

**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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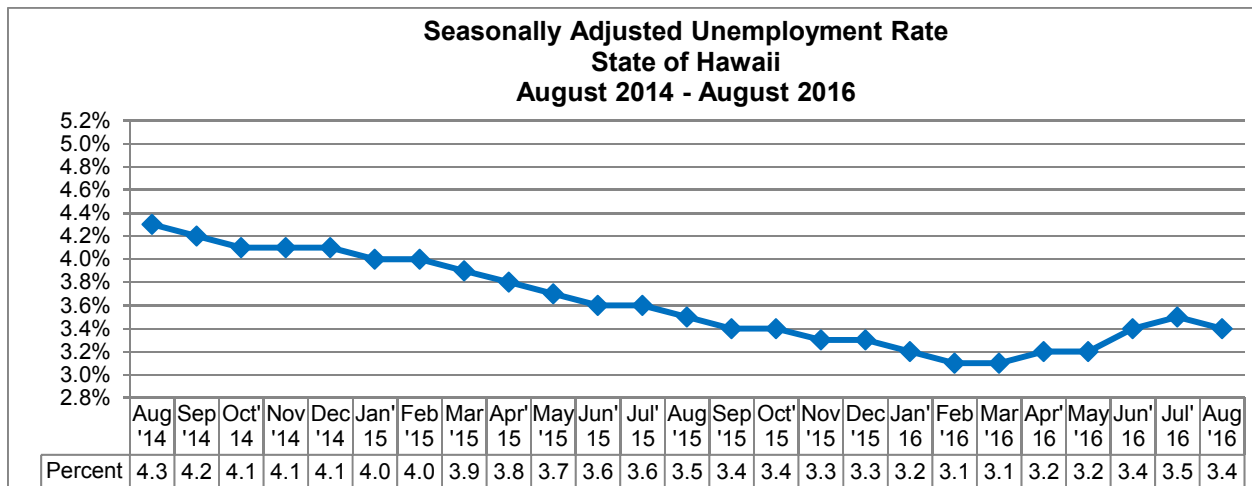
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**FOR IMMEDIATE RELEASE**  
September 19, 2016

**HAWAII'S UNEMPLOYMENT RATE  
AT 3.4 PERCENT IN AUGUST**

**Non-Agricultural Jobs up 10,800 over-the-year**

HONOLULU — The Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for August was 3.4 percent, down from 3.5 percent in July. Statewide, 660,900 were employed and 23,550 unemployed in August for a total seasonally adjusted labor force of 684,450. Nationally, the seasonally adjusted unemployment rate was 4.9 percent in August, the same as in July.



Both initial claims and weeks claims decreased by 41 or -3.4 percent and 209 or -2.8 percent respectively for unemployment benefits compared to one year ago. Over-the-month both initial claims and weeks claims also fell by -5.3 percent and -4.0 percent from July 2016.

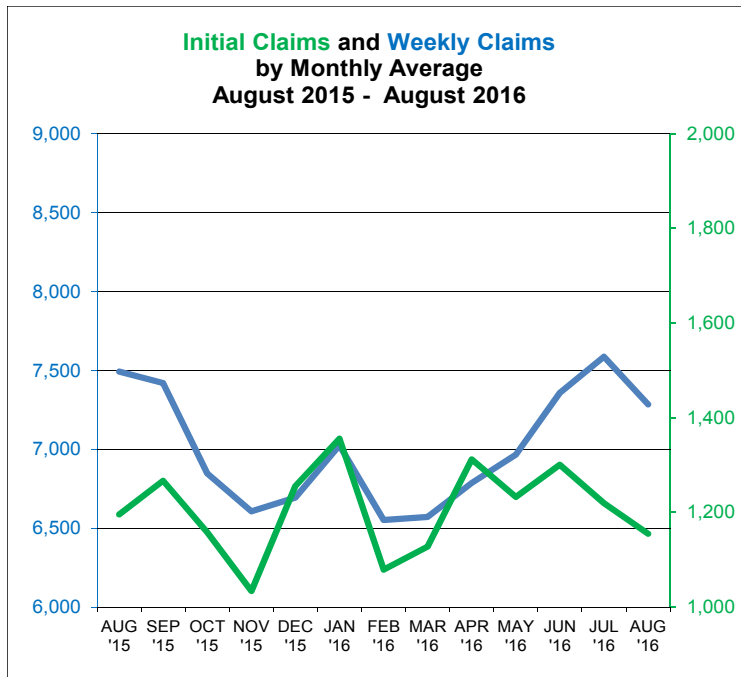
The unemployment rate figures for the State of Hawaii and the U.S. in this release are seasonally adjusted, in accordance with the U.S. Bureau of Labor Statistics (BLS) methodology. The not seasonally adjusted rate for the State was 3.2 percent in August, dropping from 3.4 percent in July.

State of Hawaii Seasonally Adjusted Labor Force Data**			
	Aug 2016	Jul 2016	Aug 2015*
Labor Force	684,450	684,300	678,250
Employment	660,900	660,600	654,550
Unemployment	23,550	23,700	23,700
* benchmarked data		**totals may not add due to rounding	

	AUG 2016	JUL 2016	AUG* 2015
<u>Seasonally Adjusted</u>			
STATE	3.4	3.5	3.5
U. S.	4.9	4.9	5.1
<u>Not Seasonally Adjusted</u>			
STATE	3.2	3.4	3.5
HONOLULU	3.0	3.2	3.2
HAWAII COUNTY	4.1	4.6	4.3
KAUAI	3.4	3.5	3.9
MAUI COUNTY	3.3	3.6	3.5
Maui Island	3.2	3.4	3.3
Molokai	7.9	9.4	10.1
Lanai	5.8	6.7	3.2
U. S.	5.0	5.1	5.2
county & island rates are not seasonally adjusted			
* benchmarked data			

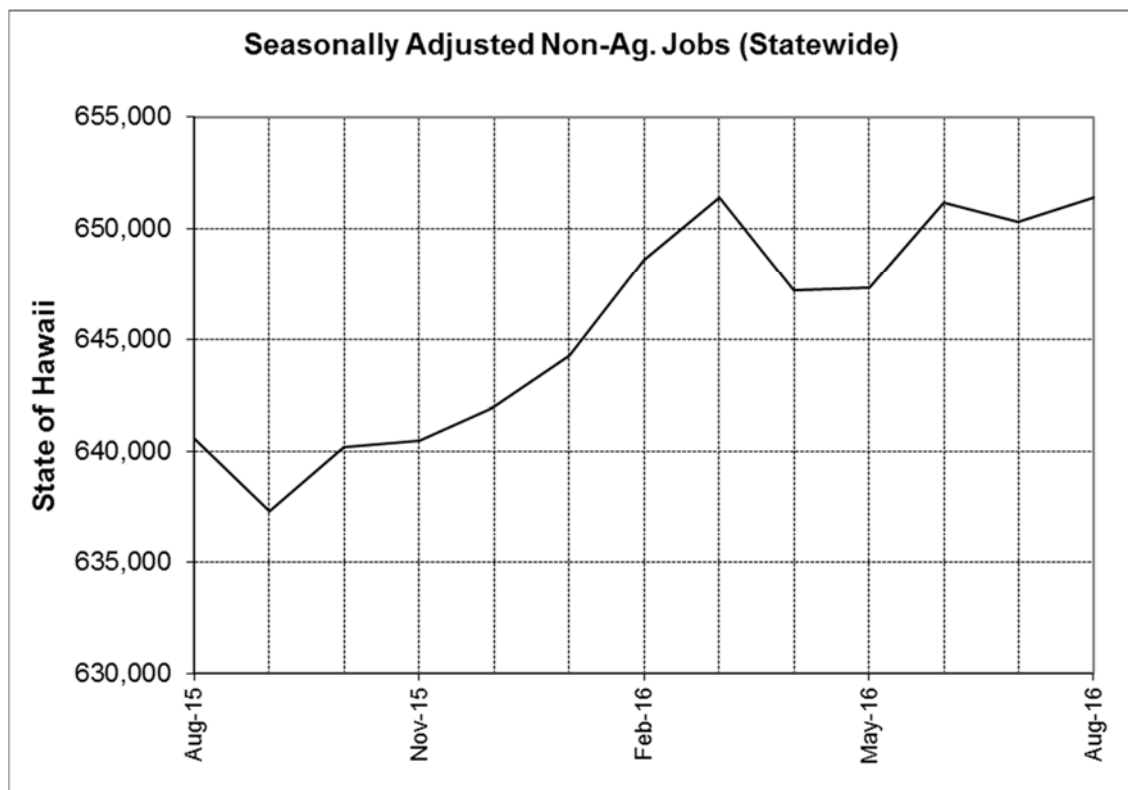
### **Industry Payroll Employment (Establishment Survey)**

In a separate measure of employment, there was an increase of 1,100 jobs in August over July. Among the major industries, job gains occurred in Professional & Business Services (+1,200), Construction (+100), Trade, Transportation, & Utilities (+100), Financial Activities (+100) and Educational & Health Services (+100). The rise in employment in Professional & Business Services was specifically in the Administrative & Support subsector. Job losses were experienced in Manufacturing (-200), Other Services (-200), and Leisure & Hospitality (-300). Employment in Government went up by 200 jobs. Compared with one year ago, total nonfarm jobs have expanded by 10,800, or 1.7 percent.



**Seasonally Adjusted Non-Ag. Jobs (Statewide)**

<b>SELECTED SERIES:</b>	<b>Aug-16</b>	<b>Jul-16</b>	<b>Aug-15*</b>
MINING, LOGGING & CONSTRUCTION	39,400	39,300	35,100
MANUFACTURING	13,900	14,100	14,000
Non-Durable Goods	10,300	10,400	10,300
TRADE, TRANSPORTATION & UTILITIES	119,000	118,900	119,600
Wholesale Trade	17,300	17,600	18,000
Retail Trade	70,400	69,800	70,800
FINANCIAL ACTIVITIES	28,500	28,400	28,300
Finance & Insurance	16,400	16,400	16,200
Real Estate & Rental & Leasing	12,100	12,000	12,100
PROFESSIONAL & BUSINESS SERVICES	85,500	84,300	83,200
Professional, Scientific, Tech Svcs	24,000	24,200	24,400
Administrative & Support & Waste Mgmt	52,400	50,900	50,400
EDUCATIONAL & HEALTH SERVICES	84,400	84,300	81,000
Educational Services	14,600	14,800	14,200
Health Care & Social Assistance	69,800	69,500	66,800
LEISURE & HOSPITALITY	119,100	119,400	114,800
Arts, Entertainment & Recreation	12,100	12,200	11,800
Accommodation & Food Services	107,000	107,200	103,000
OTHER SERVICES	26,900	27,100	26,700
GOVERNMENT	126,100	125,900	129,300
Federal Government	33,700	33,600	33,000
State Government	73,600	73,300	77,400
Local Government	18,800	19,000	18,900
<b>TOTAL: STATEWIDE</b>	<b>651,400</b>	<b>650,300</b>	<b>640,600</b>
<b>TOTAL: HONOLULU MSA</b>	<b>479,200</b>	<b>476,800</b>	<b>472,100</b>



## 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 12<sup>th</sup> 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 2011-2015 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 2015 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, third quarter of 2015 through second quarter of 2016 averages.*

### **Alternative Measures of Labor Underutilization for US and Hawaii, third quarter of 2015 through second quarter of 2016 averages (percent)**

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	2.1	2.4	5.0	5.4	6.1	9.9
Hawaii	1.3	1.4	3.3	3.7	4.6	8.7

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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