

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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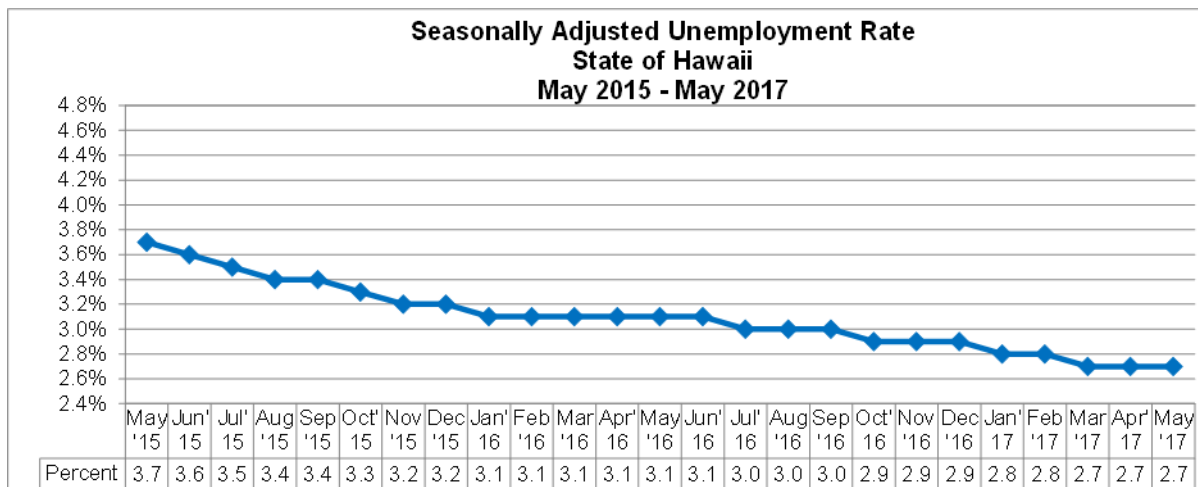
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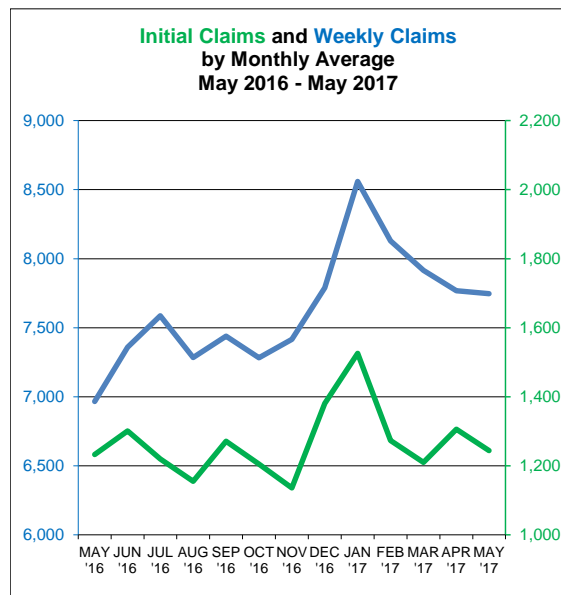
HAWAII'S UNEMPLOYMENT RATE REMAINS AT 2.7 PERCENT IN MAY

HONOLULU — The Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for May was 2.7 percent, the same as in March and April. Statewide, 678,300 were employed and 19,150 unemployed in May for a total seasonally adjusted labor force of 697,450. “Hawaii’s economy is holding firm at a low 2.7 percent unemployment rate for a third consecutive month,” said Linda Chu Takayama, director of the state Department of Labor and Industrial Relations. Nationally, the seasonally adjusted unemployment rate was 4.3 percent in May, compared to 4.4 percent in April.

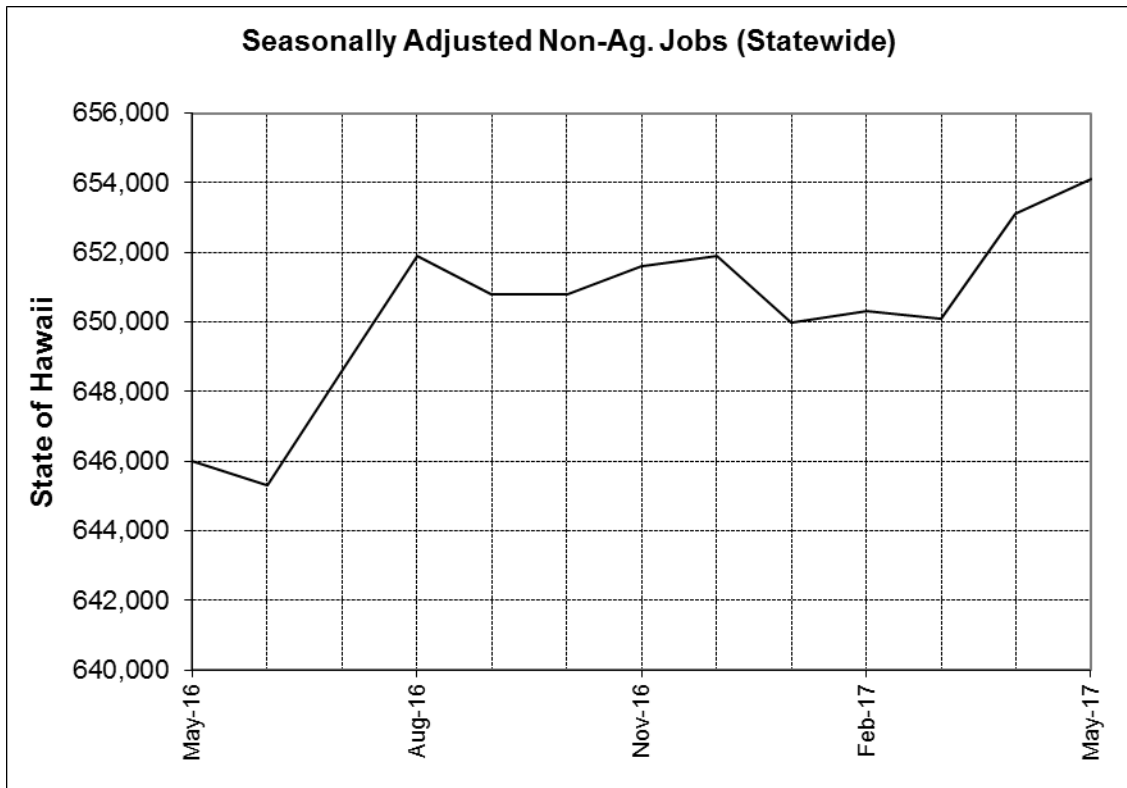


Both initial claims and weeks claims increased by 11 or 0.9 percent and by 781 or 11.2 percent respectively for unemployment benefits compared to one year ago. Over-the-month both initial claims and weeks claims decreased by -4.7 percent and -2.0 percent respectively in May 2017.

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 2.7 percent in May, compared to 2.6 percent in April.



Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	May-17	Apr-17	May-16*
MINING, LOGGING & CONSTRUCTION	37,500	37,400	38,100
MANUFACTURING	14,000	13,800	14,100
Durable Goods	3,700	3,700	3,800
Non-Durable Goods	10,300	10,100	10,300
TRADE, TRANSPORTATION & UTILITIES	122,200	121,500	119,600
Wholesale Trade	17,100	17,400	17,700
Retail Trade	72,700	71,900	70,400
INFORMATION	8,700	9,200	9,000
FINANCIAL ACTIVITIES	28,100	28,300	28,200
Finance & Insurance	15,900	16,000	16,000
Real Estate & Rental & Leasing	12,200	12,300	12,200
PROFESSIONAL & BUSINESS SERVICES	83,600	84,400	83,300
Professional, Scientific, Tech Svcs	23,800	24,300	24,400
Administrative & Support & Waste Mgmt	50,700	51,000	50,200
EDUCATIONAL & HEALTH SERVICES	84,300	83,800	83,200
Educational Services	15,600	15,800	15,000
Health Care & Social Assistance	68,700	68,000	68,200
LEISURE & HOSPITALITY	122,000	121,000	117,500
Arts, Entertainment & Recreation	12,300	12,200	11,900
Accommodation & Food Services	109,700	108,800	105,600
OTHER SERVICES	27,200	27,200	27,200
GOVERNMENT	126,500	126,500	125,800
Federal Government	33,400	33,300	33,000
State Government	74,200	74,500	73,800
Local Government	18,900	18,700	19,000
TOTAL: STATEWIDE	654,100	653,100	646,000



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 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, Second Quarter of 2016 through First Quarter of 2017 Averages.

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

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	1.9	2.3	4.8	5.1	5.8	9.5
Hawaii	1.0	1.2	2.9	3.2	4.1	7.1

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.

Equal Opportunity Employer/Program
 Auxiliary aids and services are available upon request to individuals with disabilities.
 TDD/TTY Dial 711 then ask for (808) 586-8866

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