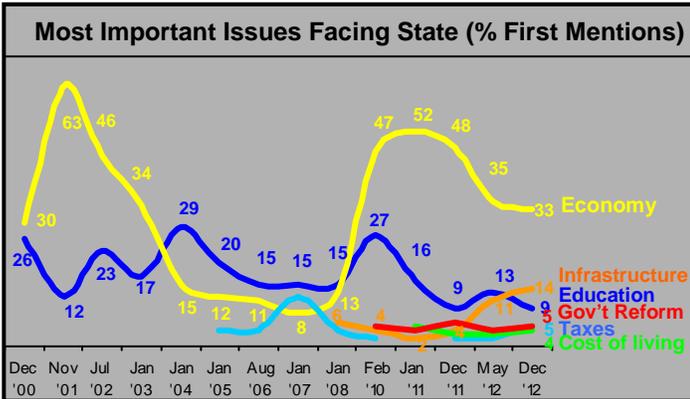


Winter 2013

Research Conducted by OmniTrak Group Inc. and published as a community benefit

ECONOMY OF LESS CONCERN AT YEAR END

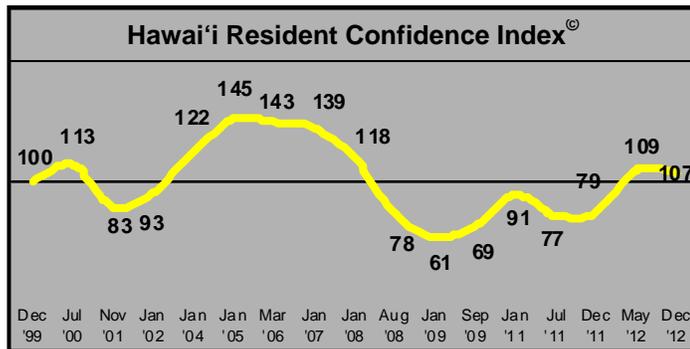
While the economy is still the No. 1 issue, it is far less of a major concern now than it was last year as Hawaii residents become more confident about general business and job market conditions. Top-of-mind mentions of “the economy” as the most important issue have declined from nearly 50% last December to just 33% currently. Instead, concerns about “infrastructure,” including roads and mass transit, have cropped up more often as statewide priorities.



Residents in recent months have digested a stream of positive economic news of a resurgent tourism industry driven by record high visitor arrivals and visitor spending. The boom in tourism shows no sign of slowing as 2013 begins, with the local job markets not felt to be as bad now as they were six months to a year ago.

RESIDENT CONFIDENCE INDEX UP IN 2012

After jumping dramatically in the first half of 2012, the Hawai'i Resident Confidence Index™ – a barometer of residents' overall outlook – maintained a double-digit improvement over year-ago levels. The Index now sits atop near term highs going back to 2008. Despite the slight downward adjustment since May, this confirms the reversal of the 3-year downtrend that started in 2005 and bottomed evidently in 2009.

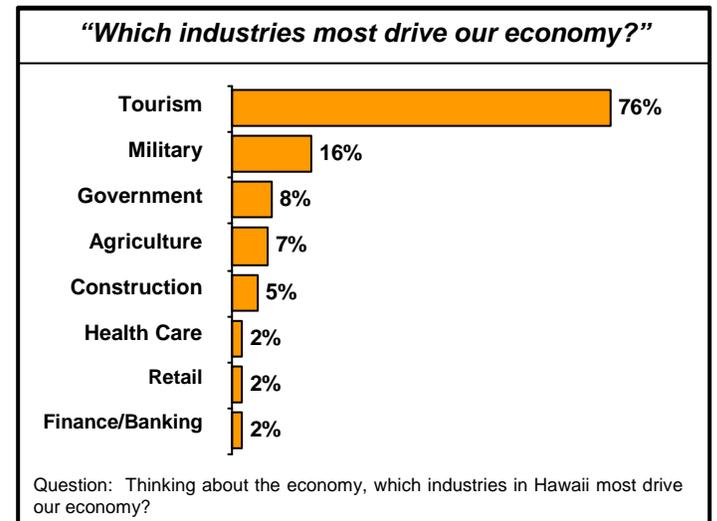


ON THE INSIDE...	Page
Economy: Tourism's Impact on Residents	2
Energy: Funding Energy, Food Sustainability	2
Energy: Loans for Energy-Saving Improvements	2

The slight decline in the Index suggests that consumers remain cautious but optimistic, with future prospects resting on continued recovery not only in tourism but also in the broader outlook for housing, employment and personal incomes.

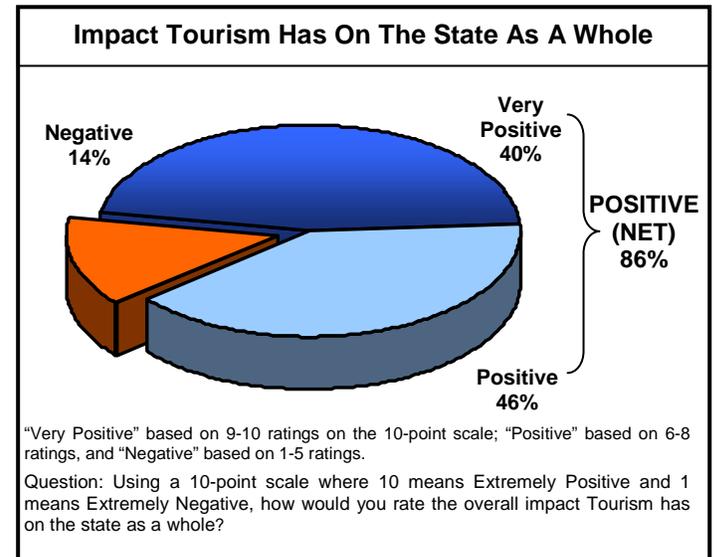
PUBLIC RECOGNIZES TOURISM'S IMPORTANCE*

Hawaii residents across the state are supportive of tourism because they recognize the Visitor Industry's beneficial relationship to the economy and to the state as a whole. Statewide, 3 in 4 residents or 76% named tourism as the Number One industry driving Hawaii's economy, with no other industry close to tourism as an economic driver.

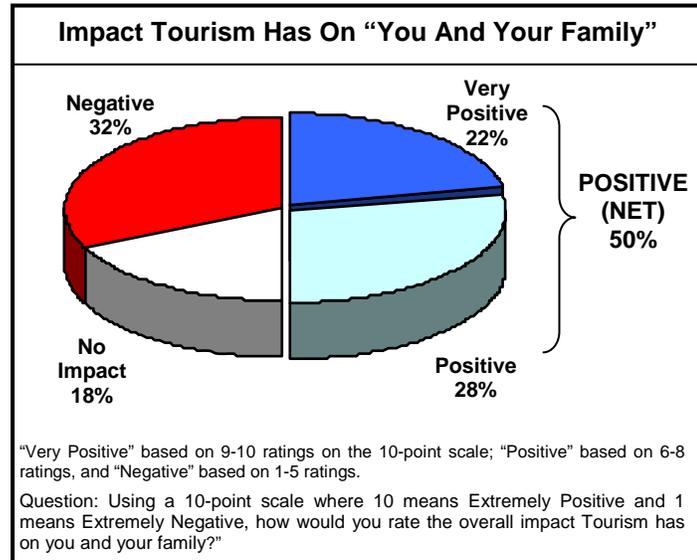


TOURISM'S IMPACT ON RESIDENTS *

Residents also feel that tourism has a mostly beneficial impact on them. Asked to rate tourism's impact on the state as a whole, 86% or almost 9 in 10 said the impact is positive, including 40% who feel it is very positive and only 1 in 7 or 14% who feel that the impact is negative.

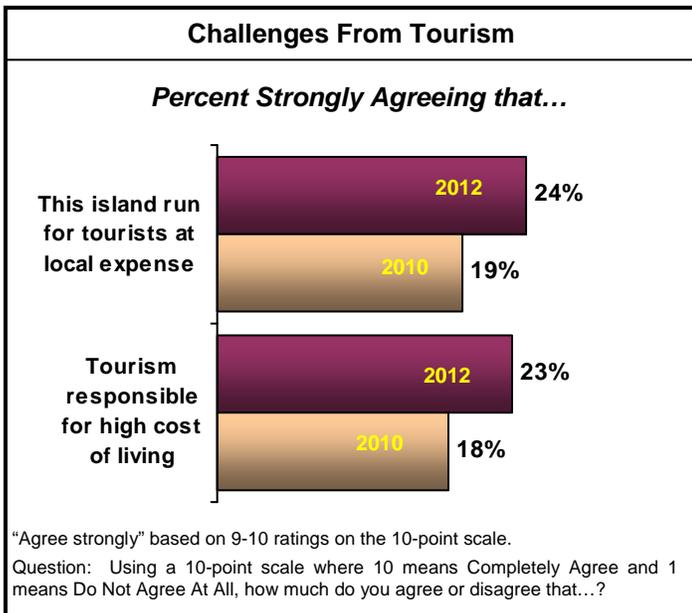


Asked to rate tourism's impact on them personally, residents remain positive albeit by a lesser margin. In response to "how would you rate the overall impact tourism has on you and your family?" 50% indicated that the impact on their families was positive, 32% indicated it was negative and 18% indicated no impact on them. Overall, tourism is viewed as a *net benefit* to residents since those who are positive outnumber those who are negative by more than a 3-to-2 margin.



As visitors flock to Hawaii in close to record numbers, it is no surprise that some in the public perceive a heightened impact, both positive and negative, from growth in the industry.

Residents recognize that there are costs to growth from tourism such as higher living costs. From 2010 to 2012 the Resident Sentiment Survey* conducted for Hawaii Tourism Authority tracked increases in those who agree strongly that "this island is run for tourists at the expense of local people" (19% to 24%); and that tourism "is responsible for higher living costs" (18% to 23%).



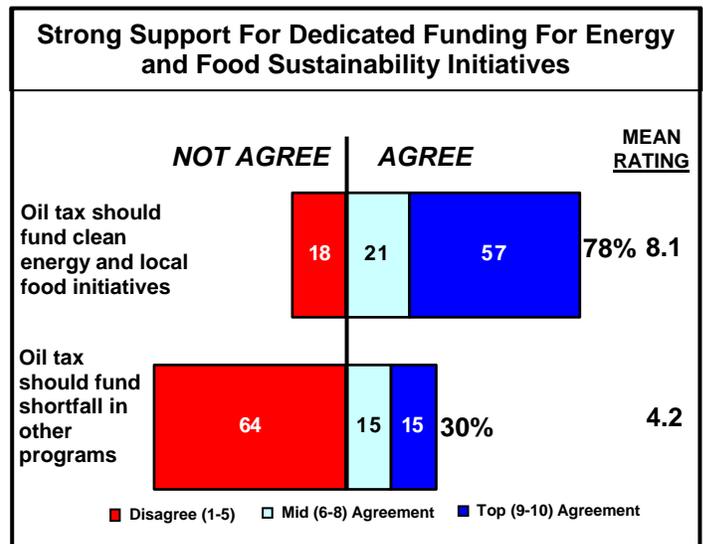
* Source: Resident Sentiment Survey conducted by OmniTrak Group for the Hawaii Tourism Authority from May 7 to June 31, 2012. Please refer to the HTA web site for the complete survey report.

FUNDING ENERGY, FOOD SUSTAINABILITY

Hawaii residents clearly support the return of the "Barrel Tax" – the \$1.05 surcharge on each barrel of oil – to the State Energy Office, Dept. of Agriculture, and Dept. of Health in order to fund sustainability initiatives. The Legislature passed this tax in 2010 with the aim of funding these programs but diverted most of the monies to address deficits in other state programs.

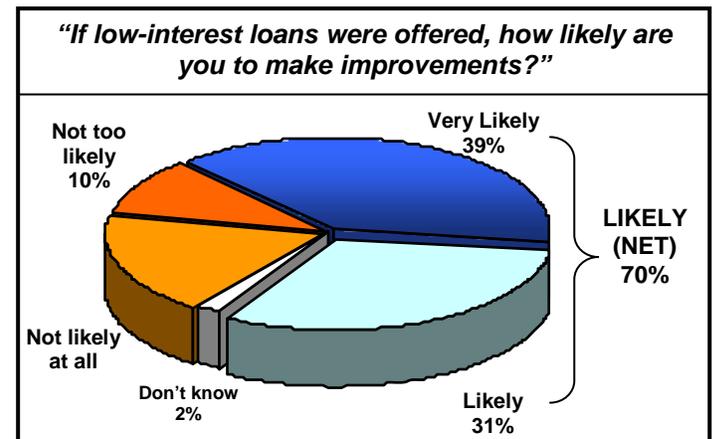
In December, residents were presented with the two choices below.

- (a) *Having clean energy sources and reducing reliance on imported food and energy are important and the oil tax revenue should go to fund these goals as intended.*
- (b) *Most of the oil tax revenues should continue to fund the shortfall in the general state budget to pay for other governmental programs.*



LOANS FOR ENERGY-SAVING IMPROVEMENTS

Hawaii homeowners reacted positively to a proposal to make available low-interest loans to help fund various energy-saving home improvements. If these loans were offered, 70% are very likely or somewhat likely to make such improvements.



The Winter 2013 issue of The People's Pulse is based on landline and cell phone interviews among a statewide random sample of 700 adult residents from December 3 to 17, 2012. Results are weighted to key population parameters. At a 95% confidence level the sampling error overall is +/- 3.7%. Research on energy included at the request of the State Energy Office. Contact: 808-528-4050