



**WORKFORCE**DEVELOPMENT  
COUNCIL

# Strategic Plan

## 2020-2024

March 31, 2020



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# Executive Summary

## The Need for Resilience

At the time of the development of this strategic plan, Hawaii's economic future is uncertain.

The first quarter of 2020 has been tumultuous. The global spread of the 2019 novel coronavirus COVID-19 has resulted in countries closing borders and instituting travel restrictions, companies experiencing massive declines in production and revenue, stock markets plummeting, and people practicing extreme social distancing and self-quarantining in fear of further outbreak. As of the end of March 2020, Hawaii Governor David Ige has issued a statewide stay-at-home / work-at-home order to try to "flatten the curve" of COVID-19 cases. All travelers in Hawaii, including arrivals from out-of-state and interisland, are subject to a 14-day quarantine, bringing tourism to a dramatic halt. With hotel and restaurant closures, record layoffs and skyrocketing unemployment, Hawaii's economic outlook in 2020 is grim. The public health crisis and economic crisis facing our state are unprecedented. UHERO's [interim forecast update as of March 30, 2020](#) states: "The biggest unknown at this point is how long the shut-down will last, and how long the recovery will take when it eventually comes. [...] Our view is that recovery to normal conditions will be a very gradual process. To the extent that there is any lasting damage to the visitor industry — including airlines — or to local business and household finances, overall local economic recovery will take longer."

While COVID-19 is the defining issue of the times, it should also be noted that as of March 2020, there were also candidates vying for offices ranging from U.S. President to local county councilmembers, and that the future of national and local leadership and policies is up in the air. The fight against global warming had also taken center stage in previous months, prior to the COVID-19 pandemic, as shifting weather patterns and climate change resulted in devastating natural disasters.

Amid rampant change and disruption, an overarching need has emerged that cuts across industries and communities and can be summed up in one word: **resilience**.

## Defining Workforce Resilience

The Workforce Development Council (WDC) is committed to building greater resilience in Hawaii's workforce to be ready for anything.

Workforce resilience includes:

- A diversified economy that includes multiple robust industries.
- The ability and speed for various economic sectors to recover after a downturn.
- The ability for employers to adapt to a changing economy and maintain or grow their organizations as the marketplace shifts.
- The ability for workers to adapt to a changing economy and transition to other jobs.
- The ability for workers to continue to seek advancement even in economically challenging circumstances.

## WDC as a Leader of Leaders

WDC's 41-member board is poised to be the catalyst and convener of workforce resilience initiatives in Hawaii. Consisting of both private-sector and public-sector representatives from diverse industry sectors, the WDC board is a microcosm of the cross-industry collaboration that will enable Hawaii's economic strength in uncertain times.

In developing this strategic plan for WDC's board for 2020-2024, Olomana Loomis ISC interviewed various WDC committee chairs and vice chairs, legislators, and youth in our community, and facilitated a day-long board retreat to gather insights and input. What arose from those discussions was the following framework for how the WDC board can move the needle over the next four years.

The model for how board members create change is inspired by Malcolm Gladwell's iconic book *The Tipping Point* and encompasses three types of roles:

- **Connectors** who expand WDC's network;
- **Experts** who provide industry insights; and
- **Salespeople** who persuade others to take action.

## The Critical Path for the Next Four Years

WDC's approach to building workforce resilience over the next four years will include a two-pronged strategy:

1. ***Support workers with barriers to employment*** as defined by the Workforce Innovation and Opportunity Act (WIOA).
2. ***Build the Workforce of the Future*** through a focus on upskilling, policy, and growth in targeted industries.

These initiatives are complementary. WDC must simultaneously care for the jobseekers who are most vulnerable and break new ground to produce a high-performing 21st century workforce. A resilient workforce will be created by ensuring a strong safety net and sharpening the tip of the spear.

The body of this Strategic Plan for 2020-2024 includes a matrix that outlines starter actions and intended outcomes within those two overarching priorities. This Strategic Plan provides the seeds of ideas and it is up to the WDC board to determine the best deployment of its committees, taskforce groups and board members in order to accomplish goals. Ultimately, all pathways lead toward the same vision: a workforce that is diversified across industries, skilled for multiple career pathways, adaptable in the face of change, and resilient for the future.

# Background

## The Purpose of the Workforce Development Council

The [Workforce Development Council](#) (WDC) is a 41-member advisory commission or board comprised of both public- and private-sector representatives. The members of the commission are selected by the Governor based on their interest in and knowledge of workforce development programs in Hawaii and how to support economic development throughout the state.

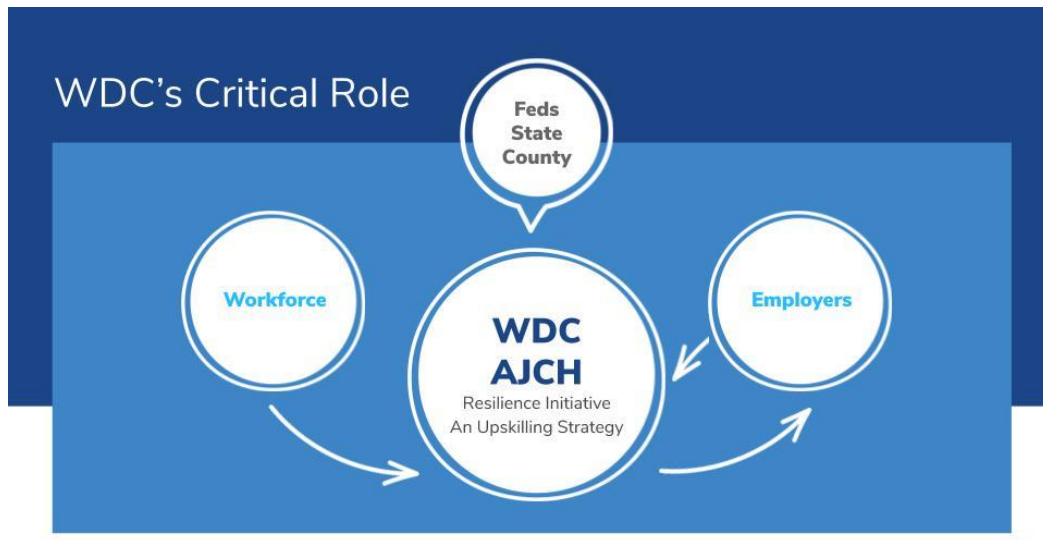
The WDC board is supported by staff who are attached to the State of Hawaii Department of Labor and Industrial Relations. The WDC staff prepare and oversee the execution of the Workforce Innovation and Opportunity Act of 2014, Public Law No. 113-128 (WIOA) Unified State Plan, which coordinates programs and services for workers with barriers to employment.

Beyond serving workers with barriers to employment, WDC also advises the Governor on state policies and funding priorities to address the unmet workforce and economic development needs across the state.

The WDC board and staff's combined efforts have a significant impact in our state by supporting workers with the greatest need and also advancing career opportunities for all workers in Hawaii.

## Facilitating Workforce Development for Hawaii

WDC's configuration as a board comprised of both public- and private-sector appointees empowers it to be a unique catalyst and leader to engage employers in creating the workforce of the future. WDC is a funnel for government funding to public workforce development programs and a nexus for inter-agency, multisector, public-private collaboration. WDC plays a critical role in providing oversight, funding and strategic guidance for programs that upskill and place workers to meet employers' needs.



## Vision

The Workforce Development Council's vision is that all employers have competitively skilled employees and all residents seeking work or advancement have sustainable employment and self-sufficiency.

## Mission

It is the intent of the Hawaii Workforce Development Council to support and guide the implementation of the Unified State Plan through active collaboration and regional sensitivity; for the purpose of aligning, coordinating and integrating workforce services to meet the needs of employers and residents in order to foster a robust economy.

## Values

Collaboration and Teamwork  
Commitment and Determination  
Innovation  
Adaptive and Change Ready  
Accountability and Responsibility  
Integrity

## WDC Board Members

WDC board members at the time of the development of this strategic plan were as follows.

**Leslie Wilkins**, Chair, Workforce Development Council & Maui County Workforce Development Board; Vice President, Maui Economic Development Board, Inc.

**Jason Chang**, Chair, Oahu Workforce Development Board

**David DeLuz, Jr.**, Chair, Hawaii County Workforce Development Board; Vice President, Big Island Toyota

**Yvette Gibson**, HR Manager, Hawaii Pacific Health

**Alan Hayashi**, Owner/Principal, Consult 808

**Jason Ito**, Director of Admin, Labor & Community Relations, Kyo-ya Management Co., Ltd.

**Michael Kamiya**, Sales Director, Kamiya Gold, Ltd.

**Glen Kaneshige**, President, Nordic PCL Construction, Inc.

**Sean Knox**, President, Hawaii Employment Services, Inc.

**Alicia Moy**, President/Chief Executive Officer, Hawaii Gas

**Sheryl Nojima**, President, Gray, Hong, Nojima, and Associates

**Shannon Okinaka**, Executive Vice President & Chief Financial Officer, Hawaiian Airlines

**General Edward Richardson**, Owner, Edward V. Richardson, LLC

**Sunshine Topping**, Senior Vice President, Human Resources and Organizational Effectiveness, Hawaii Pacific Health

**Brian Lee**, Executive Director, Hawaii Laborers-Employers Cooperation and Education Trust Fund

**Gladys Marrone**, Chief Executive Officer, Building Industry Association of Hawaii

**Winona Whitman**, Statewide Director of Employment & Training, Alu Like, Inc.

**Karen Wong**, Vice President for Workforce Development, Lanakila Pacific

**David Ige**, Governor, State of Hawaii

**Mike Victorino**, Mayor, County of Maui

**Kirk Caldwell**, Mayor, City and County of Honolulu

**Derek Kawakami**, Mayor, County of Kauai

**Harry Kim**, Mayor, County of Hawaii

**Mark Nakashima**, Hawaii State Representative

**Pankaj Bhanot**, Director, Department of Human Services

**Stanley Chang**, Hawaii State Senator

**Scott Murakami**, Director, Department of Labor & Industrial Relations

**Christina Kishimoto**, Superintendent, Department of Education

**David Lassner**, President, University of Hawaii System

**Mike McCartney**, Director, Department of Business, Economic Development, & Tourism



## **WDC Committees**

The WDC board is comprised of seven committees who meet multiple times per year to advance workforce development initiatives.

- Executive Committee
- Employer Engagement Committee
- Finance Committee
- Military and Veterans' Affairs Committee
- Performance Measures and Accountability Committee
- Sector Strategies and Career Pathways Committee
- Youth Services Committee

## **Board Member Roles**

The following description of board member roles in workforce development was inspired by Malcolm Gladwell's book *The Tipping Point: How Little Things Can Make a Big Difference* (2000). Our intention in adapting Gladwell's description of the types of people who are crucial to any "social epidemic" is to provide a streamlined model for board member involvement in the public workforce development system.

WDC board members advance workforce development initiatives by being:

### **Connectors**

WDC board members serve the community as Connectors who leverage their networks and professional circles to spark cross-sector partnerships. They make introductions and bring together people from diverse backgrounds to develop innovative workforce development solutions and programs.

### **Experts<sup>1</sup>**

WDC board members serve the community as Experts who provide information and insights about their industries and areas of specialty. They provide current marketplace data and share early knowledge of emerging industry trends or movement by major industry players to advise the Governor and other policymakers.

### **Salespeople**

WDC board members serve the community as Salespeople who persuade others to support workforce development programs in Hawai'i. They endorse and champion publicly funded workforce development programs and inspire others to contribute their time, funding, resources and expertise.

<sup>1</sup> These are called *Mavens* in Malcolm Gladwell's book *The Tipping Point*.

# **The Strategic Planning Process**

## **The Purpose of the Strategic Plan**

This strategic plan was developed to clarify and focus the WDC board's efforts for the next four years.

As the WDC staff continues their work to oversee the execution of the WIOA Unified State Plan, it is critical that the WDC board contribute their industry knowledge and networks to enhance, inform and amplify the publicly funded workforce development system.

All priorities outlined in this strategic plan hinge on the overarching strategy to form stronger partnerships between public and private sectors and between employers and workforce development programs.

## **Methodology**

The planning consisted of three activity components:

- Collecting background information
- Facilitating council member dialogues and idea interchange
- Collating and synthesizing the information and ideas

During the collection period, the planning team gathered both primary and secondary sources of information. Plans such as the WIOA Hawaii Unified State Plan, the previous strategic plan, the governor's strategic priorities, and various other relevant plans were reviewed to ensure alignment with the WDC strategic plan. Also, strategic plans from several other states were assessed for ideas and thoughts on best practices in this area.

Primary research conducted with WDC stakeholders yielded insights, suggestions, and recommendations for the council. Individual interviews were held with WDC council members, Senator Glenn Wakai, and members of the Hawaii business community.

Several focus groups assembled with young adults from two Hawaii high schools (Pearl City and Campbell High Schools) along with students and faculty from Chaminade University. Participants shared their thoughts on questions such as:

- How optimistic they were about the future;
- What were their concerns or worries;
- Were there any challenges they could foresee for the workforce in Hawaii;
- How well did their education prepare them for future employment;

Totaling approximately 50 students, discussions from the three separate groups provided fresh perspectives and ideas on future workforce needs and concerns.

Board members convened for a day-long retreat to dialogue and discuss the research findings and identify the strategic priorities for the plan. During this facilitated session, the council focused on clarifying the current and future desired state of the WDC. Members reviewed and discussed the council's vision, mission, and core values, as well as worked to clearly identify the linkages between the opportunities and threats facing the workforce in Hawaii and the collective strengths and weaknesses of the WDC.

As part of the retreat, participants viewed a presentation via video from economist, Paul Brewbaker, sharing his perspective on economic trends and the potential impact of changes to the state economy on the workforce.

From this discussion, the council members highlighted the priorities and goals to be focused on in the next four years.

After the retreat, the planning team met regularly to review, collate, and synthesize the various inputs.

## **Examining the Impact of Past Recessions**

As part of the development of the strategic plan for 2020-2024, Olomana Loomis ISC examined the impact on Hawaii's workforce during the last two recessions in 2001 and 2008. This analysis was conducted because some indicators seemed to point to the possibility of a recession in the next few years.

Multiple industries in Hawai'i were significantly impacted during the last two recessions in 2001 and 2008. Mahalo to Edward Uechi of the Workforce Development Council for providing the following data. A full copy of Mr. Uechi's report is included in the Appendix of this Strategic Plan.

- **2001 Recession: From March 2001 to December 2002, the unemployment rate peaked at 5.2%.**
  - The steepest declines were in Food Services, Accommodation, Retail Trade, and Transportation due to significant drops in American and Japanese visitors post-9/11.
- **2008 Recession: From January 2008 to December 2012, the unemployment rate peaked at 7.3%.**
  - Six industry sectors lost jobs precipitously at approximately the same time: Real Estate, Retail Trade, Food Services, Accommodation, Construction, and Transportation. The Construction sector lost the most jobs (10,000 jobs).
- In both recessions, the Accommodation sector was slow to recover with stagnant job growth.
- In the 2008 Recession, Retail Trade, Construction and Transportation were also slow to recover.
- In both recessions, the Health Care and Social Assistance sector was unaffected and employment continued to grow steadily.
- In both recessions, the Food Services sector recovered quicker than the other sectors and reached pre-recession employment levels within a couple of years.
- **2008 Recession:** Groups with barriers to employment were particularly vulnerable.
  - Youth age 16-19: 17.9% unemployment
  - Persons below the poverty line: 14.8% unemployment
  - Persons with less than a high school education: 6.0% unemployment
  - Persons with disabilities: 5.9% unemployment

## Strategic Priorities to Build Workforce Resilience

Priority	Initiative	Actions	Outcomes
1. Support Workers with Barriers to Employment as defined by WIOA.	1.1 Increase awareness and utilization of the American Job Center Hawaii (AJCH).	<p><b>Connectors:</b></p> <ol style="list-style-type: none"> <li>1. Connect WDC and AJCH staff to media and marketing partners and opportunities.</li> <li>2. Connect WDC and AJCH staff to partner organizations who can refer jobseekers.</li> </ol> <p><b>Experts:</b></p> <ol style="list-style-type: none"> <li>1. Support and counsel WDC and AJCH staff on outreach and marketing strategies and systems.</li> </ol> <p><b>Salespeople:</b></p> <ol style="list-style-type: none"> <li>1. Promote the AJCH to employers and increase employer engagement.</li> <li>2. Promote the AJCH to policymakers to increase awareness and utilization in their communities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Increased outreach and marketing activities by WDC and AJCH.</li> <li>2. Increased exposure and publicity for AJCH.</li> <li>3. Increased awareness of AJCH among both jobseekers and employers.</li> <li>4. Increased brand strength for the AJCH.</li> <li>5. Increased utilization of the AJCH by both jobseekers and employers.</li> </ol>

Priority	Initiative	Actions	Outcomes
1. Support Workers with Barriers to Employment as defined by WIOA.	1.2. Change employer perceptions of workers with barriers to employment.	<p><b>Connectors:</b></p> <ol style="list-style-type: none"> <li>1. Connect WDC and AJCH staff to employers with influence in their industries.</li> </ol> <p><b>Experts:</b></p> <ol style="list-style-type: none"> <li>1. Provide insights regarding employer perceptions.</li> <li>2. Provide insights about industry-specific job opportunities, available resources and career pathways for workers with barriers to employment.</li> </ol> <p><b>Salespeople:</b></p> <ol style="list-style-type: none"> <li>1. Champion the hiring of workers with barriers to employment through the AJCH for jobs that are in alignment.</li> <li>2. Champion policies that incentivize and support the hiring of workers with barriers to employment.</li> </ol>	<ol style="list-style-type: none"> <li>1. Increased awareness of existing federal funding/incentives for employers to hire workers with barriers to employment.</li> <li>2. Greater understanding among employers of how hiring workers with barriers to employment for the right jobs can benefit their business.</li> <li>3. More job placements for workers with barriers to employment.</li> <li>4. Greater retention of workers with barriers to employment per WIOA performance metrics.</li> </ol>

Priority	Initiative	Actions	Outcomes
1. Support Workers with Barriers to Employment as defined by WIOA.	1.3. Support and collaborate with education partners and employers to align and strengthen job readiness programs.	<p><b>Connectors:</b></p> <ol style="list-style-type: none"> <li>1. Connect WDC and AJCH staff to employers seeking to create a stronger workforce pipeline.</li> </ol> <p><b>Experts:</b></p> <ol style="list-style-type: none"> <li>1. Provide industry-specific insights to help develop and strengthen job readiness programs.</li> </ol> <p><b>Salespeople:</b></p> <ol style="list-style-type: none"> <li>1. Assist with forming partnerships between WDC, AJCH and employers to develop and pilot job readiness programs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Greater awareness and understanding among employers of AJCH job readiness programs.</li> <li>2. Greater alignment between AJCH's programs and employer needs.</li> <li>3. Increased number of partnerships between the AJCH and employers.</li> <li>4. More robust and longer-term partnerships between the AJCH and employers.</li> </ol>



Priority	Initiative	Actions	Outcomes
1. Support Workers with Barriers to Employment as defined by WIOA.	1.4. Support business services teams in their efforts to increase awareness and utilization of layoff aversion and Rapid Response services.	<p><b>Connectors:</b></p> <ol style="list-style-type: none"> <li>1. Connect WDC staff and/or AJCH business services teams to employers who may be at risk of layoffs.</li> </ol> <p><b>Experts:</b></p> <ol style="list-style-type: none"> <li>1. Provide early indication of industries and employers facing challenges.</li> </ol> <p><b>Salespeople:</b></p> <ol style="list-style-type: none"> <li>1. Encourage employers to seek assistance from WDC if they are considering layoffs.</li> <li>2. Encourage employers to accept assistance from WDC after they have made the decision to reduce workforce.</li> </ol>	<ol style="list-style-type: none"> <li>1. Increased awareness among employers of WDC's layoff aversion and Rapid Response services.</li> <li>2. Increased utilization of WDC's layoff aversion services.</li> <li>3. Increased percentage of businesses who accept Rapid Response assistance after WDC reaches out to them.</li> <li>4. Increased early monitoring or intervention with industries or employers to anticipate and proactively prevent workforce reduction.</li> </ol>

Priority	Initiative	Actions	Outcomes
1. Support Workers with Barriers to Employment as defined by WIOA.	1.5. Explore additional funding sources and partnerships to support workforce development.	<p><b>Connectors:</b></p> <ol style="list-style-type: none"> <li>1. Connect WDC staff with possible funding sources in government or the private sector.</li> </ol> <p><b>Experts:</b></p> <ol style="list-style-type: none"> <li>1. Support WDC staff with information and strategies that can assist with grant-seeking.</li> </ol> <p><b>Salespeople:</b></p> <ol style="list-style-type: none"> <li>1. Assist with securing funding and partnerships.</li> </ol>	<ol style="list-style-type: none"> <li>1. Increased funding to support workforce development programs.</li> </ol>

Priority	Initiative	Actions	Outcomes
2. Prepare the Workforce of the Future.	<p>2.1 Upskill workers with 21st century skills by:</p> <ul style="list-style-type: none"> <li>• Developing innovative training programs that enhance lateral and upward mobility.</li> <li>• Planning for increased flexibility in career pathways.</li> </ul>	<p><b>Connectors:</b></p> <ol style="list-style-type: none"> <li>1. Connect WDC staff with employers who can provide input on workforce training needs and evolving career pathways.</li> <li>2. Strengthen the public workforce development system's network of trainers/career advisors.</li> </ol> <p><b>Experts:</b></p> <ol style="list-style-type: none"> <li>1. Provide input on workforce training needs and evolving career pathways.</li> <li>2. Assist with creating, piloting and expanding skill acquisition centers for workers seeking advancement.</li> </ol> <p><b>Salespeople:</b></p> <ol style="list-style-type: none"> <li>1. Build the brand of WDC and AJCH as a resource for workers seeking advancement, within eligibility guidelines.</li> </ol>	<ol style="list-style-type: none"> <li>1. Creation of upskilling programs for multiple industries.</li> <li>2. Creation of successful skill acquisition centers for workers seeking advancement.</li> <li>3. The AJCH is a go-to resource for workers seeking advancement.</li> </ol>

Priority	Initiative	Actions	Outcomes
2. Prepare the Workforce of the Future.	2.2 Inform and advise policymakers about industry trends and changes.	<p><b>Connectors:</b></p> <ol style="list-style-type: none"> <li>1. Connect WDC staff with policymakers, legislators and influential leaders in our community.</li> </ol> <p><b>Experts:</b></p> <ol style="list-style-type: none"> <li>1. Provide information for policymakers about industry trends and changes that affect Hawaii's workforce.</li> </ol> <p><b>Salespeople:</b></p> <ol style="list-style-type: none"> <li>1. Gain the support of policymakers for workforce development initiatives.</li> </ol>	<ol style="list-style-type: none"> <li>1. Stronger relationships between WDC and policymakers.</li> <li>2. WDC is viewed by policymakers as a subject matter expert on workforce resilience.</li> <li>3. Policymakers support initiatives, programs and policies that increase workforce resilience.</li> </ol>

Priority	Initiative	Actions	Outcomes
2. Prepare the Workforce of the Future.	<p>2.3 Support growth in target industries that diversify Hawaii's workforce beyond tourism, such as:</p> <ul style="list-style-type: none"> <li>• Health and Wellness</li> <li>• Education</li> <li>• Creative Sector</li> <li>• Technology Sector</li> <li>• Agribusiness</li> <li>• Military</li> </ul>	<p><b>Connectors:</b></p> <ol style="list-style-type: none"> <li>1. Connect WDC with industry leaders</li> </ol> <p><b>Experts:</b></p> <ol style="list-style-type: none"> <li>1. Develop industry-specific workforce development strategies and programs.</li> </ol> <p><b>Salespeople:</b></p> <ol style="list-style-type: none"> <li>1. Persuade leaders in each target industry to participate in workforce development pilot programs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Expanded network of leaders engaged in workforce development.</li> <li>2. Stronger and more resilient growth of target industries.</li> <li>3. A more diversified economy and workforce with 21st century skills.</li> </ol>

# **Appendix**

## **Impact of the 2001 and 2008 Recessions on Selected Industry Sectors in Hawaii and Specific Groups with Barriers to Employment in 2008**

by

Edward Y. Uechi

***Working Paper***

**11 December 2019**

Prepared for the State of Hawaii

Department of Labor and Industrial Relations

Workforce Development Council

## **Introduction**

This brief paper reviews the impact of two economic recessions that began in 2001 and 2008 in the state of Hawaii. The rise and fall in employment is examined across a time frame for seven industry sectors. The selected period of time includes at least a year before and at least a year after the recession to show what were the economic situations before and after the recession. A rudimentary literature review was conducted to gather basic information about the context of the recessions. The analysis in this report relies substantially on employment data from the U.S. Bureau of Labor Statistics and the U.S. Census Bureau.

This paper further includes the employment status of specific segments of the population of Hawaii. Groups have been identified according to the definition of persons with barriers to employment in the 2014 U.S. Workforce Innovation and Opportunity Act (WIOA). The employment status of these groups provides a comparative view for one year (2008).

## **Key Findings**

- The principal unemployment rate that is publicly reported masks uneven and higher unemployment rates among various segments of a population.
- While the slow performance of the "Accommodation" sector in recovering from a recession suggests that it is highly vulnerable to economic shocks, the "Food

Services and Drinking Places” sector is better able to react to and recover from an economic downturn.

- The “Health Care and Social Assistance” sector showed no disruption in employment and continued to have gradual growth in jobs from September 2000 to December 2012.

### **Impact of the 2001 and 2008 Recessions**

The 2001 recession was short-lived with the deepest job losses occurring across several months. The 2008 recession, in contrast, sustained a downturn in economic activities with deepest job losses occurring across two years. Both recessions required a significant length of time to recover with certain industry sectors struggling to return to pre-recession employment levels. Figure 1 superimposes the initial unemployment insurance (UI) claims rate over the unemployment rate to show the impact of the 2001 recession. Subsequent Figures 2 to 8 show monthly job losses and gains for seven industry sectors during the same time frame as shown in Figure 1. Figure 9 shows the initial UI claims rate over the unemployment rate to show the impact of the 2008 recession. Figures 10 to 16 show monthly job losses and gains for seven industry sectors during the same time frame as shown in Figure 9.

Hawaii’s unemployment rate was relatively steady from September 2000 to August 2001. Unemployment gradually increased for most of the year in 2001. From



March 2001 to December 2002, the unemployment rate had peaked at 5.2 percent. The mean unemployment rate would be 4.4 percent with small variability.

A dramatic spike in UI claims after March 2001, the start of the recession, appeared to be a one-off occurrence. Another spike in UI claims would not occur until September 2001 with four more high number of claims to follow. The period after September marked the largest impact on Hawaii's economy. While the beginning of the 2001 recession was isolated to the mainland states where the downturn was limited to the technology sector, the events of September 11<sup>th</sup> brought the downturn to Hawaii.<sup>2</sup> Among nine states in the 12<sup>th</sup> district of the Federal Reserve System, Hawaii had the highest job losses in the fourth quarter at an annual rate of -10 percent.<sup>3</sup> Tourism-related businesses (e.g., hotels and restaurants) along with retail trade and transportation had the steepest declines in job losses. The decline is attributable to the significant drops in American and Japanese visitors. The number of Japanese visitors from Japan had decreased 18.8 percent over the previous year.<sup>4</sup>

2. Federal Reserve Bank of San Francisco, "Recession in the West: Not a Rerun of 1990-1991," 8 March 2002, *FRBSF Economic Letter*, No. 2002-06. <<https://www.frbsf.org/economic-research/publications/economic-letter/2002/march/recession-in-the-west-not-a-rerun-of-1990-1991/>> (Accessed 30 November 2019).

3. Federal Reserve Bank of San Francisco.

4. Carl Bonham and Byron Gangnes, "Hawaii Outlook: Brief Recession Likely Over," 11 April 2002, University of Hawaii Economic Research Organization. <[https://www.uhero.hawaii.edu/assets/02Q3\\_hioutlook.pdf](https://www.uhero.hawaii.edu/assets/02Q3_hioutlook.pdf)> (Accessed 30 November 2019).

The “Food Services and Drinking Places” sector was one industry that recovered the fastest, returning to its pre-recession employment level by the following summer. Employment growth continued to rise to December 2003.

The Accommodation, Retail Trade, and Transportation sectors were slower to recover and by December 2003 had still not returned to pre-recession employment levels. The Transportation sector performed better with incremental job gains from March 2002 to January 2003. The Accommodation sector, in contrast, stagnated in employment growth.

The “Construction and Mining” sector had begun to lose jobs in early 2001 and had stopped the job loss by October 2001. This industry would begin to have job gains at the start of 2002.

The “Health Care and Social Assistance” sector was unaffected by the 2001 recession. This industry continued to have incremental employment growth from March 2001 to December 2003.

Six industry sectors would lose jobs precipitously approximately at the same time during 2008. The Real Estate and Retail Trade sectors had the steepest declines. For four years beginning in January 2009, the number of jobs remained relatively the same in

Carl Bonham and Byron Gangnes, “Hawaii Outlook: Moderate Recession Underway,” 1 November 2001, University of Hawaii Economic Research Organization.  
<<https://www.uhero.hawaii.edu/forecasts/01Q4/forecastdoc.html>> (Accessed 30 November 2019).

Real Estate. The 2008 recession, also known as the “Great Recession,” was caused by the collapse of the housing market, driven by the confluence of a decline in housing prices, heavy dependence on mortgage-backed securities, short-term funding programs, and otherwise very risky investments, and lack of regulation to oversee such short-term funding and investments.<sup>5</sup> The Real Estate sector in Hawaii would not return to its pre-recession employment level by December 2012. The slump in employment across multiple industry sectors would be sustained for as long as two years.

From January 2008 to December 2012, the unemployment rate had peaked at 7.3 percent. The mean unemployment rate would be 5.7 percent with significant variability.

Food Services, Retail Trade, and Accommodation recovered gradually for two years beginning around January 2011. The Food Services sector gained jobs at a faster rate and had reached its pre-recession employment level by December 2012. At the same time, however, the Retail Trade and Accommodation sectors had still not reached their pre-recession employment level.

The Construction and Transportation sectors also had not reached their pre-

5. Lawrence J. Christiano, “The Great Recession: A Macroeconomic Earthquake,” 7 February 2017, Federal Reserve Bank of Minneapolis. <<https://www.minneapolisfed.org/article/2017/the-great-recession-a-macroeconomic-earthquake>> (Accessed 10 December 2019).

Ben S. Bernanke, “Statement by Ben S. Bernanke Chairman Board of Governors of the Federal Reserve System before the Financial Crisis Inquiry Commission,” 2 September 2010, Board of Governors of the Federal Reserve System. <<https://www.federalreserve.gov/newsevents/testimony/bernanke20100902a.pdf>> (Accessed 10 December 2019).

recession employment level and remained stagnate in the number of jobs that these two sectors could regain. These two sectors would lose the most jobs with the Construction sector losing 10,000 jobs.

Just like in the 2001 recession, the Health Care and Social Assistance sector was not affected by the Great Recession. Jobs continued to be added in this industry. Despite a few sudden drops in jobs, employment grew steadily over 12 years from September 2000.

### **Specific Groups with Barriers to Employment**

The 5.7 percent mean unemployment rate in the 2008 recession masks uneven and higher unemployment rates among various groups with barriers to employment. Table 1 shows ten of these groups and their labor force participation, employment status, and unemployment rate in 2008. Youth age 16 to 19, who would be out-of-school and working or disconnected from society, had the highest unemployment rate at 17.9 percent. Persons below the poverty line had an unemployment rate at 14.8 percent. These two groups had labor force participation at 40 percent. One-third of youth and persons in poverty were employed.

The next two groups with high unemployment (6 percent) were those persons with less than a high school education and persons with disabilities. Employment level was far lower for persons with disabilities than with persons with limited education. 61.7

percent of persons with less than a high school education were employed. Persons with disabilities had the lowest labor force participation of all groups.

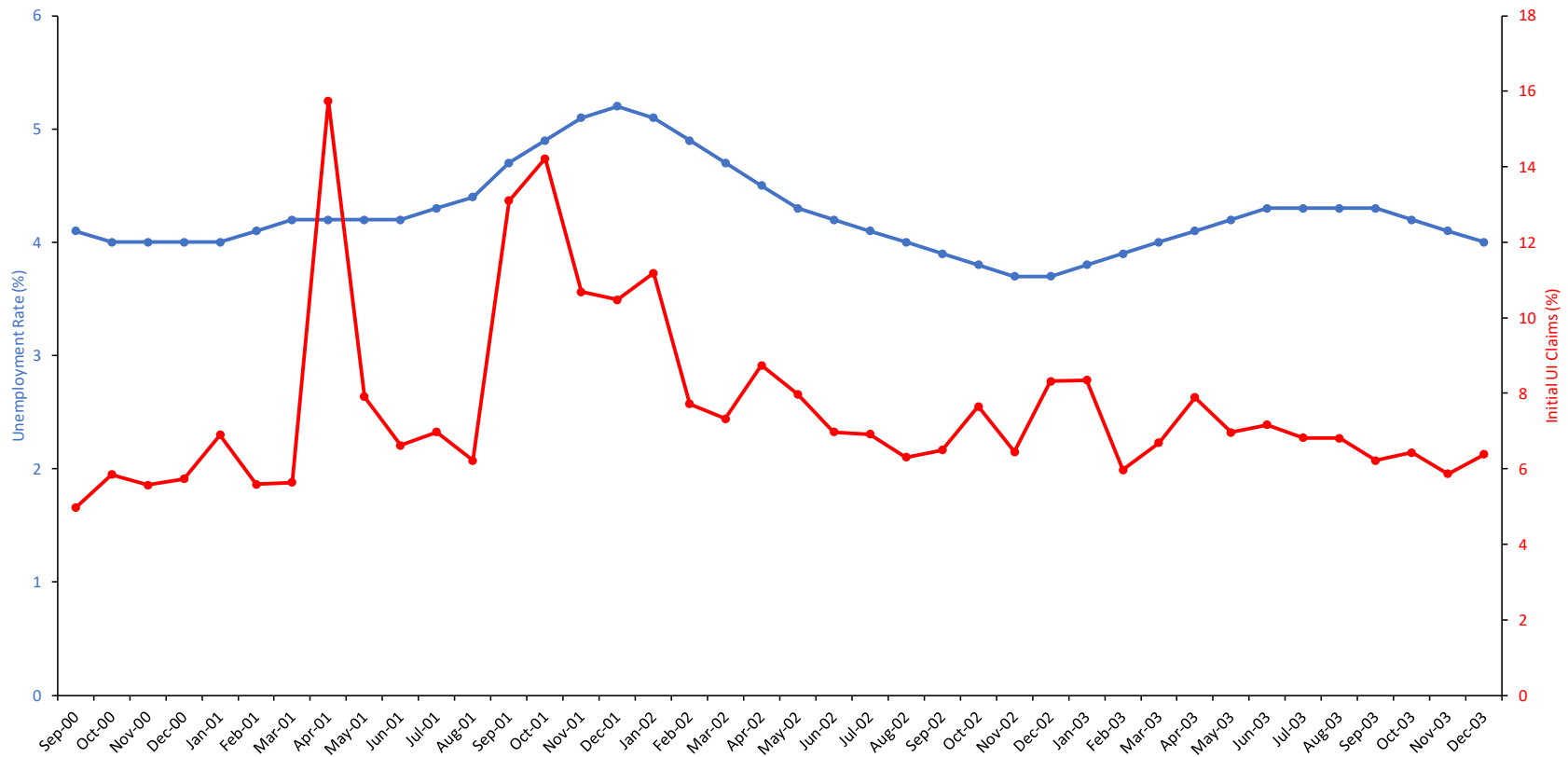
Less than 80 percent of Native Hawaiians and veterans participated in the labor force. Native Hawaiians had an unemployment rate at 4 percent. Veterans had low unemployment at 2.8 percent. Both of these groups had high employment at three-fourths their respective group population.

Persons with a high school education or equivalency had a high employment level at 72.9 percent and an unemployment rate at 4.1 percent. More than three-fourths of this group participated in the labor force.

Older workers age 55 to 64 had the lowest unemployment rate of all groups (2 percent). Two-thirds of older workers participated in the labor force, and slightly less than that proportion were employed.

Employment data were not available for persons who speak a language other than English in the home and have limited education (the non-English speaking group) and unmarried women including divorced and widowed who had recently given birth (the unmarried new mother group). These two groups had significant numbers of persons in the labor force, 53.8 percent for non-English speakers and 61.5 percent for unmarried new mothers.

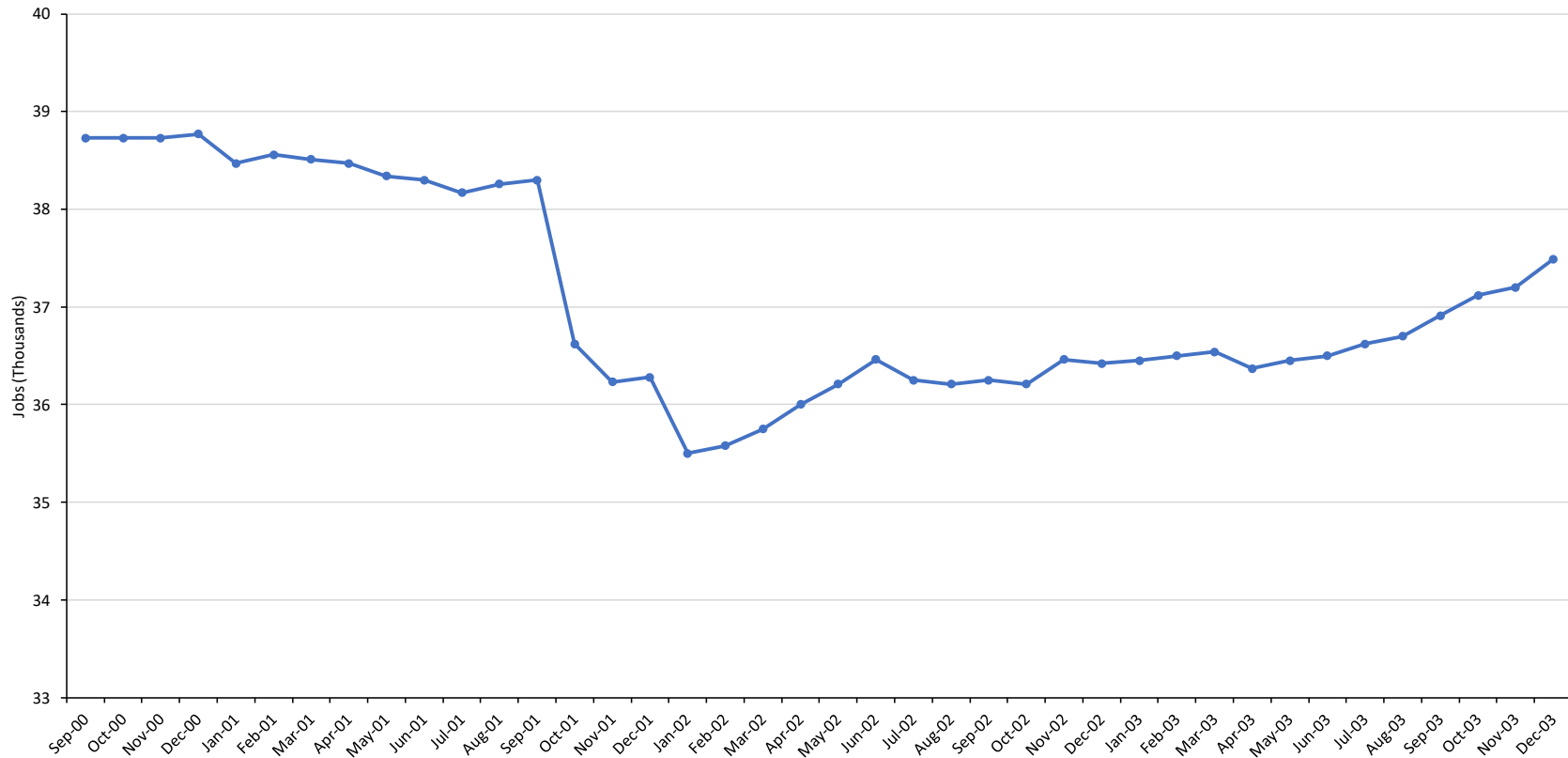
**Figure 1: Hawaii Unemployment, September 2000 to December 2003**



Monthly Unemployment Rates, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

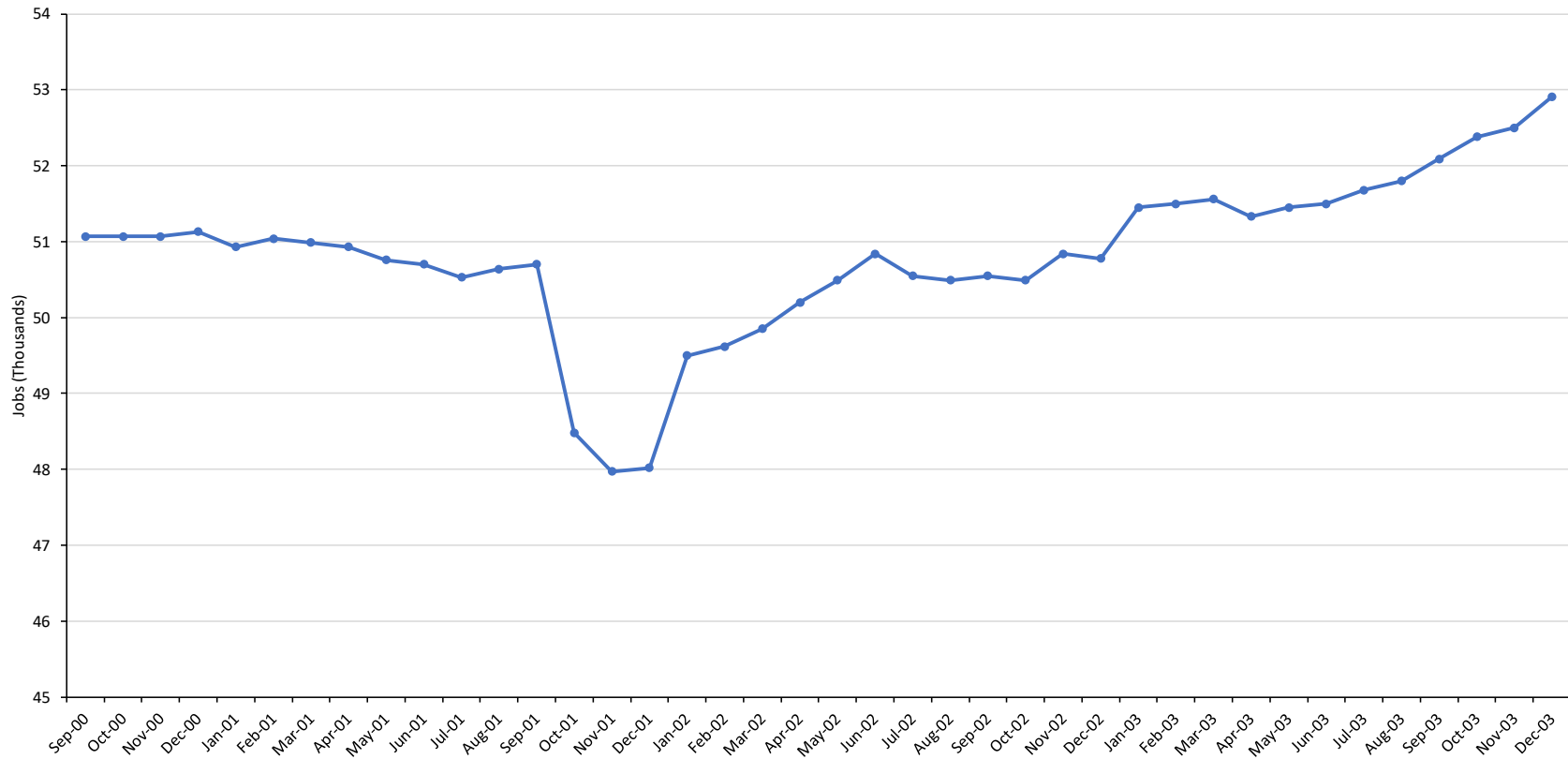
**Figure 2: Hawaii Employment in Accommodation, September 2000 to December 2003**



Monthly Jobs, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

**Figure 3: Hawaii Employment in Food Services and Drinking Places, September 2000 to December 2003**

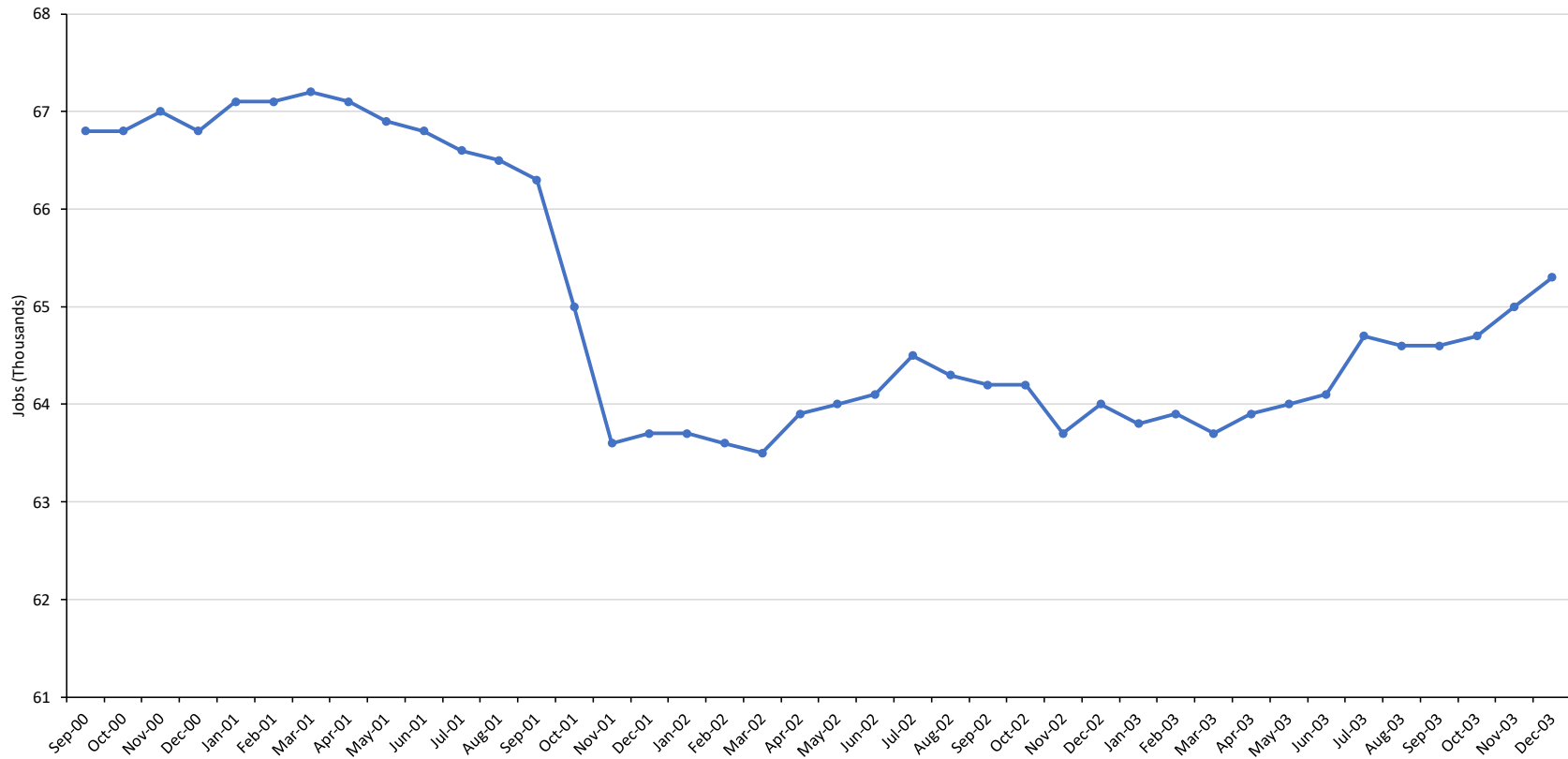


Monthly Jobs, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics



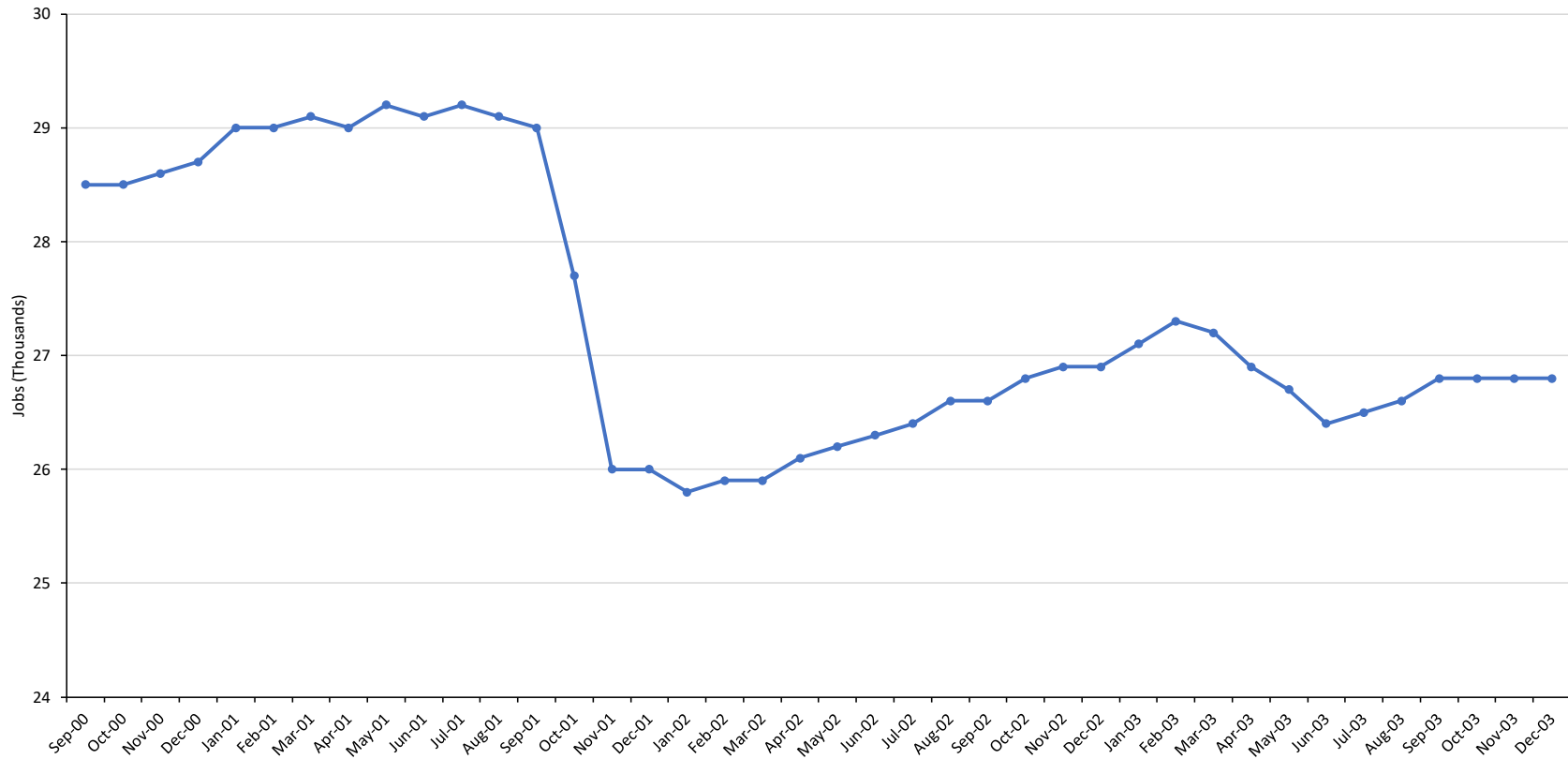
**Figure 4: Hawaii Employment in Retail Trade, September 2000 to December 2003**



Monthly Jobs, Seasonally Adjusted

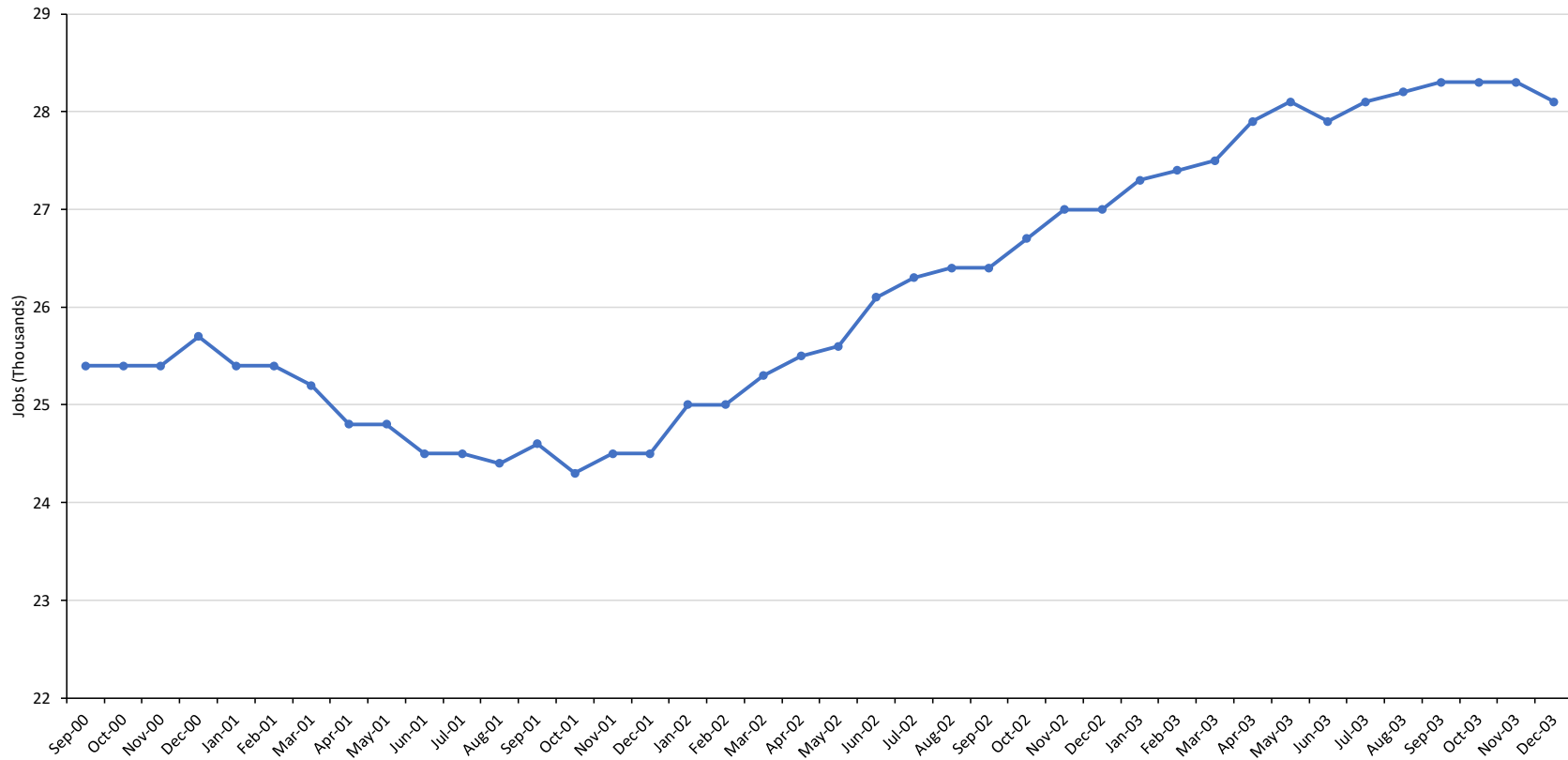
Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

**Figure 5: Hawaii Employment in Transportation and Utilities, September 2000 to December 2003**



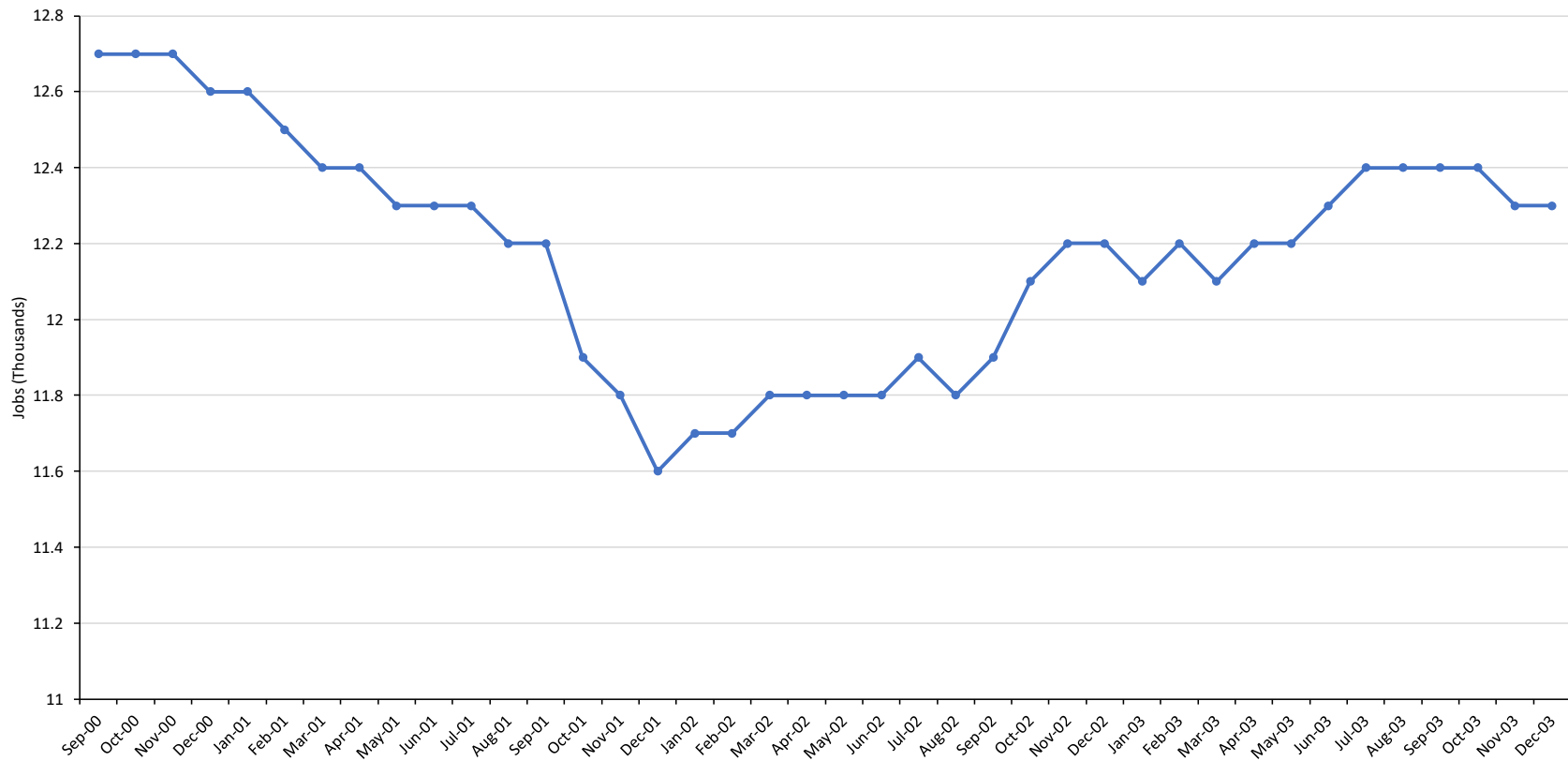
Monthly Jobs, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

**Figure 6: Hawaii Employment in Construction and Mining, September 2000 to December 2003**

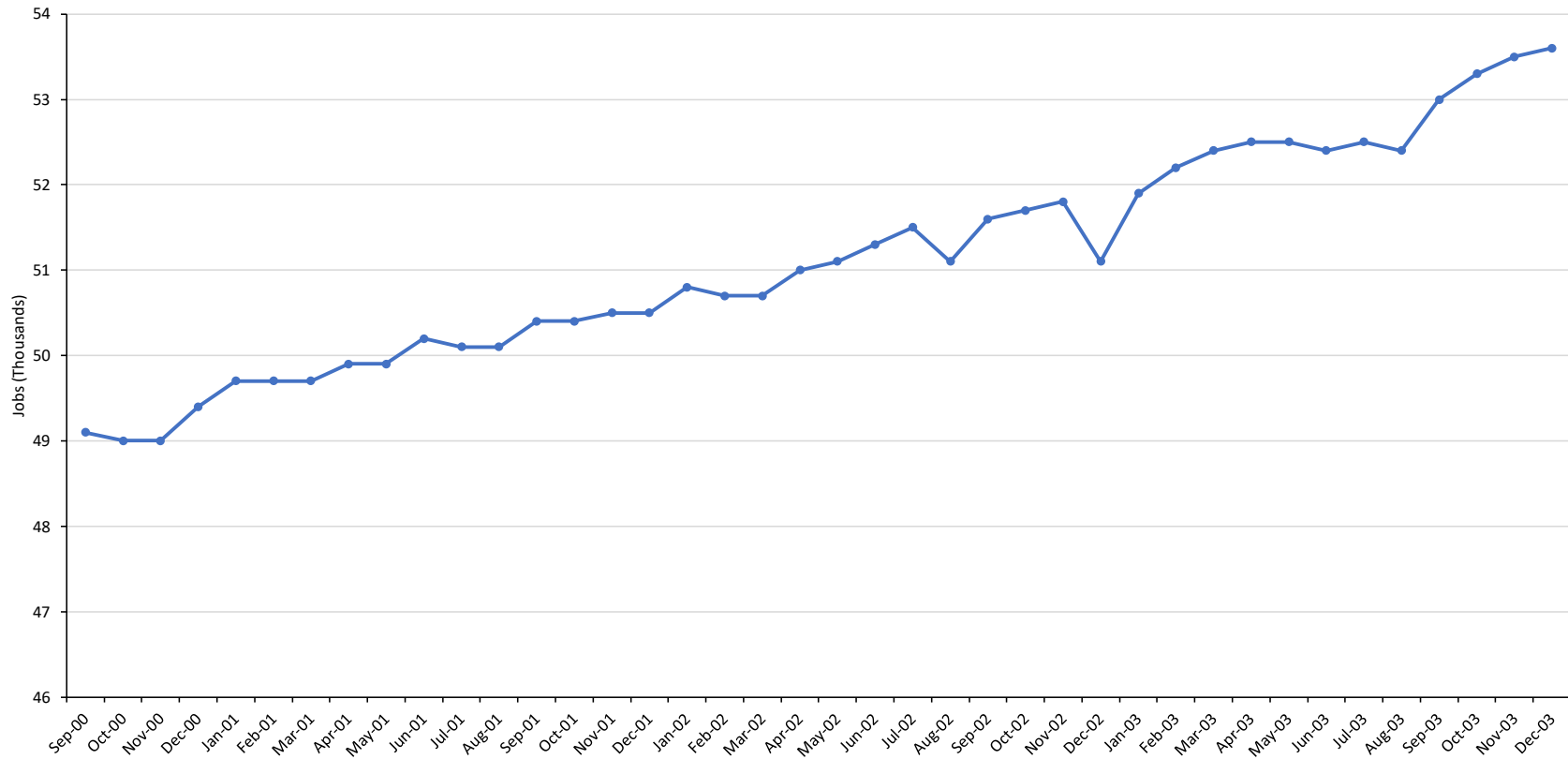
Monthly Jobs, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

**Figure 7: Hawaii Employment in Real Estate and Rental, September 2000 to December 2003**

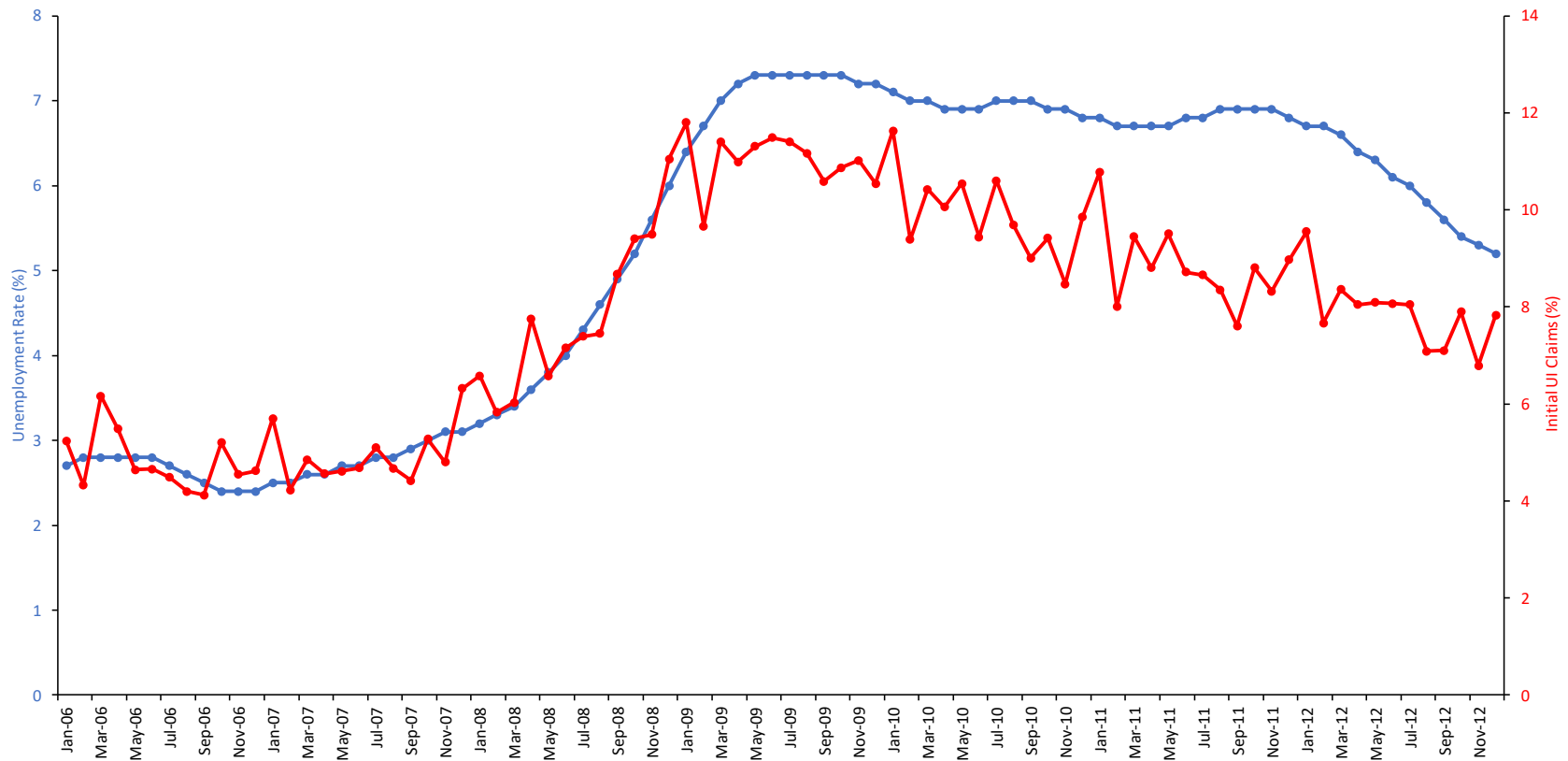
Monthly Jobs, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

**Figure 8: Hawaii Employment in Health Care and Social Assistance, September 2000 to December 2003**

Monthly Jobs, Seasonally Adjusted

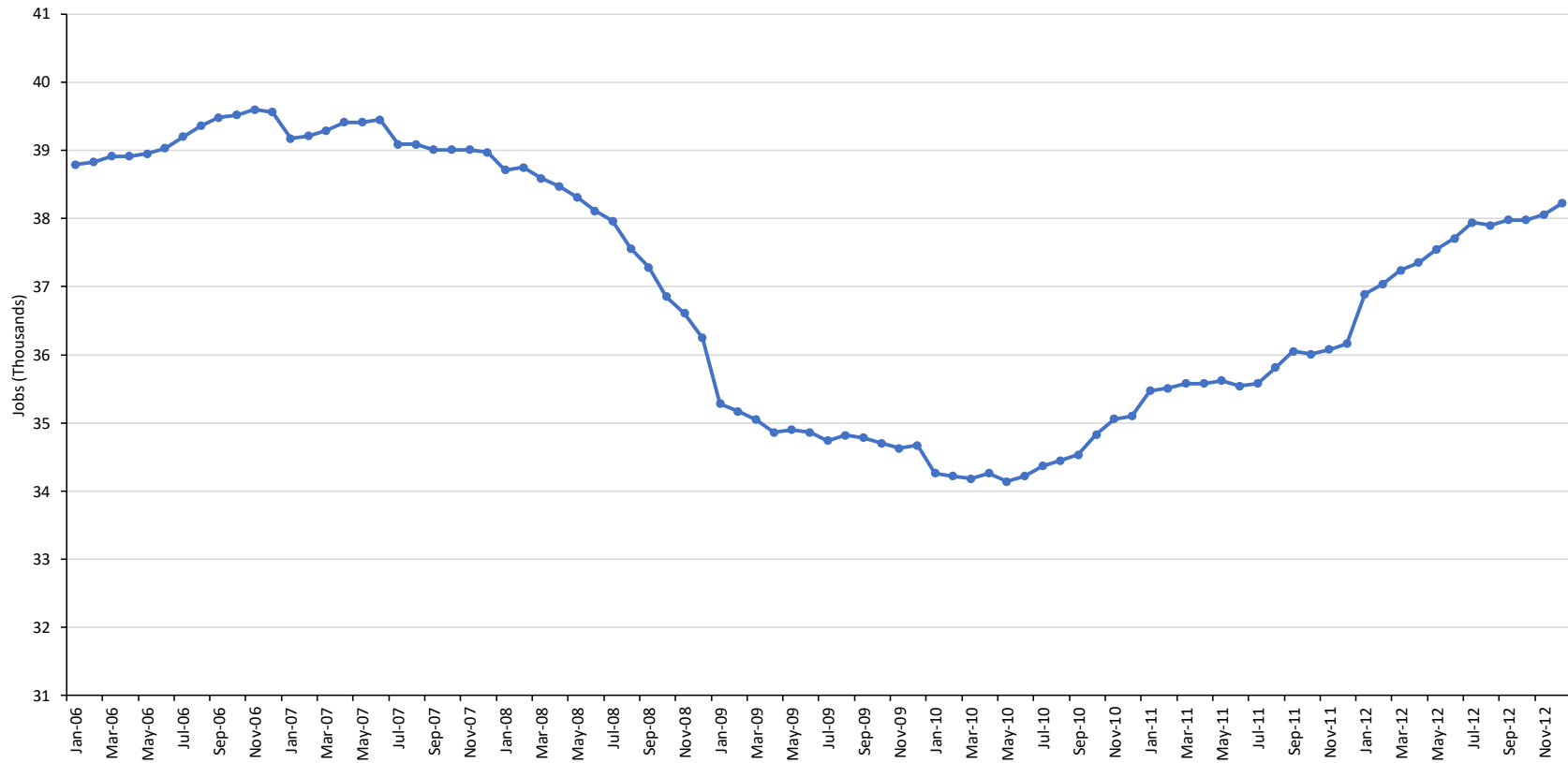
Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

**Figure 9: Hawaii Unemployment, January 2006 to December 2012**

Monthly Unemployment Rates, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

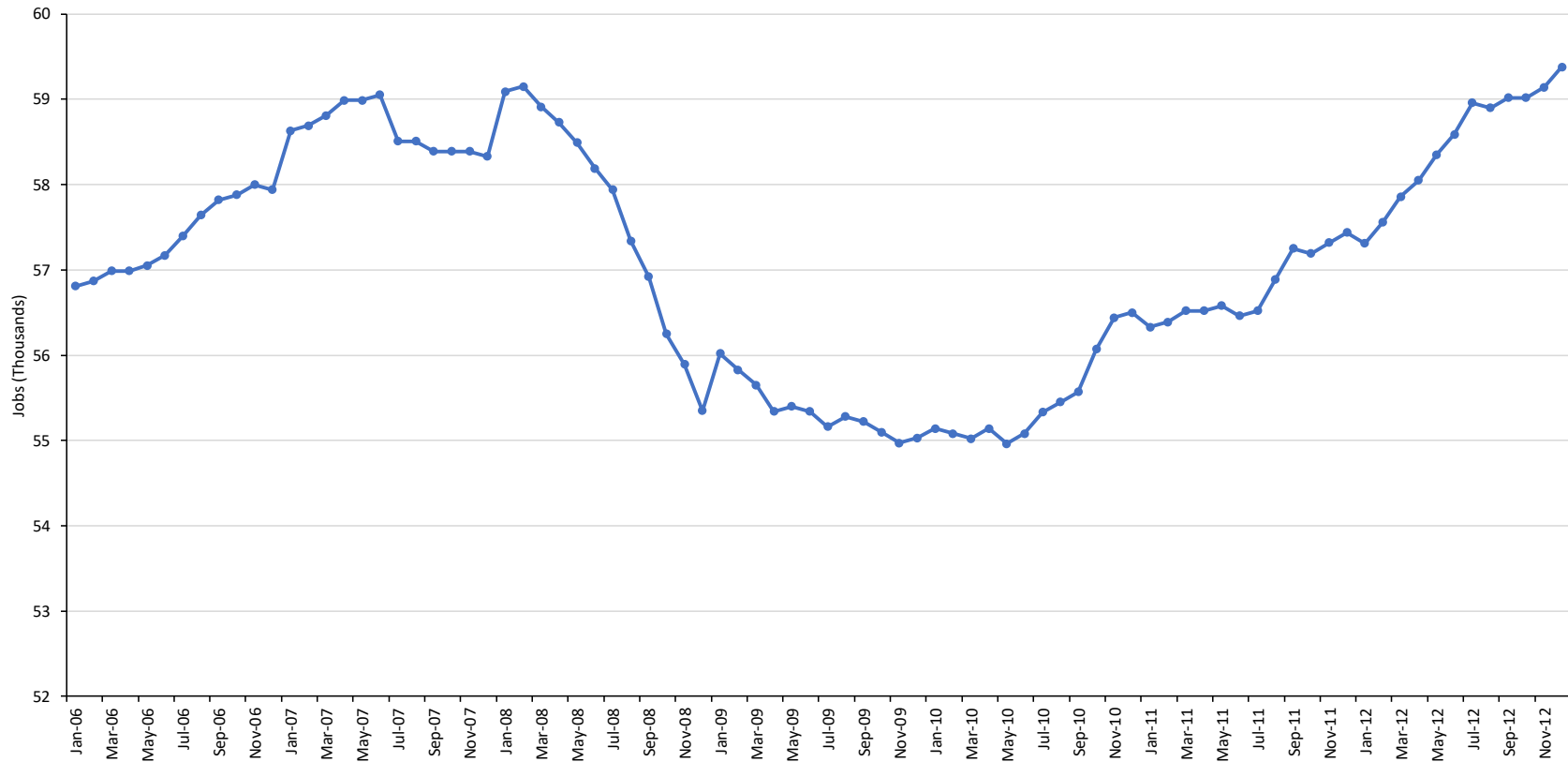
**Figure 10: Hawaii Employment in Accommodation, January 2006 to December 2012**



Monthly Jobs, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

**Figure 11: Hawaii Employment in Food Services and Drinking Places, January 2006 to December 2012**

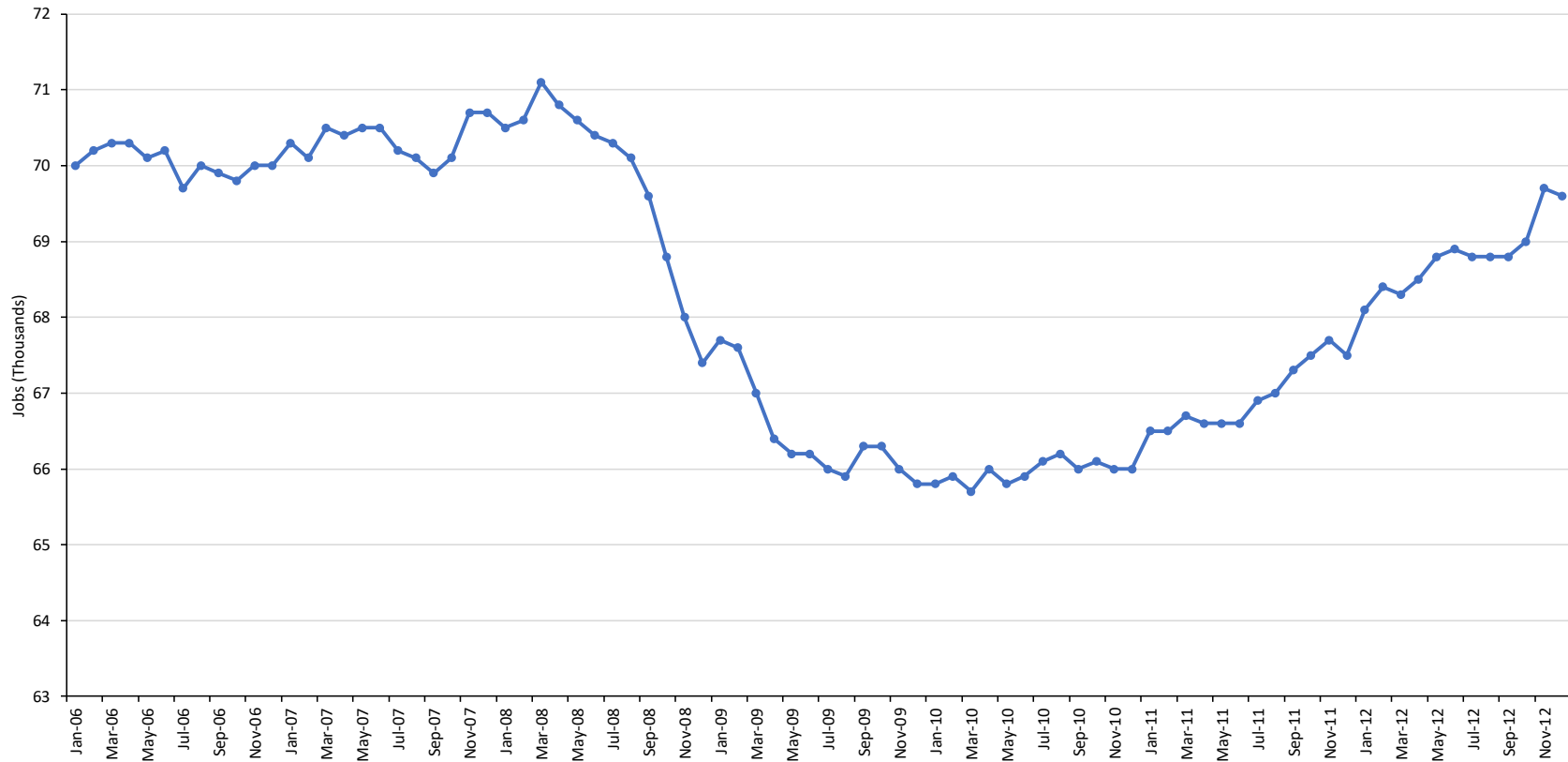


Monthly Jobs, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics



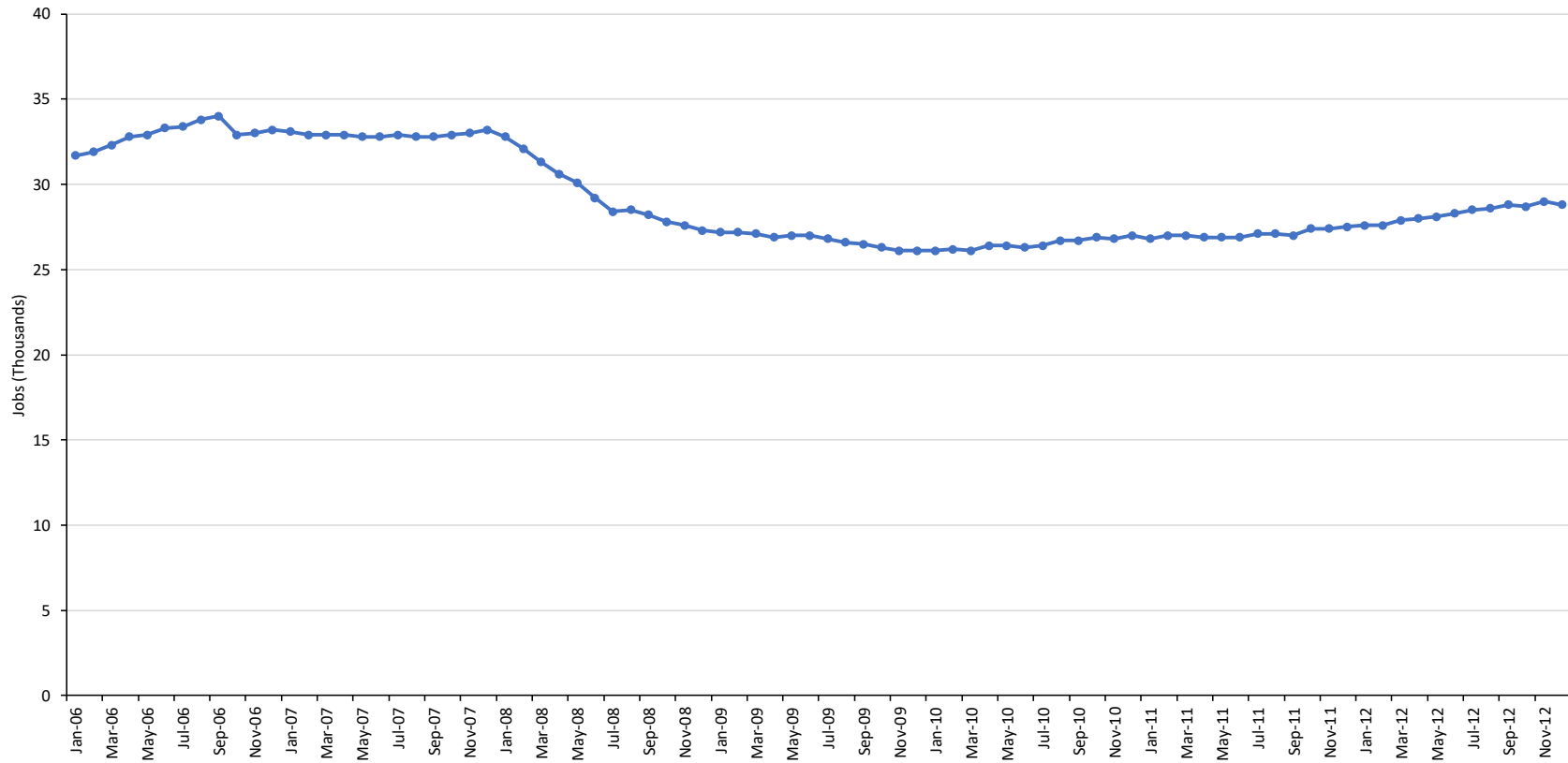
**Figure 12: Hawaii Employment in Retail Trade, January 2006 to December 2012**



Monthly Jobs, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

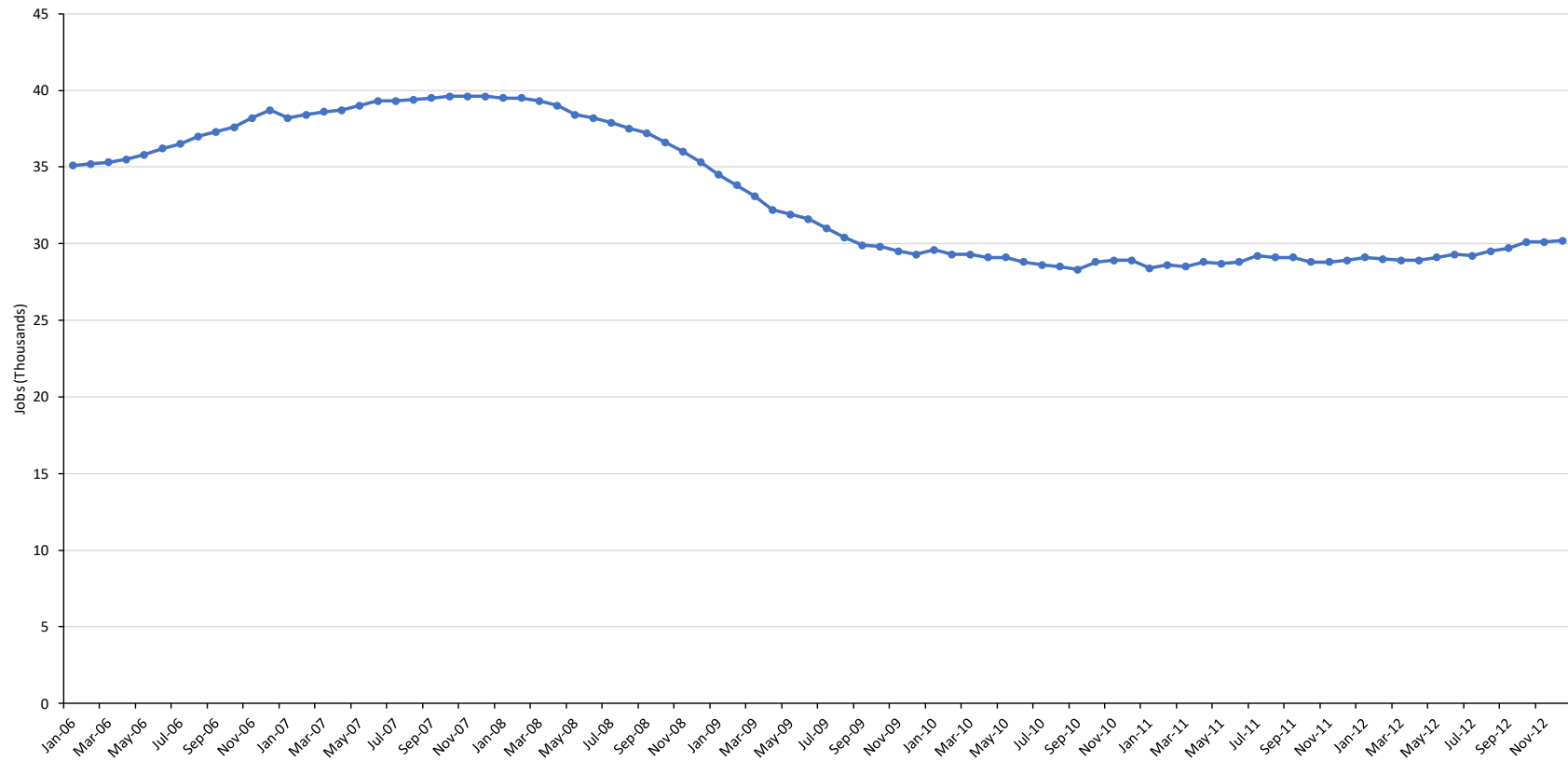
**Figure 13: Hawaii Employment in Transportation and Utilities, January 2006 to December 2012**



Monthly Jobs, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

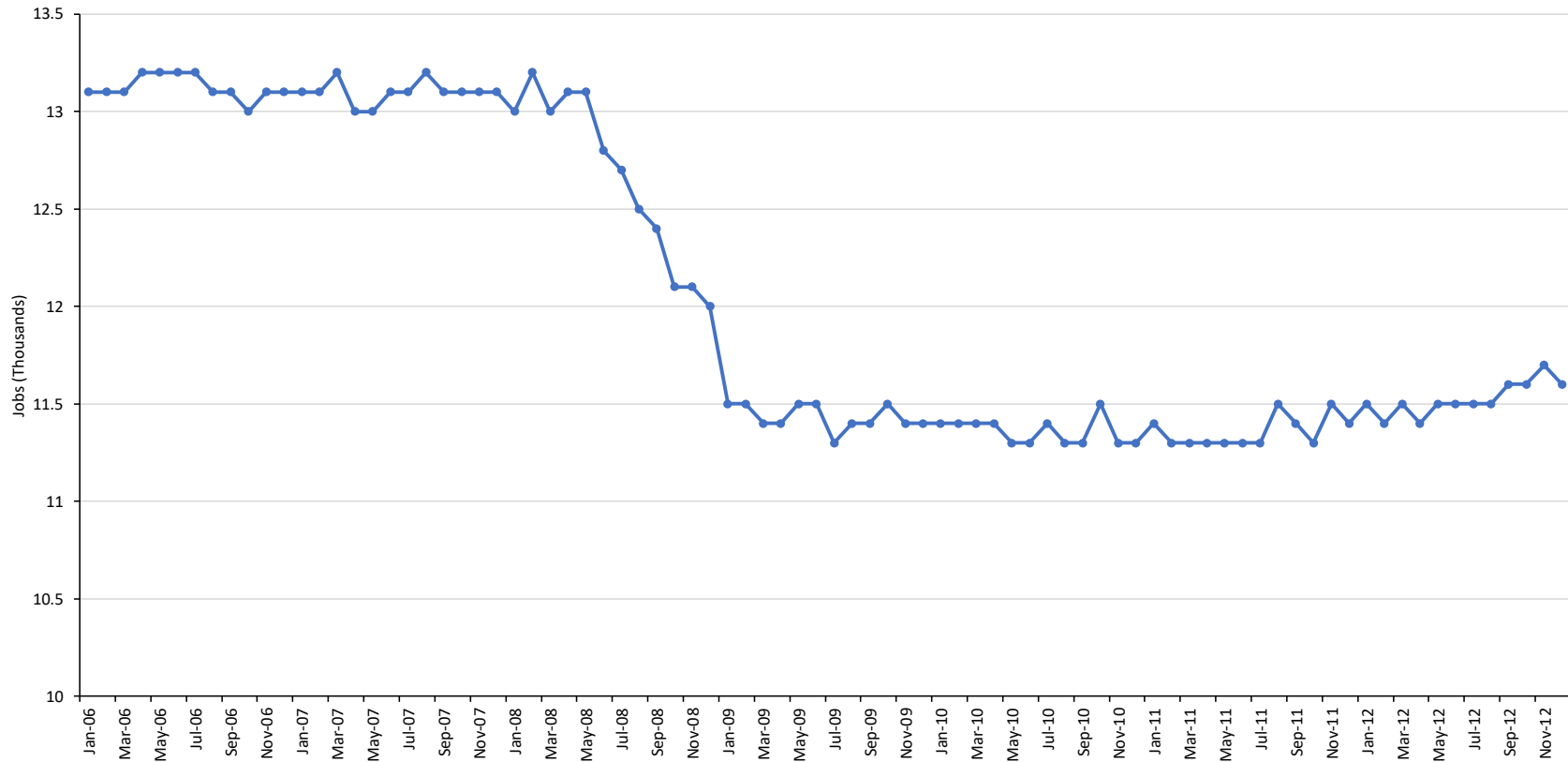
**Figure 14: Hawaii Employment in Construction and Mining, January 2006 to December 2012**



Monthly Jobs, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

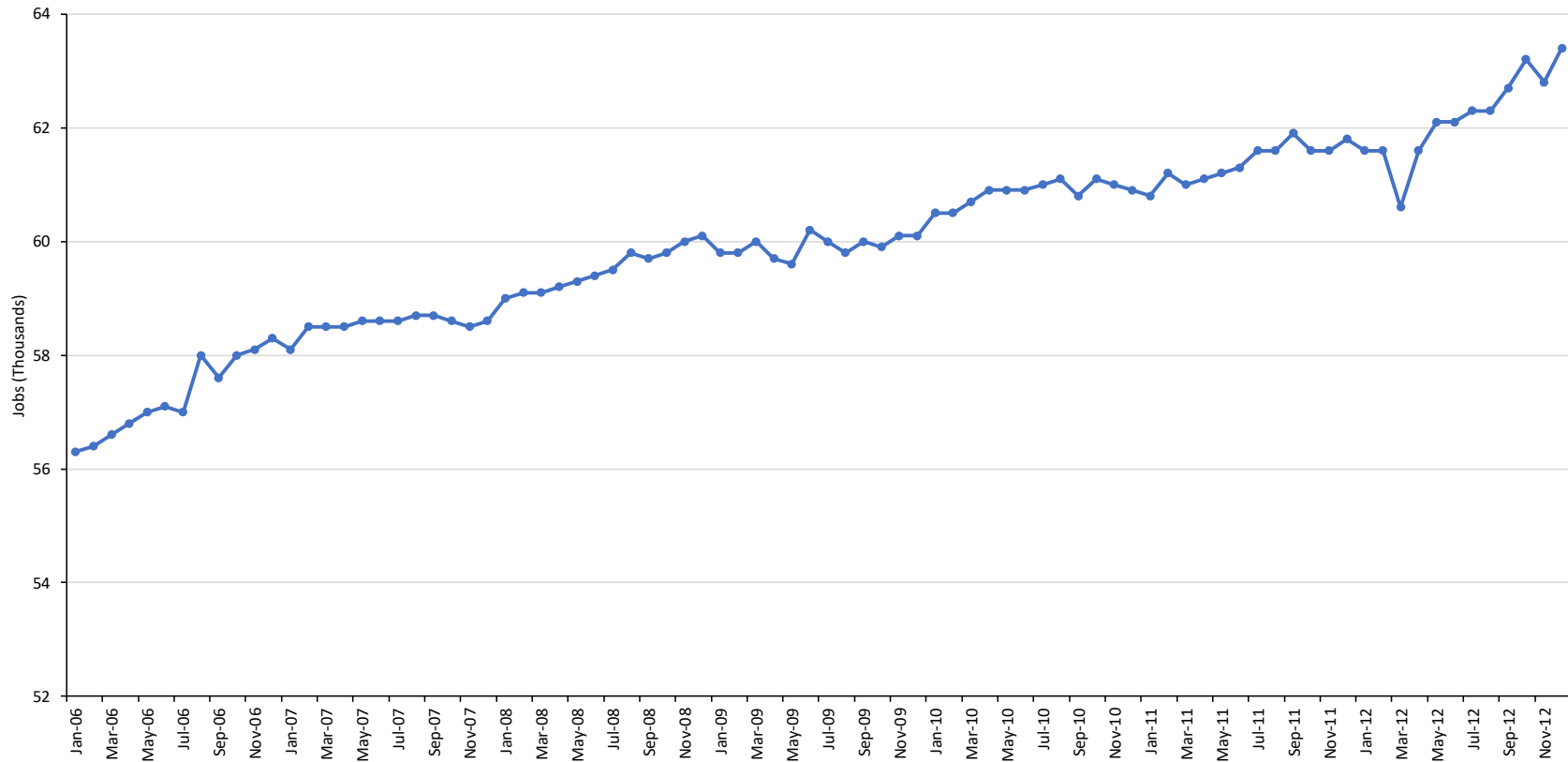
**Figure 15: Hawaii Employment in Real Estate and Rental, January 2006 to December 2012**



Monthly Jobs, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

**Figure 16: Hawaii Employment in Health Care and Social Assistance, January 2006 to December 2012**



Monthly Jobs, Seasonally Adjusted

Source: University of Hawaii Economic Research Organization compiled data from the U.S. Bureau of Labor Statistics

**Table 1: Hawaii Employment Status of WIOA Groups, 2008**

<b>Group Classification</b>	<b>Group Population</b>	<b>Group Labor Force</b>	<b>Labor Force Participation</b>	<b>Employment Status of the Group Pop.</b>	<b>Unemployment Rate</b>
Youth, Age 16 to 19	69,000	28,000	40.6%	33.3%	17.9%
Poverty, Age 16 and Over	89,711	34,967	39.0%	33.2%	14.8%
Limited Education, Less than High School, Age 25 to 64	46,250	30,371	65.7%	61.7%	6.0%
Disabled Person, Age 16 and Over	125,131	33,285	26.6%	25.0%	5.9%
Limited Education, High School, Age 25 to 64	179,918	136,839	76.1%	72.9%	4.1%
Native Hawaiian, Age 25 to 54	47,589	38,016	79.9%	76.7%	4.0%
Veteran, Age 18 to 64	63,704	49,784	78.1%	75.9%	2.8%
Older Worker, Age 55 to 64	152,000	100,000	65.8%	64.5%	2.0%
Non-English Speaking, Limited Education, Age 25 and Over	118,909	64,008	53.8%	—	—
Unmarried New Mother, Age 16 to 50	5,771	3,549	61.5%	—	—

Sample estimates at the 90 percent confidence interval, high margin of error

Note:

Youth and Older Worker numbers were rounded to the nearest thousand by the U.S. Bureau of Labor Statistics.

No employment data were available for the last two groups.

Source:

Youth and Older Worker data from the U.S. Bureau of Labor Statistics, Current Population Survey.

All other groups' data from the U.S. Census Bureau, 2008 American Community Survey.