

From:
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DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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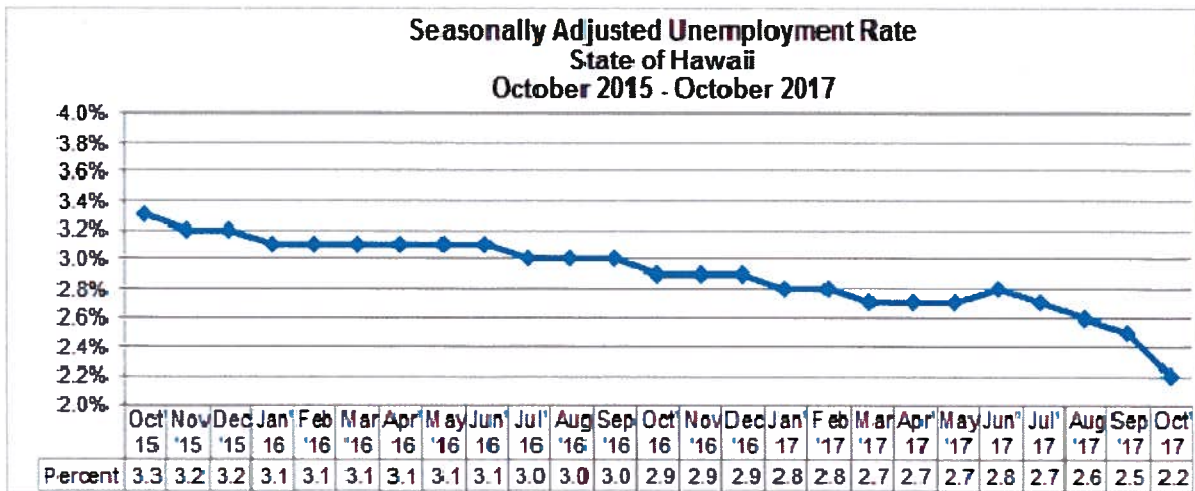
FOR IMMEDIATE RELEASE
November 16, 2017

**HAWAII'S UNEMPLOYMENT RATE
AT 2.2 PERCENT IN OCTOBER**

Lowest Unemployment Rate on Record

HONOLULU — The Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for October was 2.2 percent, compared to 2.5 percent for September. Statewide, 671,450 were employed and 15,150 unemployed in October for a total seasonally adjusted labor force of 686,600. Nationally, the seasonally adjusted unemployment rate was 4.1 percent in October, compared to 4.2 percent in September.

“The 2.2 percent unemployment rate is the lowest unemployment rate on record dating back to 1976, under current methodology,” said Linda Chu Takayama, DLIR Director.



Both initial claims and weeks claims increased by 74 or 6.1 percent and weeks claims increased by 247 or 3.4 percent respectively for unemployment benefits compared to one year ago. Over-the-month both initial claims and weeks claims also increased by 10.7 percent and 0.4 percent respectively in October 2017.

The unemployment rate figures for the State of Hawaii and the U.S. in this release are seasonally adjusted, in accordance with the U.S. Bureau of Labor Statistics (BLS) methodology. The not seasonally adjusted rate for the State was 1.9 percent in October, compared to 2.4 percent in September.

State of Hawaii Seasonally Adjusted Labor Force Data**			
	<u>Oct 2017</u>	<u>Sep 2017</u>	<u>Oct 2016*</u>
Labor Force	686,600	688,800	689,750
Employment	671,450	671,750	669,600
Unemployment	15,150	17,000	20,150

* benchmarked data

** totals may not add due to rounding

	OCT 2017	SEP 2017	OCT* 2016
<u>Seasonally Adjusted</u>			
STATE	2.2	2.5	2.9
U. S.	4.1	4.2	4.8
<u>Not Seasonally Adjusted</u>			
STATE	1.9	2.4	2.9
HONOLULU	1.8	2.3	2.8
HAWAII COUNTY	2.3	2.8	3.6
KAUAI	1.8	2.3	3.2
MAUI COUNTY	2.0	2.6	3.2
Maui Island	1.9	2.4	2.9
Molokai	5.1	6.7	9.6
Lanai	2.4	4.3	4.1
U. S.	3.9	4.1	4.7

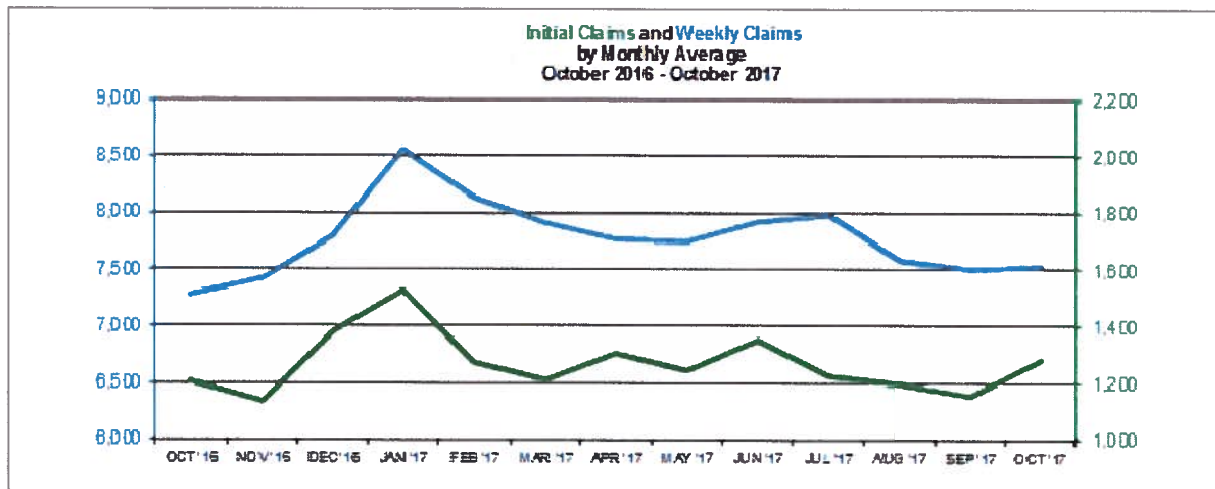
county & island rates are not seasonally adjusted

* benchmarked data

Industry Payroll Employment (Establishment Survey)

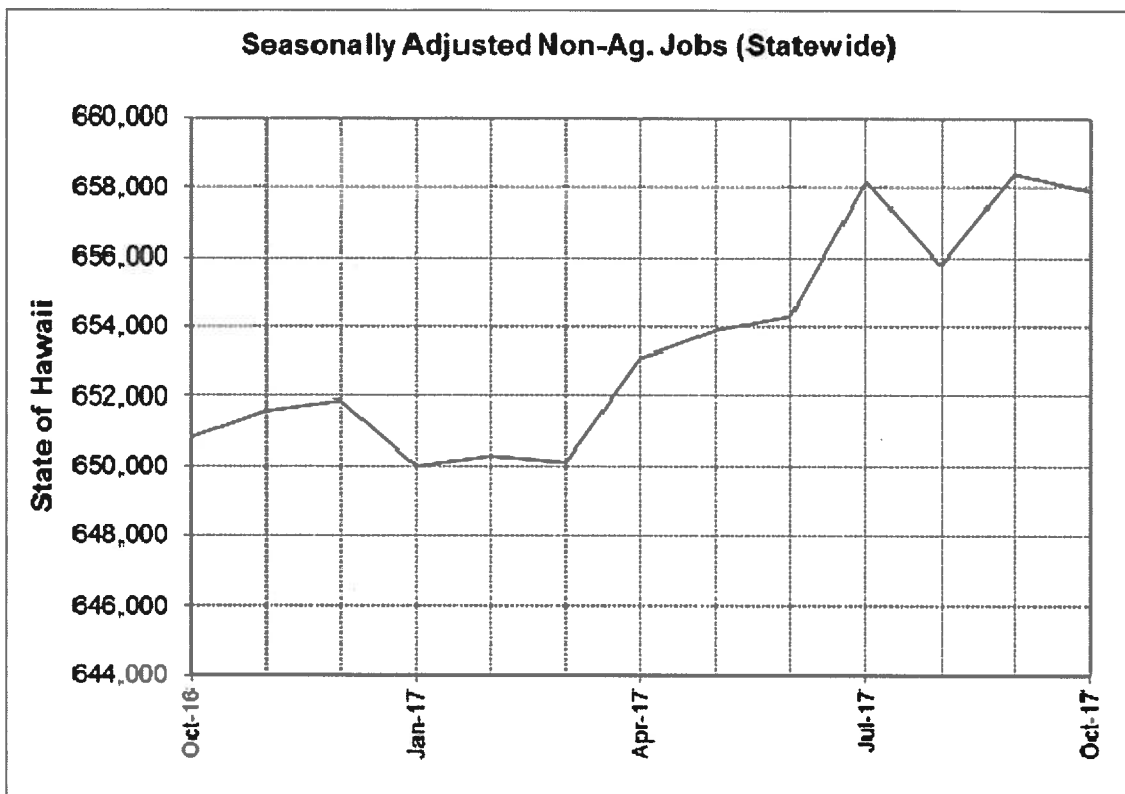
In a separate measure of employment, total nonagricultural jobs decreased by 500 in October over September. Among the major industries, there were job gains in Leisure & Hospitality (+1,000), Construction (+800), and Information (+200). The bulk of the employment increase within Leisure & Hospitality occurred in Food Services and Drinking Places. Jobs in Other Services remained stable. Jobs losses were experienced in

Manufacturing (-100), Financial Activities (-300), Trade, Transportation, & Utilities (-500), Professional & Business Services (-500), and Educational & Health Services (-600). Government employment declined by 500 jobs, primarily in State Government (-400, slightly below average seasonality at the Department of Education and the University of Hawaii system). Compared with one year ago, total nonfarm jobs have grown by 7,100, or 1.1 percent.



Seasonally Adjusted Non-Ag. Jobs (Statewide)

SELECTED SERIES:	Oct-17	Sep-17	Oct-16*
MINING, LOGGING & CONSTRUCTION	38,200	37,400	37,600
MANUFACTURING	13,600	13,700	13,800
Durable Goods	3,700	3,600	3,600
Non-Durable Goods	9,900	10,100	10,200
TRADE, TRANSPORTATION & UTILITIES	123,200	123,700	121,000
Wholesale Trade	17,100	17,200	18,400
Retail Trade	73,200	74,000	71,600
INFORMATION	9,300	9,100	9,300
FINANCIAL ACTIVITIES	27,500	27,800	28,700
Finance & Insurance	15,600	15,700	16,200
Real Estate & Rental & Leasing	11,900	12,100	12,500
PROFESSIONAL & BUSINESS SERVICES	86,300	86,800	83,300
Professional, Scientific, Tech Svcs	24,400	24,400	24,100
Administrative & Support & Waste Mgmt	52,900	53,000	50,700
EDUCATIONAL & HEALTH SERVICES	85,400	86,000	83,600
Educational Services	15,500	15,600	15,400
Health Care & Social Assistance	69,900	70,400	68,200
LEISURE & HOSPITALITY	121,800	120,800	119,600
Arts, Entertainment & Recreation	12,000	12,000	12,000
Accommodation & Food Services	109,800	108,800	107,600
OTHER SERVICES	27,300	27,300	27,200
GOVERNMENT	125,300	125,800	126,700
Federal Government	33,300	33,400	33,400
State Government	72,900	73,300	74,300
Local Government	19,100	19,100	19,000
TOTAL: STATEWIDE	657,900	658,400	650,800



Technical Notes

Seasonal Adjustment

The seasonal fluctuations in the number of employed and unemployed persons reflect hiring and layoff patterns that accompany regular events such as the winter holiday season and the summer vacation season. These variations make it difficult to tell whether month-to-month changes in employment and unemployment are due to normal seasonal patterns or to changing economic conditions. Therefore, the BLS uses a statistical technique called seasonal adjustment to address these issues. This technique uses the history of the labor force data and the job count data to identify the seasonal movements and to calculate the size and direction of these movements. A seasonal adjustment factor is then developed and applied to the estimates to eliminate the effects of regular seasonal fluctuations on the data. Seasonally adjusted statistical series enable more meaningful data comparisons between months or with an annual average.

Current Population (Household) Survey (CPS)

A survey conducted for employment status in the week that includes the 12th day of each month generates the unemployment rate statistics, which is a separate survey from the Establishment Survey that yields the industry job counts. The CPS survey contacts approximately 1,000 households in Hawaii to determine an individual's current employment status. Employed persons consist of: 1) all persons who did any work for pay or profit during the survey reference week, 2) all persons who did at least 15 hours of unpaid work in a family-owned enterprise operated by someone in their household, and 3) all persons who were temporarily absent from their regular jobs, whether they were paid or not. Persons considered unemployed are ones that do not have a job, have actively looked for work in the prior four weeks and are available for work. Temporarily laid off workers are counted as unemployed, whether they have engaged in a specific job seeking activity. Persons not in the labor force are those who are not classified as employed or unemployed during the survey reference week.

Benchmark Changes to Local Area Unemployment Statistics Data

Statewide and substate data for 2012-2016 have been re-estimated to reflect revised population controls, model reestimation and for seasonally adjusted data, new seasonal adjustment.

Change to Monthly Employment Estimates

This release incorporates revised job count figures from 1990 through 2016 for the seasonally adjusted series. The reconstructed data reflects data from historical corrections applied to unadjusted supersector or sector level series. For years, analysts with the State DLIR's Research and Statistics Office have developed monthly employment estimates for Hawaii and our metropolitan areas. These estimates were based on a monthly survey of Hawaii businesses and analysts' knowledge about our local economies. Beginning with the production of preliminary estimates for March 2011, responsibility for the production of State and metropolitan area (MSA) estimates was transitioned from individual state agencies to the U.S Bureau of Labor Statistics (BLS).

For Hawaii, this means the transition of statewide, Honolulu and Kahului-Wailuku-Lahaina MSA areas. State agencies will continue to provide the BLS with information on local events that may affect the estimates, such as strikes or large layoffs/hiring at businesses not covered by the survey and to disseminate and analyze the Current Employment Statistics (CES) estimates for local data users. BLS feels this change is designed to improve the cost efficiency of the CES program and to reduce the potential bias in state and area estimates. A portion of the cost savings generated by this change is slated to be directed towards raising survey response rates in future years, which will decrease the level of statistical error in the CES estimates. Until then, state analysts feel this change could result in increased month-to-month variability for the industry employment numbers particularly for Hawaii's counties and islands.

Seasonally Adjusted Labor Force and Unemployment Estimates for Honolulu and Maui County

BLS publishes smoothed seasonally adjusted civilian labor force and unemployment estimates for all metropolitan areas, which includes the City and County of Honolulu and Maui County. BLS releases this data each month in the *Metropolitan Area Employment and Unemployment* news release. The schedule is available at <http://www.bls.gov/news.release/metro.toc.htm>.

Alternative Measures of Labor Underutilization

Alternative Measures of Labor Underutilization for States, Fourth Quarter of 2016 through Third Quarter of 2017 Averages.

Alternative Measures of Labor Underutilization for US and Hawaii, Fourth Quarter of 2016 through Third Quarter of 2017 Averages (percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	1.8	2.2	4.5	4.8	5.5	8.9
Hawaii	0.8	1.2	2.6	2.9	3.7	6.5

The six alternative labor underutilization state measures based on the Current Population Survey (CPS) and compiled on a 4-quarter moving average basis defined:

U-1, persons unemployed 15 weeks or longer, as a percent of the civilian labor force;

U-2, job losers and persons who completed temporary jobs, as a percent of the civilian labor force;

U-3, total unemployed, as a percent of the civilian labor force (this is the definition used for the official unemployment rate);

U-4, total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers;

U-5, total unemployed, plus discouraged workers, plus all other marginally attached workers*, as a percent of the civilian labor force plus all marginally attached workers; and

U-6, total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

* Individuals who want, and are available for work, and who have looked for a job sometime in the prior 12 months (or since the end of their last job if they held one within the past 12 months), but were not counted as unemployed because they had not searched for work in the four weeks preceding the survey, for such reasons as child care or transportation problems, for example. Discouraged workers are a subset of the marginally attached.

Note that, the state unemployment rates (U-3) that are shown are derived directly from the CPS. As a result, these U-3 measures may differ from the official state unemployment rates for the latest 4-quarter period. The latter are estimates developed from statistical models that incorporate CPS estimates, as well as input data from other sources, such as state unemployment claims data.

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