



## DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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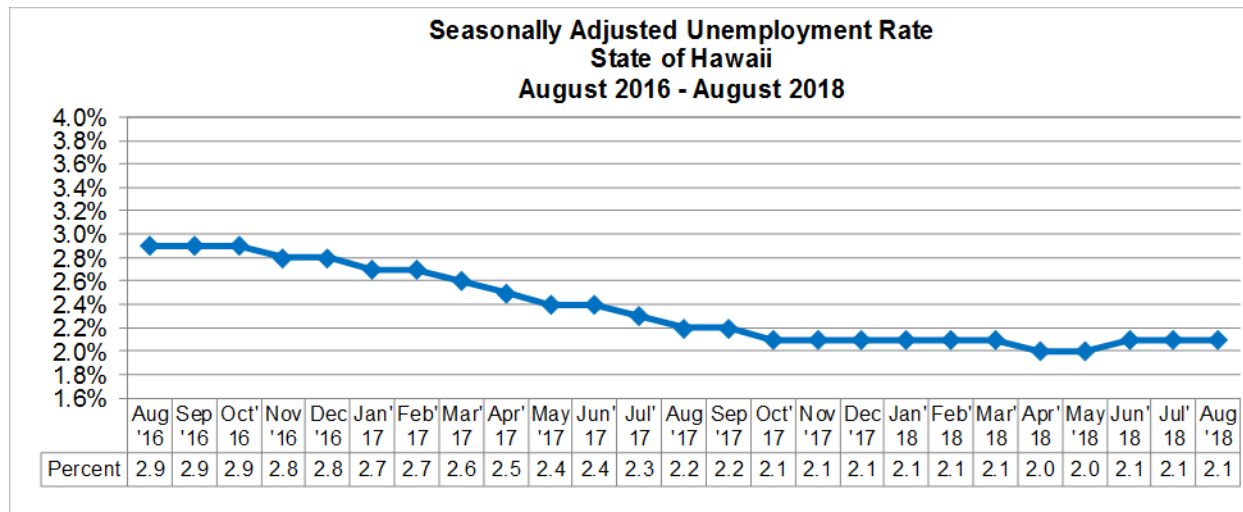
**FOR IMMEDIATE RELEASE**

September 20, 2018

### HAWAII'S UNEMPLOYMENT RATE AT 2.1 PERCENT IN AUGUST

**Jobs Increase 17,700 Over the Year**

HONOLULU — The Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for August was 2.1 percent for the third consecutive month. Statewide, 672,700 were employed and 14,600 unemployed in August for a total seasonally adjusted labor force of 687,300. Nationally, the seasonally adjusted unemployment rate was 3.9 percent in August, the same as in July.



Both initial claims and weeks claims decreased by 145 or -12.1 percent and by 900 or -11.9 percent respectively for unemployment benefits compared to one year ago. Over-the-month both initial claims and weeks claims also dropped by 10.2 percent and 7.7 percent respectively in August 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 2.2 percent in August, the same as in July.

State of Hawaii Seasonally Adjusted Labor Force Data**				
	Aug 2018	Jul 2018	Aug 2017*	
Labor Force	687,300	687,750	683,300	
Employment	672,700	673,350	668,150	
Unemployment	14,600	14,350	15,150	

\* benchmarked data

\*\*totals may not add due to rounding

	AUG 2018	JUL 2018	AUG* 2017
<u>Seasonally Adjusted</u>			
STATE	2.1	2.1	2.2
U. S.	3.9	3.9	4.4
<u>Not Seasonally Adjusted</u>			
STATE	2.2	2.2	2.2
HONOLULU	2.1	2.0	2.1
HAWAII COUNTY	2.7	3.0	2.5
KAUAI	2.3	2.3	2.0
MAUI COUNTY	2.1	2.2	2.2
Maui Island	1.9	2.1	2.1
Molokai	5.8	6.1	6.7
Lanai	2.1	1.0	2.8
U. S.	3.9	4.1	4.5

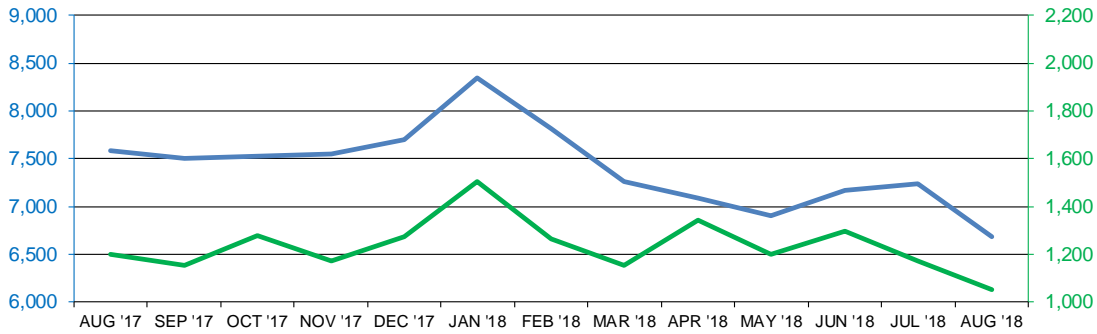
county & island rates are not seasonally adjusted

\* benchmarked data

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

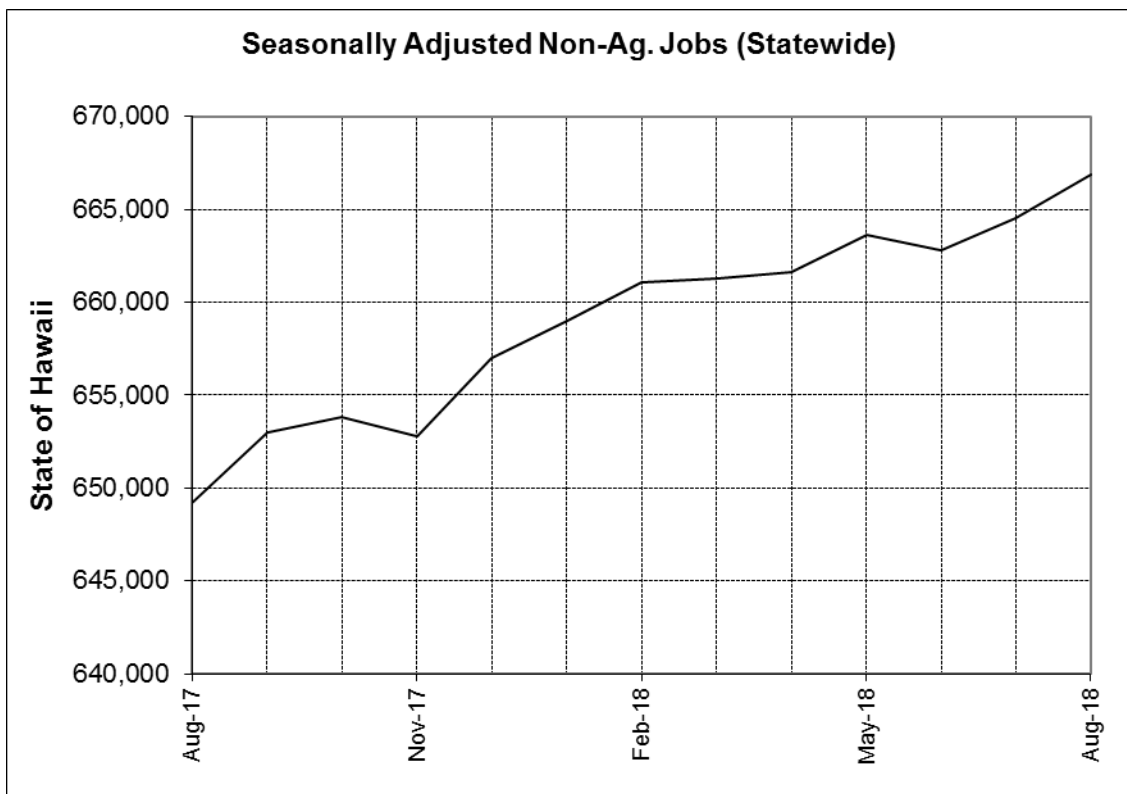
In a separate measure of employment, total nonagricultural jobs increased by 2,400 in August over July. Among the major sectors, there were job gains in Leisure & Hospitality (+700), Trade, Transportation, & Utilities (+100), and Financial Activities (+100). Within Leisure & Hospitality, the bulk of the job expansion occurred in Food Services & Drinking Places. Employment remained stable in Information, Manufacturing, and Other Services. Job losses were experienced in Construction (-100), Professional & Business Services (-300), and in Education & Health Services (-300). Government rose by 2,200 jobs, primarily due to the hiring of primary election workers. In comparison with August 2017, total nonfarm jobs have expanded by 17,700, or 2.7 percent.

Initial Claims and Weekly Claims  
by Monthly Average  
August 2017 - August 2018



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

	<b>Aug-18</b>	<b>Jul-18</b>	<b>Aug-17</b>
MINING, LOGGING & CONSTRUCTION	36,200	36,300	35,800
MANUFACTURING	13,800	13,800	14,300
Durable Goods	3,700	3,700	3,900
Non-Durable Goods	10,100	10,100	10,400
TRADE, TRANSPORTATION & UTILITIES	122,500	122,400	122,100
Wholesale Trade	18,400	18,100	17,900
Retail Trade	70,900	71,000	71,300
Transportation, Warehousing, & Utilities	33,200	33,300	32,900
INFORMATION	9,100	9,100	9,300
FINANCIAL ACTIVITIES	30,000	29,900	28,400
Finance & Insurance	16,800	16,800	16,100
Real Estate & Rental & Leasing	13,200	13,100	12,300
PROFESSIONAL & BUSINESS SERVICES	83,700	84,000	82,400
Professional, Scientific, Tech Svcs	24,200	24,300	24,300
Administrative & Support & Waste Mgmt	50,500	50,400	49,200
EDUCATION & HEALTH SERVICES	86,400	86,700	84,400
Educational Services	14,300	14,400	13,700
Health Care & Social Assistance	72,100	72,300	70,700
LEISURE & HOSPITALITY	129,100	128,400	123,000
Arts, Entertainment & Recreation	12,800	12,700	12,500
Accommodation & Food Services	116,300	115,700	110,500
OTHER SERVICES	28,100	28,100	27,800
GOVERNMENT	128,000	125,800	121,700
Federal Government	33,500	33,500	33,300
State Government	75,200	73,100	69,400
Local Government	19,300	19,200	19,000
<b>TOTAL: STATEWIDE</b>	<b>666,900</b>	<b>664,500</b>	<b>649,200</b>
<b>TOTAL: HONOLULU MSA</b>	<b>484,300</b>	<b>484,300</b>	<b>475,300</b>
<b>TOTAL: KAHULUI-WAILUKU-LAHAINA MSA</b>	<b>78,500</b>	<b>78,100</b>	<b>76,500</b>



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 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 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, Third Quarter of 2017 through Second Quarter of 2018 Averages.*

## Alternative Measures of Labor Underutilization for US and Hawaii, Third Quarter of 2017 through Second Quarter of 2018 Averages (percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	1.5	2.0	4.1	4.4	5.0	8.1
Hawaii	0.8	1.3	2.2	2.4	3.1	5.5

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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