



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DAVID Y. IGE
GOVERNOR

LINDA CHU TAKAYAMA
DIRECTOR

FOR IMMEDIATE RELEASE

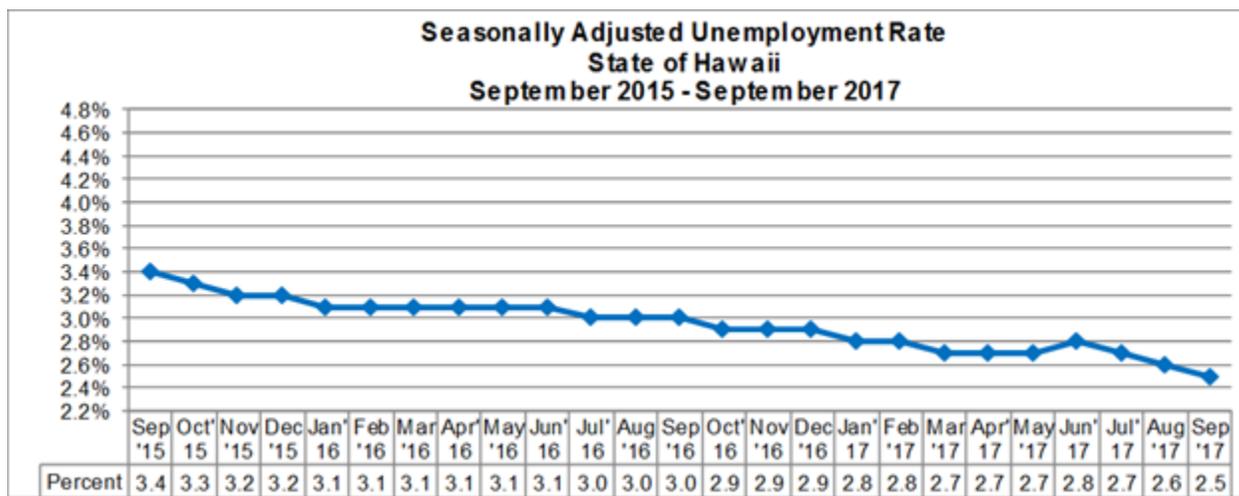
October 19, 2017

HAWAII'S UNEMPLOYMENT RATE AT 2.5 PERCENT IN SEPTEMBER

Jobs Increase by 8,100 Over the Year

HONOLULU — The Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for September was 2.5 percent, compared to 2.6 percent for August. Statewide, 671,800 were employed and 16,950 unemployed in September for a total seasonally adjusted labor force of 688,750. Nationally, the seasonally adjusted unemployment rate was 4.2 percent in September, compared to 4.4 percent in August.

“A 2.5 percent unemployment rate is only one tenth of one percentage point from our lowest unemployment rates dating back to 1976,” said Linda Chu Takayama, DLIR Director. “Only eight months in 1989 and 2006 did we have a lower rate at 2.4 percent, so the rate in September is remarkable from a historical perspective. “



Initial claims decreased by 117 or -9.2 percent and weeks claims increased by 59 or 0.8 percent respectively for unemployment benefits compared to one year ago. Over-the-month both initial claims and weeks claims decreased by -3.7 percent and -1.1 percent respectively in September 2017.

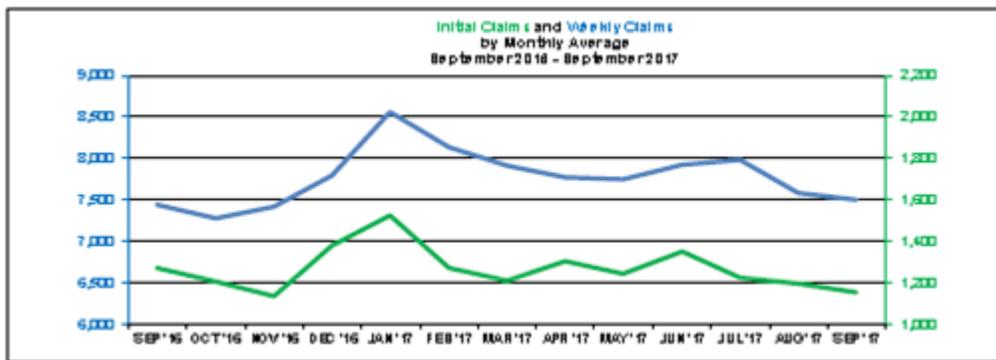
The unemployment rate figures for the State of Hawaii and the U.S. in this release are seasonally adjusted, in accordance with the U.S. Bureau of Labor Statistics (BLS) methodology. The not seasonally adjusted rate for the State was 2.4 percent in September, the same as in August.

State of Hawaii Seasonally Adjusted Labor Force Data**			
	Sep 2017	Aug 2017	Sep 2016*
Labor Force	688,750	690,400	688,500
Employment	671,800	672,350	668,150
Unemployment	16,950	18,050	20,350
* benchmarked data **totals may not add due to rounding			

	SEP 2017	AUG 2017	SEP* 2016
Seasonally Adjusted			
STATE	2.5	2.6	3.0
U. S.	4.2	4.4	4.9
Not Seasonally Adjusted			
STATE	2.4	2.4	3.1
HONOLULU	2.3	2.3	2.9
HAWAII COUNTY	2.8	2.8	3.6
KAUAI	2.3	2.3	3.3
MAUI COUNTY	2.5	2.5	3.3
Maui Island	2.4	2.3	3.1
Molokai	6.7	7.4	7.4
Lanai	4.3	3.1	4.1
U. S.	4.1	4.5	4.8
county & island rates are not seasonally adjusted			
* benchmarked data			

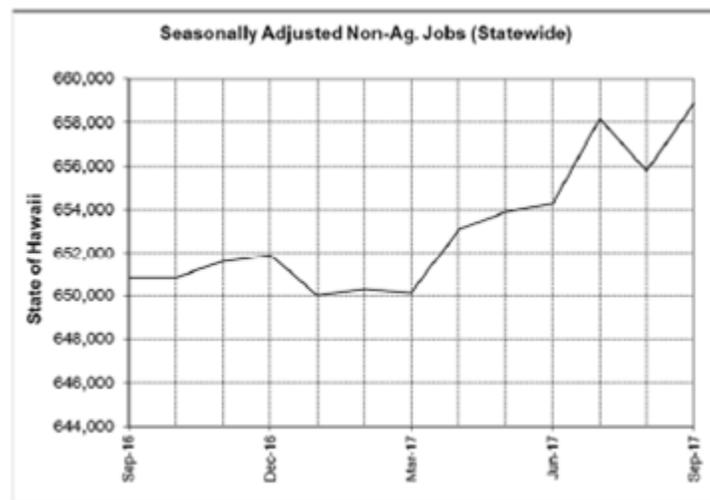
Industry Payroll Employment (Establishment Survey)

In another measure of employment, there was an over-the-month increase of 3,100 total nonagricultural jobs. Among the major industry groupings, job gains occurred in Educational & Health Services (+1,100), Trade, Transportation, & Utilities (+400), Financial Activities (+200), Professional & Business Services (+200), Construction (+100), and Other Services (+100). Within Educational & Health Services, the most significant job gain was in Social Assistance. Employment in both Manufacturing and Information remained unchanged. Jobs losses were experienced in Leisure & Hospitality (-600), with the bulk of decline coming from Food Services & Drinking Places. Government employment rose by 1,600 jobs, primarily due to an above-average seasonal increase in both the Department of Education and the University of Hawaii system. In comparison with September 2016, there has been an expansion of 8,100 jobs.



Seasonally Adjusted Non-Ag. Jobs (Statewide)

SELECTED SERIES:	Sep-17	Aug-17	Sep-16*
MINING, LOGGING & CONSTRUCTION	37,400	37,300	37,500
MANUFACTURING	13,700	13,700	14,000
Durable Goods	3,600	3,700	3,600
Non-Durable Goods	10,100	10,000	10,400
TRADE, TRANSPORTATION & UTILITIES	123,200	122,800	121,000
Wholesale Trade	17,200	16,700	17,900
Retail Trade	73,500	73,700	71,100
INFORMATION	9,200	9,200	9,100
FINANCIAL ACTIVITIES	27,800	27,600	28,500
Finance & Insurance	15,700	15,700	16,100
Real Estate & Rental & Leasing	12,100	11,900	12,400
PROFESSIONAL & BUSINESS SERVICES	86,900	86,700	83,700
Professional, Scientific, Tech Svcs	24,500	24,400	24,300
Administrative & Support & Waste Mgmt	53,000	52,800	50,400
EDUCATIONAL & HEALTH SERVICES	86,100	85,000	84,300
Educational Services	15,700	15,500	15,500
Health Care & Social Assistance	70,400	69,500	68,800
LEISURE & HOSPITALITY	121,500	122,100	118,500
Arts, Entertainment & Recreation	12,000	12,100	12,000
Accommodation & Food Services	109,500	110,000	106,500
OTHER SERVICES	27,300	27,200	27,400
GOVERNMENT	125,800	124,200	126,800
Federal Government	33,400	33,400	33,100
State Government	73,300	71,800	74,700
Local Government	19,100	19,000	19,000
TOTAL: STATEWIDE	658,900	655,800	650,800



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

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

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	1.8	2.3	4.7	5.0	5.7	9.2
Hawaii	0.9	1.1	2.8	3.2	3.9	6.8

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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Media Contact:

Bill Kunstman
Department of Labor and Industrial Relations
(808) 586-8845
william.g.kunstman@hawaii.gov
<http://labor.hawaii.gov>