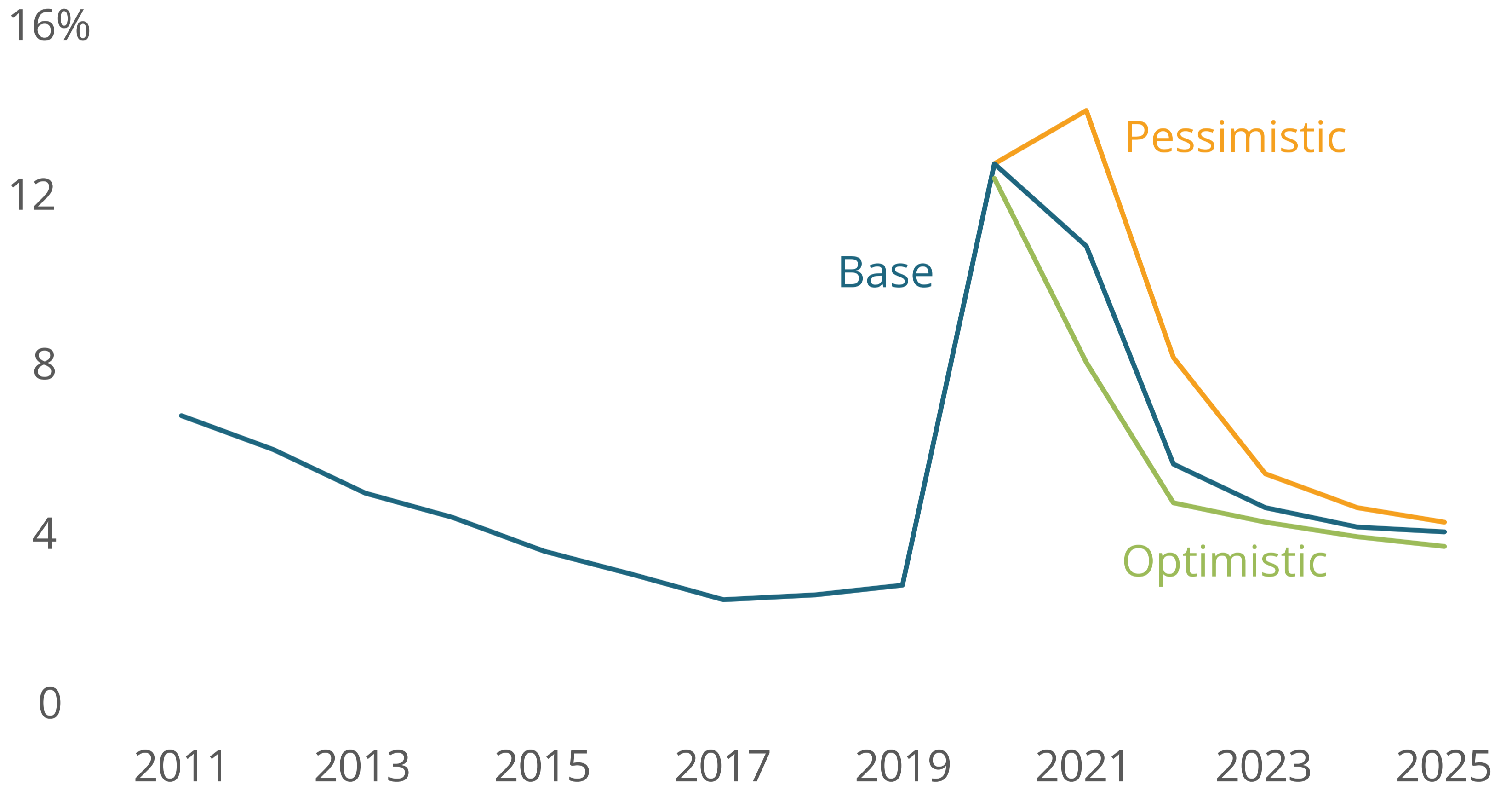
Visitor spending scenarios vary by more than \$6 billion for 2021



Source: <https://uhero.hawaii.edu/annual-hawaii-forecast-with-global-outlook-mainland-covid-19-surge-means-a-bleak-winter-but-vaccines-promise-2021-growth/>

And labor market recovery is just as uncertain

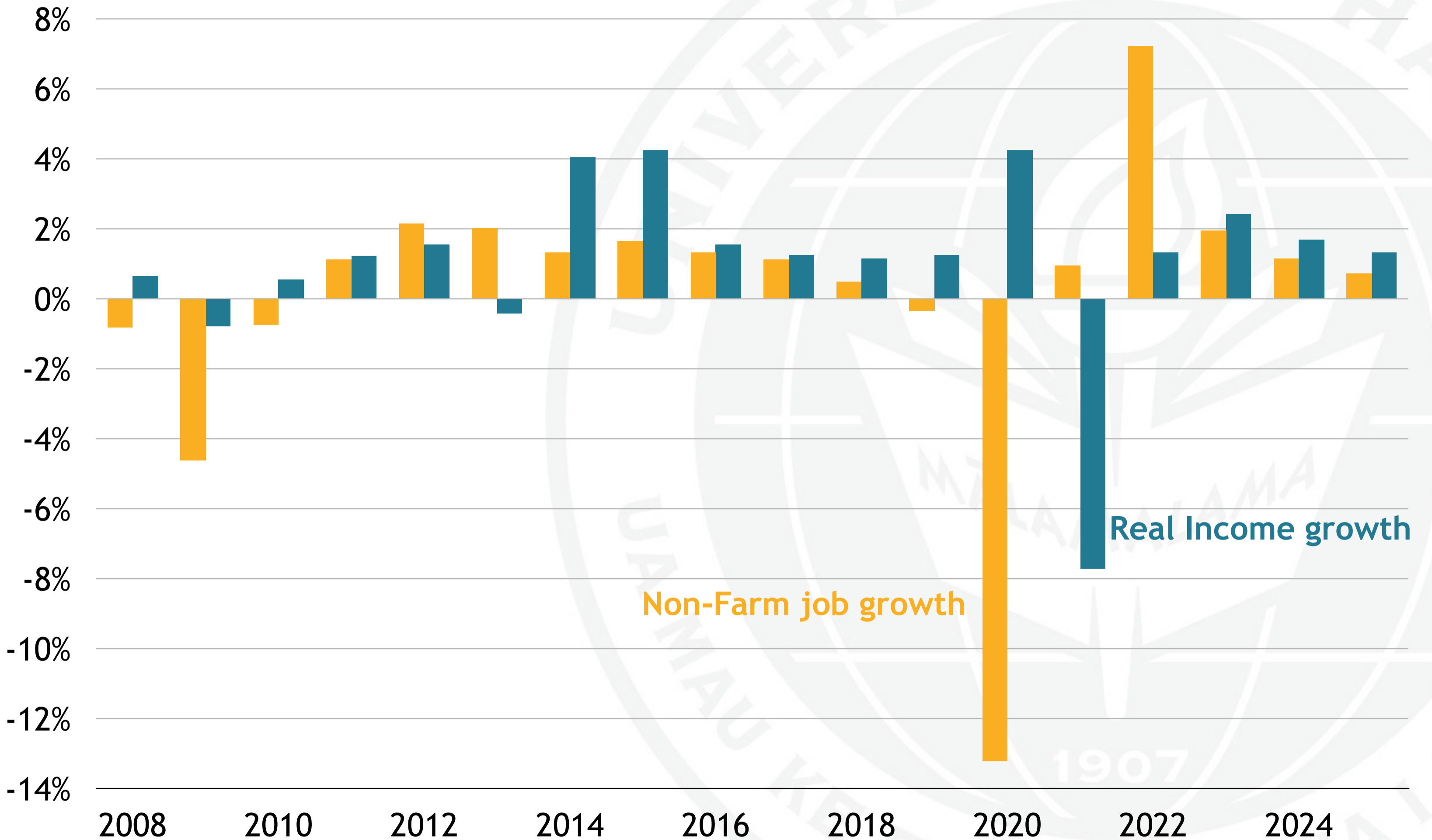
mid 2021 unemployment rate scenarios differ by 45,000 jobs



Source: <https://uhero.hawaii.edu/annual-hawaii-forecast-with-global-outlook-mainland-covid-19-surge-means-a-bleak-winter-but-vaccines-promise-2021-growth/>

Slow recovery will depend on virus, vaccine, and policy

Real income vs Job Growth



Source: UHERO Q4 forecast, adjusted Jan 3, 2021.

Hawaii Rental Property Survey

In order to understand the impact of the COVID-19 crisis on Hawaii's rental housing, UHERO is fielding a monthly survey of rental property owners and managers.

[READ MORE](#)

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Pre-Travel Testing and Hawaii's Daily Trans-Pacific Visitors

Survey

Hawaii Rental Property Survey

Blog

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State Forecast Update

Hawaii in early stages of recovery then a setback