



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

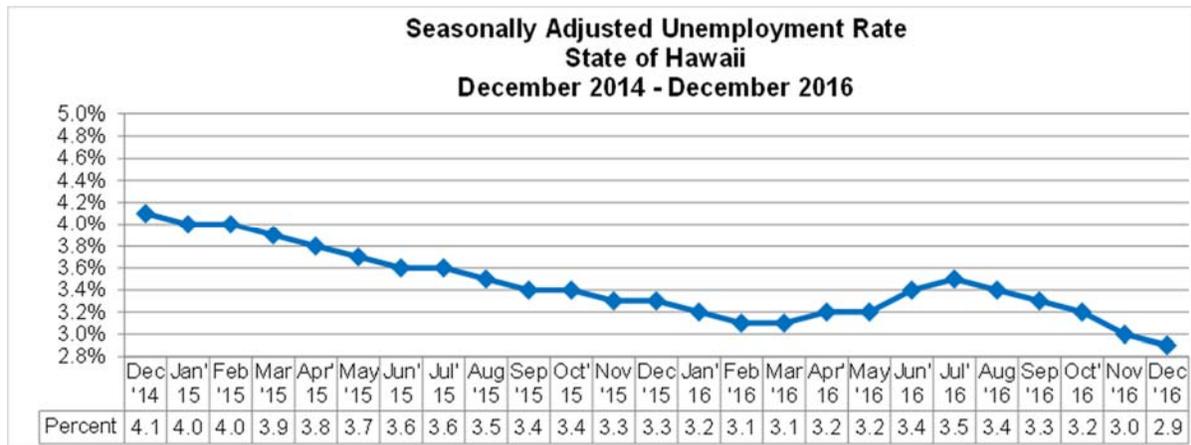
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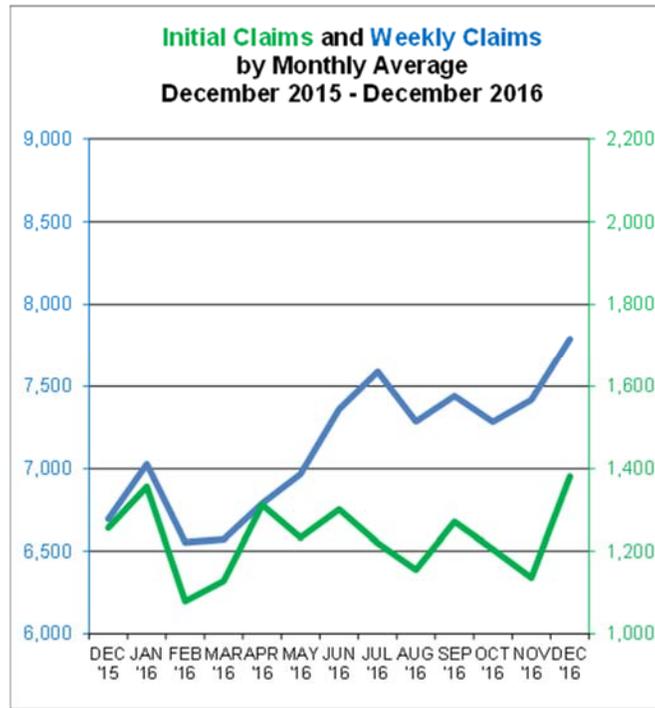
HAWAII'S UNEMPLOYMENT RATE AT 2.9 PERCENT IN DECEMBER
Lowest Rate since September 2007, Record 699,900 in Labor Force

HONOLULU — The Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for December was 2.9 percent, compared to 3.0 percent in November. The last time Hawaii’s unemployment rate was 2.9 percent was in September 2007. Statewide, 679,900 were employed and 20,000 unemployed in December for a total seasonally adjusted labor force of 699,900. Nationally, the seasonally adjusted unemployment rate was 4.7 percent in December, compared to 4.6 percent in November.

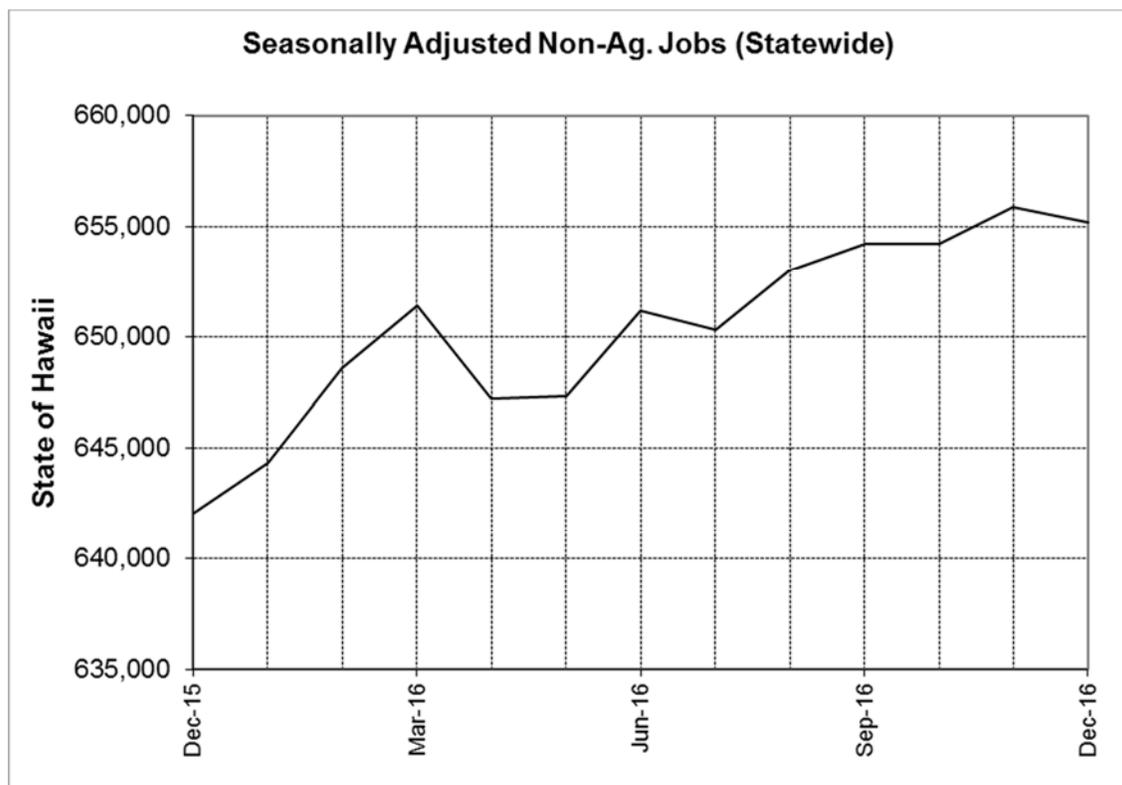


Both initial claims and weeks claims increased by 125 or 10.0 percent and 1,095 or 16.4 percent respectively for unemployment benefits compared to one year ago. Over-the-month, both initial claims and weeks claims also grew by 21.6 percent and 5.0 percent respectively in December 2016.

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 2.6 percent in December, compared to 2.8 percent in November.



Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	Dec-16	Nov-16	Dec-15*
MINING, LOGGING & CONSTRUCTION	39,200	38,900	37,900
MANUFACTURING	13,700	13,800	13,700
Non-Durable Goods	10,300	10,300	10,100
TRADE, TRANSPORTATION & UTILITIES	120,500	119,800	118,000
Wholesale Trade	17,400	17,200	17,800
Retail Trade	70,800	70,700	69,400
FINANCIAL ACTIVITIES	28,100	28,500	27,900
Finance & Insurance	16,300	16,500	16,100
Real Estate & Rental & Leasing	11,800	12,000	11,800
PROFESSIONAL & BUSINESS SERVICES	85,400	84,400	83,700
Professional, Scientific, Tech Svcs	24,100	24,100	24,300
Administrative & Support & Waste Mgmt	51,600	51,700	51,100
EDUCATIONAL & HEALTH SERVICES	85,000	84,500	82,700
Educational Services	14,800	14,700	14,300
Health Care & Social Assistance	70,200	69,800	68,400
LEISURE & HOSPITALITY	120,800	120,000	115,600
Arts, Entertainment & Recreation	12,600	12,400	12,000
Accommodation & Food Services	108,200	107,600	103,600
OTHER SERVICES	26,700	27,000	26,800
GOVERNMENT	127,200	130,400	126,900
Federal Government	34,000	33,600	33,300
State Government	74,400	77,700	74,700
Local Government	18,800	19,100	18,900
TOTAL: STATEWIDE	655,200	655,900	642,000



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 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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