



## 2020 Q4 Economic Update

### Highlights:

- ❖ Largest funding in mortgages this year per a long time industry veteran with 6,680 mortgage fundings worth \$3.4B taking place in October for year-to-date values of 49,226 and \$31B. Clearly lots of people taking advantage of the historical low mortgage rates in the state;
- ❖ Insiders point to Construction still moving full steam ahead at least through 2021;
- ❖ Commercial group enrollment in medical insurance is down (only) 6% from peak just before lockdowns. This would show that much of the brunt of the lockdown is being felt by part-time or casual workers that would not qualify for employer sponsored healthcare insurance coverage prior to lockdown. Financially healthy carriers and financially unhealthy hospitals might point to some interesting change in dynamics in the coming years in this sector;
- ❖ Employment down by 20% from March 2020 (see more below);

Official unemployment rates ticked up in September at 15.3% for the state, but are still improved from the peak of 23.6% of April 2020. It can be more helpful to think of the number of jobs lost which is unfortunately worse looking news than official measures would suggest. Civilian Population employed is down by 135,350 jobs from March 2020 or 20%; Maui County is hardest hit, down 24,400 jobs or 29%. This is a better indicator of the pain that the COVID-19 shutdowns have caused economically from a workforce standpoint than traditional unemployment figures.

No surprise that Accommodation & Food Services is the hardest hit sector down 65,400 jobs or 58% from the peak in March 2020.

UNEMPLOYMENT RATES- NOT SEASONALLY ADJUSTED			
	SEP 2020	AUG 2020	SEP* 2019
<b>STATE</b>	<b>15.3</b>	<b>12.9</b>	<b>2.8</b>
HONOLULU	13.6	11.0	2.7
HAWAII COUNTY	13.6	12.3	3.5
KAUAI	20.5	18.3	2.7
MAUI COUNTY	23.6	21.1	2.7
Maui Island	24.0	21.8	2.6
Molokai	8.4	7.1	6.6
Lanai	25.0	8.8	1.6
<b>U. S.</b>	<b>7.7</b>	<b>8.5</b>	<b>3.3</b>

  

Civilian Population	Employed	Unemployed
March 2020	652,500	15,050
September 2020	517,150	93,300
<i>Change since March 2020:</i>		
Honolulu	-85,100	46,850
Hawaii	-16,550	8,750
Kauai	-9,300	5,950
Maui	-24,400	16,700
<b>State</b>	<b>-135,350</b>	<b>78,250</b>

  

<i>Change in Employment since March 2020:</i>		
Manufacturing	-2,800	-20%
Transportation, Warehousing, & Utilities	-10,500	-30%
Arts, Entertainment, Recreation	-6,800	-50%
Accommodation & Food Services	-65,400	-58%

Wage reporting is quite lagged from the state and no data related to COVID-19 impact will be available for some time still.