

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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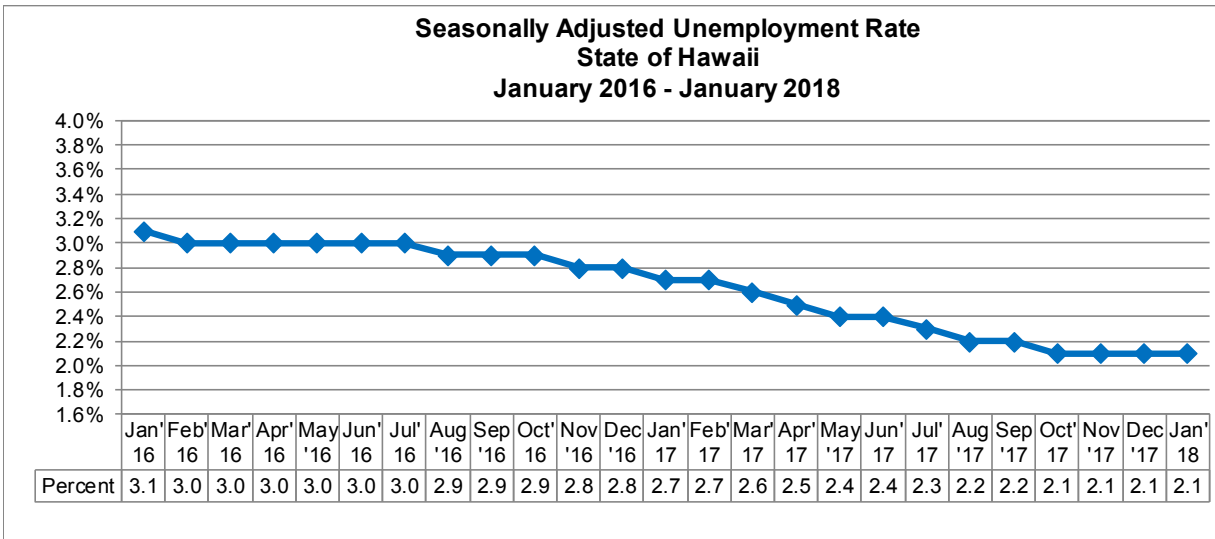
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DIRECTOR

FOR IMMEDIATE RELEASE
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**HAWAII'S UNEMPLOYMENT RATE AT
2.1 PERCENT IN JANUARY**

Jobs Increase 1,900 Over the Month

HONOLULU — The Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for January was 2.1 percent, the same as the benchmark-revised rate of 2.1 percent for December. Statewide, 668,700 were employed and 14,400 unemployed in January for a total seasonally adjusted labor force of 683,050. Nationally, the seasonally adjusted unemployment rate was 4.1 percent in January, the same as in December.



Both initial claims and weeks claims decreased by 21 or -1.4 percent and by 209 or -2.4 percent respectively for unemployment benefits compared to one year ago. Over-the-month both initial claims and weeks claims increased by 18.3 percent and 8.5 percent respectively in January 2018.

The unemployment rate figures for the State of Hawaii and the U.S. in this release are

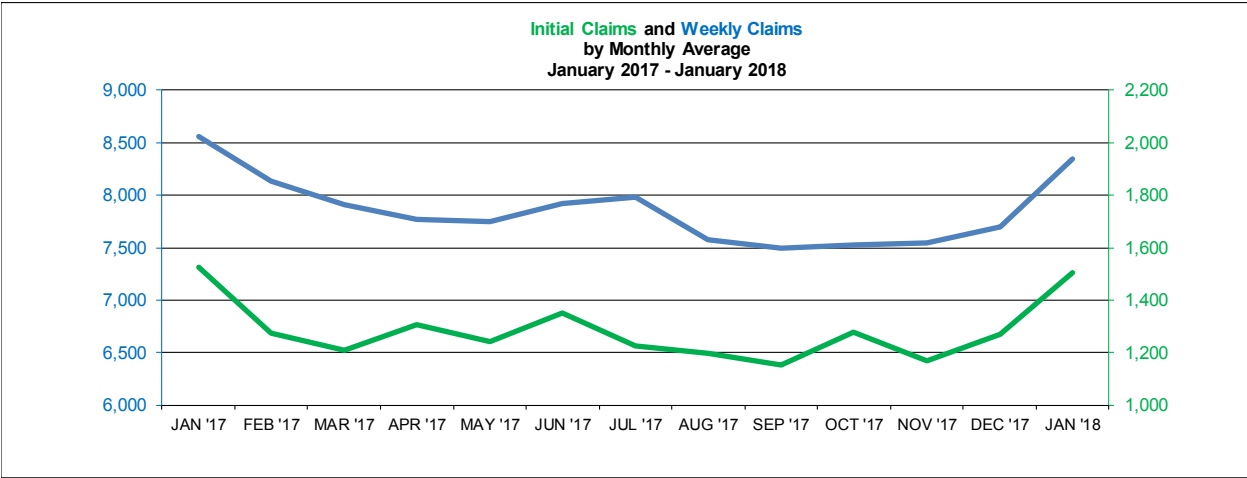
seasonally adjusted in accordance with the U.S. Bureau of Labor Statistics (BLS) methodology. The not seasonally adjusted rate for the State was also 2.1 percent in January, compared to the revised rate of 1.8 percent in December.

State of Hawaii Seasonally Adjusted Labor Force Data**				
	Jan 2018	Dec 2017	Jan 2017*	
Labor Force	683,050	682,850	688,750	
Employment	668,700	668,200	670,050	
Unemployment	14,400	14,650	18,750	

	JAN	DEC	JAN*
	2018	2017	2017
<u>Seasonally Adjusted</u>			
STATE	2.1	2.1	2.7
U. S.	4.1	4.1	4.8
<u>Not Seasonally Adjusted</u>			
STATE	2.1	1.8	2.8
HONOLULU	2.0	1.7	2.7
HAWAII COUNTY	2.3	2.0	3.3
KAUAI	2.0	1.7	3.0
MAUI COUNTY	2.1	1.8	3.1
Maui Island	2.0	1.7	3.1
Molokai	3.6	3.9	3.8
Lanai	3.1	1.2	3.1
U. S.	4.5	3.9	5.1
county & island rates are not seasonally adjusted			
* benchmarked data			

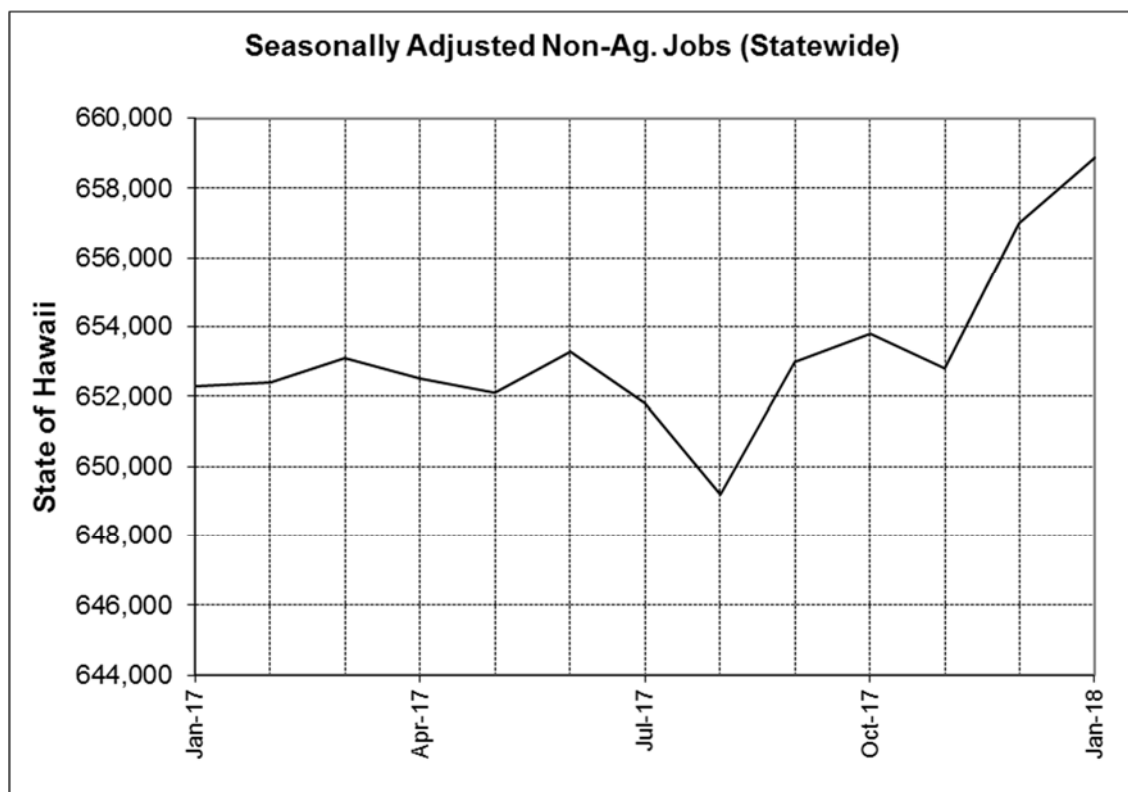
Industry Payroll Employment (Establishment Survey)

In another measure of employment, nonagricultural jobs increased by 1,900 over-the-month. Among the major sectors, job gains occurred in Trade, Transportation, & Utilities (+1,100), Professional & Business Services (+1,000), Leisure & Hospitality (+500), Other Services (+300) and Financial Activities (+100). Within the Trade, Transportation, & Utilities series, most of the rise is attributed to a smaller release of seasonal retail workers, following less seasonal hiring in the industry late last year. Jobs losses were experienced in Construction (-100), Manufacturing (-100), Information (-100) and Educational & Health Services (-300). Government employment declined by 500 jobs, with most of the drop in the University of Hawaii System. In comparison with one year ago, total nonfarm jobs have expanded by 6,600, or 1.0 percent.



Seasonally Adjusted Non-Ag. Jobs (Statewide)

	Jan-18	Dec-17	Jan-17
MINING, LOGGING & CONSTRUCTION	37,200	37,300	36,800
MANUFACTURING	13,900	14,000	14,000
Durable Goods	3,800	3,900	3,700
Non-Durable Goods	10,100	10,100	10,300
TRADE, TRANSPORTATION & UTILITIES	121,800	120,700	121,500
Wholesale Trade	17,900	17,900	18,000
Retail Trade	70,300	69,300	71,200
Transportation, Warehousing, & Utilities	33,600	33,500	32,300
INFORMATION	8,900	9,000	9,200
FINANCIAL ACTIVITIES	28,500	28,400	28,800
Finance & Insurance	16,000	16,000	16,200
Real Estate & Rental & Leasing	12,500	12,400	12,600
PROFESSIONAL & BUSINESS SERVICES	83,000	82,000	81,800
Professional, Scientific, Tech Svcs	24,300	24,200	24,400
Administrative & Support & Waste Mgmt	50,300	48,800	48,600
EDUCATIONAL & HEALTH SERVICES	85,800	86,100	84,100
Educational Services	14,000	14,200	14,500
Health Care & Social Assistance	71,800	71,900	69,600
LEISURE & HOSPITALITY	126,600	126,100	121,400
Arts, Entertainment & Recreation	12,700	12,600	12,500
Accommodation & Food Services	113,900	113,500	108,900
OTHER SERVICES	28,200	27,900	27,700
GOVERNMENT	125,000	125,500	127,000
Federal Government	33,400	33,400	33,500
State Government	72,400	72,900	74,400
Local Government	19,200	19,200	19,100
TOTAL: STATEWIDE	658,900	657,000	652,300



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 2013-2017 have been re-estimated to reflect revised population controls, model reestimation and for seasonally adjusted data, new seasonal adjustment for 1976-2017.

Change to Monthly Employment Estimates

This release incorporates revised job count figures from 1990 through 2017 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, 2017 Annual Averages.

Alternative Measures of Labor Underutilization for US and Hawaii, 2017 Annual Averages (percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	1.7	2.1	4.4	4.6	5.3	8.5
Hawaii	0.7	1.2	2.4	2.7	3.4	6.0

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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