

## DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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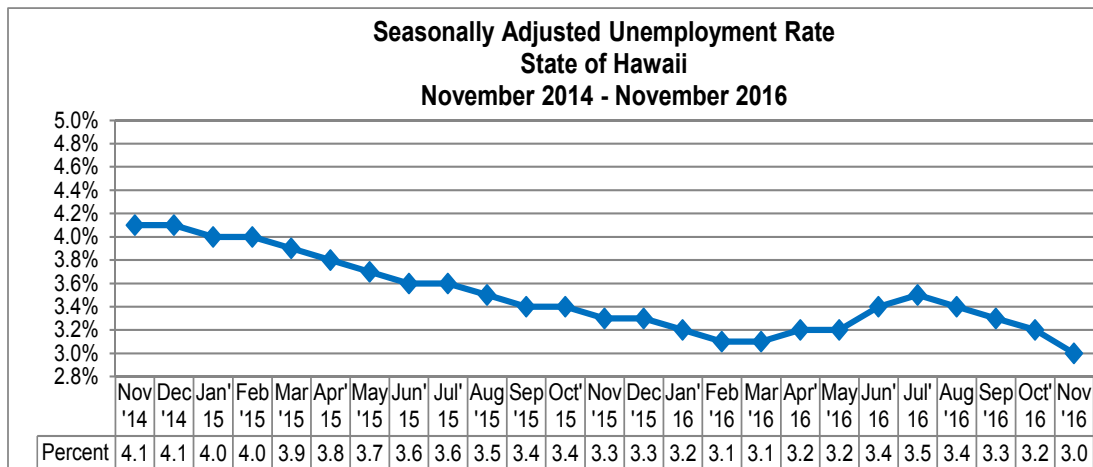
### FOR IMMEDIATE RELEASE

December 15, 2016

## HAWAII'S UNEMPLOYMENT RATE AT 3.0 PERCENT IN NOVEMBER

Lowest Rate since October 2007, Record 696,850 in Labor Force

HONOLULU — The Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for November was 3.0 percent, compared to 3.2 percent in October. The last time Hawaii's unemployment rate was 3.0 percent was in October 2007. Statewide, 676,200 were employed and 20,650 unemployed in November for a total seasonally adjusted labor force of 696,850. Nationally, the seasonally adjusted unemployment rate was 4.6 percent in November, compared to 4.9 percent in October.



Both initial claims and weeks claims increased by 102 or 9.9 percent and 808 or 12.2 percent respectively for unemployment benefits compared to one year ago. Over-the-month initial claims decreased by -5.7 percent while weeks claims grew by 1.8 percent in November 2016.

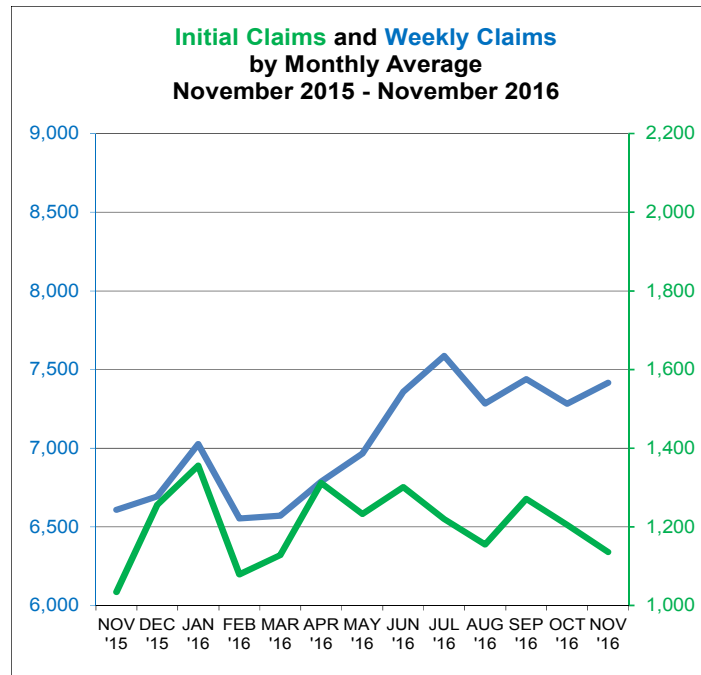
The unemployment rate figures for the State of Hawaii and the U.S. in this release are seasonally adjusted, in accordance with the U.S. Bureau of Labor Statistics (BLS) methodology. The not seasonally adjusted rate for the State was 2.8 percent in November, compared to 3.1 percent in October.

State of Hawaii Seasonally Adjusted Labor Force Data**									
			<u>Nov 2016</u>		<u>Oct 2016</u>		<u>Nov 2015*</u>		
Labor Force			696,850		692,850				680,600
Employment			676,200		670,950				658,000
Unemployment			20,650		21,850				22,600
* benchmarked data                      **totals may not add due to rounding									

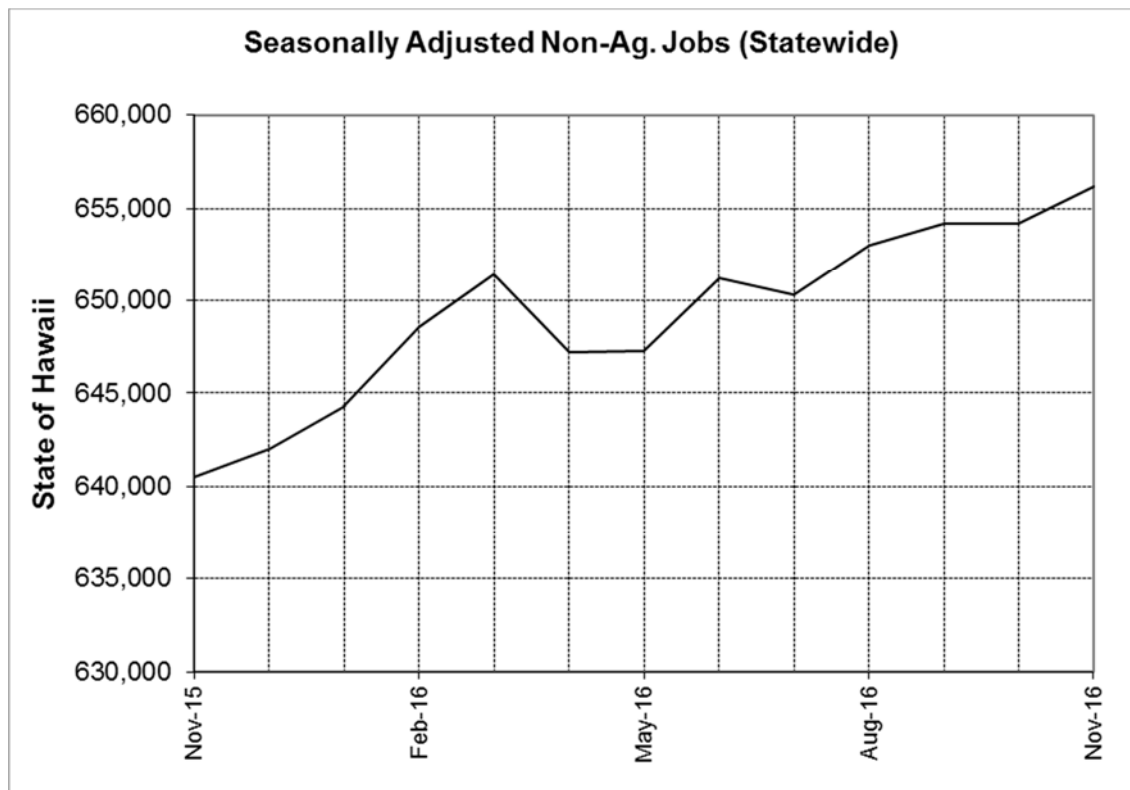
				NOV		OCT		NOV*	
				2016		2016		2015	
<b><u>Seasonally Adjusted</u></b>									
<b>STATE</b>				<b>3.0</b>		<b>3.2</b>		<b>3.3</b>	
<b>U. S.</b>				<b>4.6</b>		<b>4.9</b>		<b>5.0</b>	
<b><u>Not Seasonally Adjusted</u></b>									
<b>STATE</b>				<b>2.8</b>		<b>3.1</b>		<b>3.3</b>	
HONOLULU				2.7		2.9		3.1	
HAWAII COUNTY				3.4		3.8		4.1	
KAUAI				3.1		3.3		4.0	
MAUI COUNTY				3.0		3.3		3.5	
	Maui Island			2.9		3.1		3.3	
	Molokai			7.1		10.1		8.9	
	Lanai			1.6		4.1		4.4	
<b>U. S.</b>				<b>4.4</b>		<b>4.7</b>		<b>4.8</b>	
county & island rates are not seasonally adjusted									
* benchmarked data									

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

In another measure of employment, total nonagricultural jobs increased by 2,000 in November over October. Within the major industries, job gains occurred in Professional & Business Services (+700), Manufacturing (+100), and Construction (+100). Within Professional & Business Services, the rise in employment was concentrated in Administrative & Support & Waste Management & Remediation Services. Jobs in Financial Activities remained unchanged. Job losses were experienced in Trade, Transportation, & Utilities (-100), Other Services (-100), Educational & Health Services (-400), and in Leisure & Hospitality (-1,200). Within Leisure & Hospitality, there were job losses in all three subsectors – Accommodation; Food Services & Drinking Places; and Arts, Entertainment, & Recreation. Employment in Government went up by 3,000 jobs, with the rise due to temporary workers hired for the general election. In comparison with November 2015, total nonfarm jobs are up 15,700, or 2.5 percent.



<b>Seasonally Adjusted Non-Ag. Jobs (Statewide)</b>			
<b>SELECTED SERIES:</b>	<b>Nov-16</b>	<b>Oct-16</b>	<b>Nov-15*</b>
MINING, LOGGING & CONSTRUCTION	39,100	39,000	37,600
MANUFACTURING	13,900	13,800	13,800
Non-Durable Goods	10,400	10,200	10,100
TRADE, TRANSPORTATION & UTILITIES	119,200	119,300	118,200
Wholesale Trade	17,300	17,500	17,900
Retail Trade	70,000	70,500	69,500
FINANCIAL ACTIVITIES	28,500	28,500	28,000
Finance & Insurance	16,500	16,500	16,100
Real Estate & Rental & Leasing	12,000	12,000	11,900
PROFESSIONAL & BUSINESS SERVICES	84,900	84,200	83,300
Professional, Scientific, Tech Svcs	24,100	24,200	24,300
Administrative & Support & Waste Mgmt	52,200	51,400	50,800
EDUCATIONAL & HEALTH SERVICES	84,500	84,900	82,200
Educational Services	14,700	14,600	14,400
Health Care & Social Assistance	69,800	70,300	67,800
LEISURE & HOSPITALITY	120,200	121,400	115,200
Arts, Entertainment & Recreation	12,400	12,700	11,900
Accommodation & Food Services	107,800	108,700	103,300
OTHER SERVICES	26,900	27,000	26,700
GOVERNMENT	130,400	127,400	126,800
Federal Government	33,600	33,700	33,400
State Government	77,700	74,700	74,500
Local Government	19,100	19,000	18,900
<b>TOTAL: STATEWIDE</b>	<b>656,200</b>	<b>654,200</b>	<b>640,500</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, fourth quarter of 2015 through third quarter of 2016 averages.*

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

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	2.0	2.4	4.9	5.3	6.0	9.8
Hawaii	1.2	1.4	3.2	3.6	4.6	8.3

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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