



**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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GOVERNOR

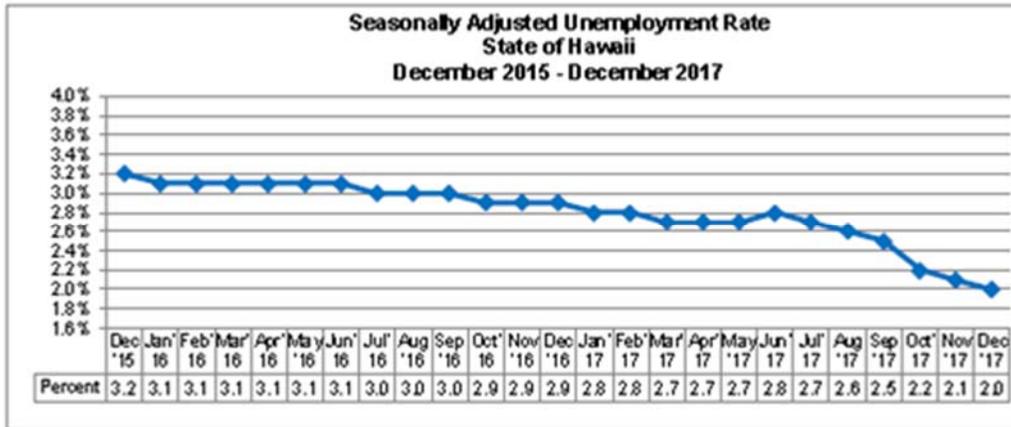
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ACTING DIRECTOR

**FOR IMMEDIATE RELEASE**  
January 22, 2018

**HAWAII'S UNEMPLOYMENT RATE AT 2.0 PERCENT IN DECEMBER**  
**Jobs Increased by 2,100 in December Over November.**

HONOLULU — The Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for December was 2.0 percent, compared to the revised rate of 2.1 percent for November. Statewide, 668,600 were employed and 13,550 unemployed in December for a total seasonally adjusted labor force of 682,200. Nationally, the seasonally adjusted unemployment rate was 4.1 percent in December, the same as in November.

“The revised 2.1 percent rate in November means that the 2.0 percent unemployment rate in December is the historically lowest unemployment rate on record dating back to 1976, under current methodology” said Leonard Hoshijo, Acting DLIR Director.



Both initial claims and weeks claims decreased by 109 or 7.9 percent and by 92 or 1.2 percent respectively for unemployment benefits compared to one year ago. Over-the-month both initial claims and weeks claims increased by 8.6 percent 2.0 percent respectively in December 2017.

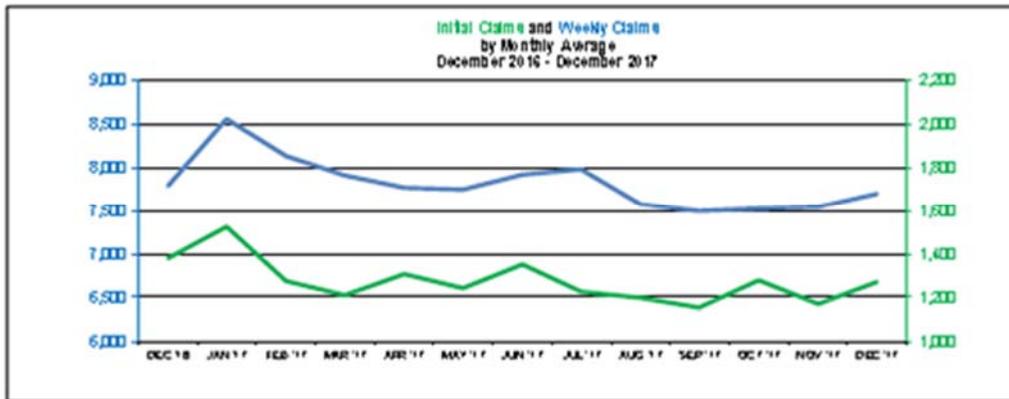
The unemployment rate figures for the State of Hawaii and the U.S. in this release are seasonally adjusted, in accordance with the U.S. Bureau of Labor Statistics (BLS) methodology. The not seasonally adjusted rate for the State was 1.7 percent in December, compared to 2.0 percent in November.

<b>State of Hawaii Seasonally Adjusted Labor Force Data**</b>			
	<u>Dec 2017</u>	<u>Nov 2017</u>	<u>Dec 2016*</u>
Labor Force	682,200	684,400	691,550
Employment	668,600	670,350	671,700
Unemployment	13,550	14,050	19,850
* benchmarked data                      **totals may not add due to rounding			

	DEC 2017	NOV 2017	DEC* 2016
<b>Seasonally Adjusted</b>			
<b>STATE</b>	<b>2.0</b>	<b>2.1</b>	<b>2.9</b>
<b>U. S.</b>	<b>4.1</b>	<b>4.1</b>	<b>4.7</b>
<b>Not Seasonally Adjusted</b>			
<b>STATE</b>	<b>1.7</b>	<b>2.0</b>	<b>2.6</b>
HONOLULU	1.7	1.9	2.4
HAWAII COUNTY	2.0	2.4	3.1
KAUAI	1.7	2.0	2.8
MAUI COUNTY	1.8	2.1	2.7
Maui Island	1.7	2.1	2.6
Molokai	4.0	5.2	5.3
Lanai	1.2	1.6	2.0
<b>U. S.</b>	<b>3.9</b>	<b>3.9</b>	<b>4.5</b>
county & island rates are not seasonally adjusted			
* benchmarked data			

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

In a separate measure of employment, nonagricultural jobs increased by 2,100 in December over November. Among the major sectors, there were job gains in Educational & Health Services (+1,000), Professional & Business Services (+400), Financial Activities (+300), Other Services (+200) and Leisure & Hospitality (+100). Within Educational & Health Services, the rise was slightly more in Health Care & Social Assistance (+600) than in Educational Services (+400). Employment in Construction and Manufacturing remained unchanged. Jobs losses were experienced in Information (-200) and in Trade, Transportation, & Utilities (-1,100). Less seasonal hiring in Retail Trade was the primary factor in the drop in Trade, Transportation, & Utilities. Jobs in Government went up by 1,400 jobs, largely due to the seasonal effect of a non-election year (no release of November election workers). In comparison with December 2016, total nonfarm jobs have expanded by 7,200, or 1.1 percent.



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

<b>SELECTED SERIES:</b>	<b>Dec-17</b>	<b>Nov-17</b>	<b>Dec-16</b>
MINING, LOGGING & CONSTRUCTION	38,800	38,800	37,700
MANUFACTURING	13,800	13,800	13,800
Durable Goods	3,700	3,700	3,600
Non-Durable Goods	10,100	10,100	10,200
TRADE, TRANSPORTATION & UTILITIES	121,800	122,900	121,900
Wholesale Trade	17,100	17,000	18,100
Retail Trade	71,400	72,800	71,800
INFORMATION	9,000	9,200	9,100
FINANCIAL ACTIVITIES	28,100	27,800	28,500
Finance & Insurance	15,900	15,700	16,100
Real Estate & Rental & Leasing	12,200	12,100	12,400
PROFESSIONAL & BUSINESS SERVICES	86,600	86,200	84,300
Professional, Scientific, Tech Svcs	24,400	24,300	24,400
Administrative & Support & Waste Mgmt	53,000	52,500	50,800
EDUCATIONAL & HEALTH SERVICES	86,100	85,100	83,300
Educational Services	15,600	15,200	15,400
Health Care & Social Assistance	70,500	69,900	67,900
LEISURE & HOSPITALITY	122,400	122,300	120,100
Arts, Entertainment & Recreation	12,200	12,100	12,100
Accommodation & Food Services	110,200	110,200	108,000
OTHER SERVICES	27,300	27,100	27,000
GOVERNMENT	125,200	123,800	126,200
Federal Government	33,100	33,300	33,300
State Government	72,900	71,400	74,000
Local Government	19,200	19,100	18,900
<b>TOTAL: STATEWIDE</b>	<b>659,100</b>	<b>657,000</b>	<b>651,900</b>



### **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 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 to produce 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 2016 through Third Quarter of 2017 Averages.*

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

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	1.8	2.2	4.5	4.8	5.5	8.9
Hawaii	0.8	1.2	2.6	2.9	3.7	6.5

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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