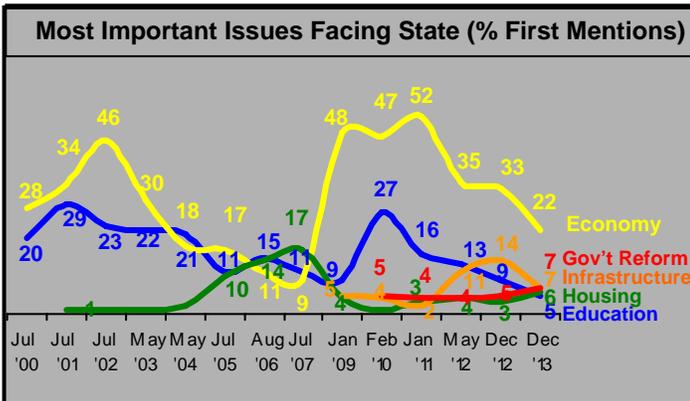


Winter 2014

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

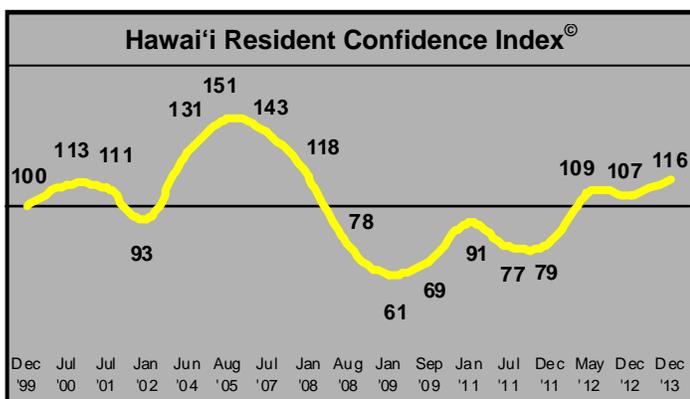
ECONOMY STILL THE TOP STATEWIDE ISSUE

While Hawaii's economy remains the state's No. 1 issue for residents, the level of urgency which economic issues have drawn in the past is clearly diminishing. Initial mentions of *the economy, the recession, budget deficits* and *jobs* have fallen from a high of 52% in 2010 to just 22% at the end of 2013. Today, only 1 in 5 residents name economic issues as the top concern - a far cry from a few years ago when half of residents mentioned them top-of-mind.



No single issue has moved to the forefront of residents' concerns, but minor shifts in sentiment are taking place. **Infrastructure** issues, including roads and mass transit, have declined from 14% to 7% of statewide responses. **Education** as a statewide issue is down from 27% in 2010 to just 5% now. **Housing and homelessness** have ticked up from 3% to 6%. **Social welfare**, a category that includes the same sex marriage issue, is up from 1% a year ago to 5% of responses currently.

RESIDENT CONFIDENCE INDEX TRENDING UP



The Hawai'i Resident Confidence Index™ – which serves as a barometer of residents' overall outlook – shows a gradual but steady upswing in confidence from 2011 to the present.

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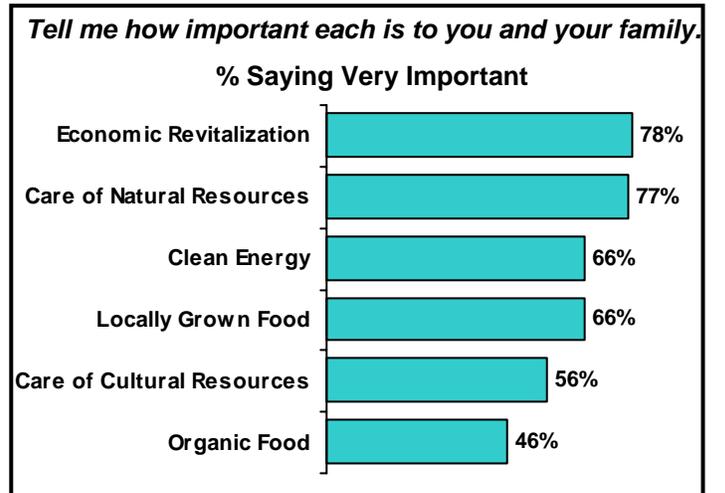
The Index is higher now than at any time since the start of the Great Recession of 2008. The years-long recovery, strong tourism sector and current environment of growth seem to have given residents' more confidence in their economic prospects, at least for the foreseeable future.

THE ENVIRONMENT IS ALSO A PRIORITY

The economy and job market aren't the only priorities people care about. They also care about maintaining Hawaii's greatest asset – its natural environment and resources.

Of six statewide priorities (see graph below), "**economic revitalization**" – described as encouraging investment and creating jobs – ranks highest and is considered very important by over three-quarters of residents.

A close second behind economics is the need to manage and care for Hawaii's "**natural resources, like our shorelines, forest areas and native species.**" Seventy-seven percent of residents said that this is very important to them.



Clean energy (increasing solar, wind and water power) and **food security** (using more locally grown products) all rank slightly lower as very important priorities for Hawaii residents.

Both issues tend to be more important on the Neighbor Islands than on Oahu. On Maui, 81% of residents believe *clean energy* sources to be very important, and 77% believe that *using more locally grown food* ("food security") is very important to them.

Ranking lowest is increasing **organically-grown food**, that is, "food grown without pesticides, herbicides or genetic modification."

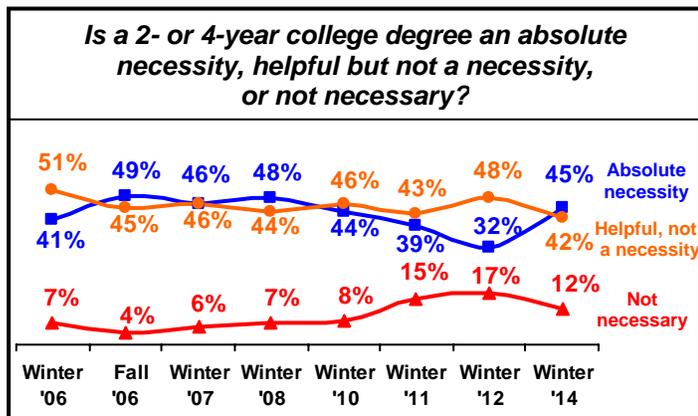
The **care of cultural resources** like Hawaiian artifacts and cultural sites ranks fifth of six priorities. Just 56% of residents say this is very important to them, and not surprisingly, it is a high priority for native Hawaiian residents, 76%, of whom say it is very important versus 57% of non-Hawaiian residents.

VALUE OF A COLLEGE EDUCATION

Residents' positive belief in the value of a college education is making a comeback.

After falling to an all-time low in 2012, the percentage of residents who feel that a 2- or 4-year college degree is "an absolute necessity" increased from 32% to 45% in December 2013.

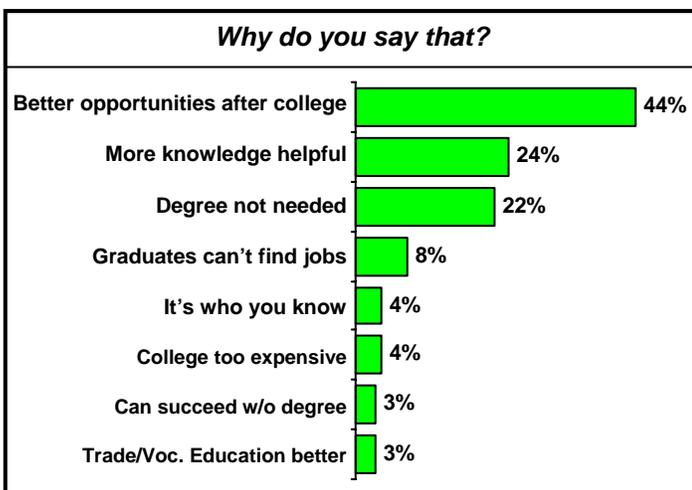
The percentage of those who don't quite agree that "college is a necessity," saying it is "helpful, but not a necessity" fell from 48% to 42%. Only 12% do not value a college education, saying it is "not necessary."



This belief in a college education, while improved, is still lower than what it was in Fall 2006 before the Great Recession, when 49% of residents considered it a necessity and 45% considered it helpful.

REASONS TO FAVOR COLLEGE EDUCATION

Hawaii residents in general retain a strong belief in the benefits of higher education. In their comments, the majority feel that higher education makes job seekers more competitive.



Forty-four percent believe that college graduates are able to land better jobs or gain higher pay than non-graduates, and 24% feel that the increased knowledge gained in college is very helpful, even essential for one's future career or profession.

Other residents disagree, feeling that degrees are not needed for certain careers, that many graduates can't find jobs or that real world skills are more practical than degrees.

But the belief that more education leads to better outcomes is handily borne out by the data on hiring. According to 2013 data from the Bureau of Labor Statistics, unemployment is lower for those with some college education than for those with only a high school diploma; it is even lower for those with 4-year degrees than for those with 2-year degrees.

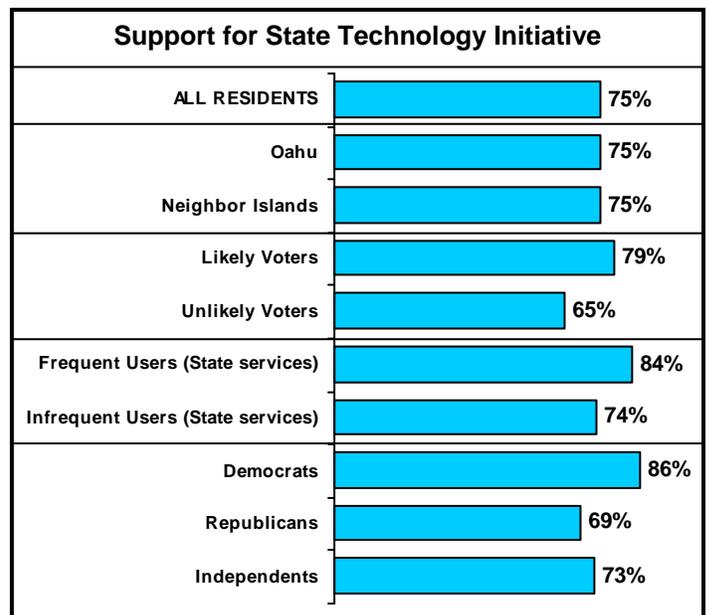
STATE TECHNOLOGY INITIATIVE SUPPORTED

The state launched a major transformation initiative in 2011. This planned 12-year effort is intended to reinvent Hawaii state government by modernizing information systems and streamlining business practices to make the state more efficient, and make delivery of government services faster and easier for residents, businesses and employees.

The estimated price tag to implement the project: \$100 million per year, or less than 1% of the state's annual budget.

Knowing the cost, there is broad support for the initiative. Seventy-five percent of residents across the state support it, including a high number of those likely to vote in the 2014 elections. Also strongly supportive are Democrats and those who use state services frequently.

Less supportive (but still supportive overall) are Republicans, Independents, unlikely or unregistered voters, and those who don't use state services or use them sparingly.



Of those who support the investment, 25% feel that government will improve, 23% feel that this investment is important and long overdue, and 22% feel that Hawaii is out of date and needs to modernize. Sixteen percent feel it will be of benefit and 10% think it will result in cost savings. Others cite employment opportunities, economic development and environmental benefits as reasons for supporting the initiative.

The Winter 2014 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 23, 2013. Results are weighted to key population parameters. At a 95% confidence level the sampling error overall is +/- 3.7%. For more information contact OmniTrak Group at 808-528-4050.