



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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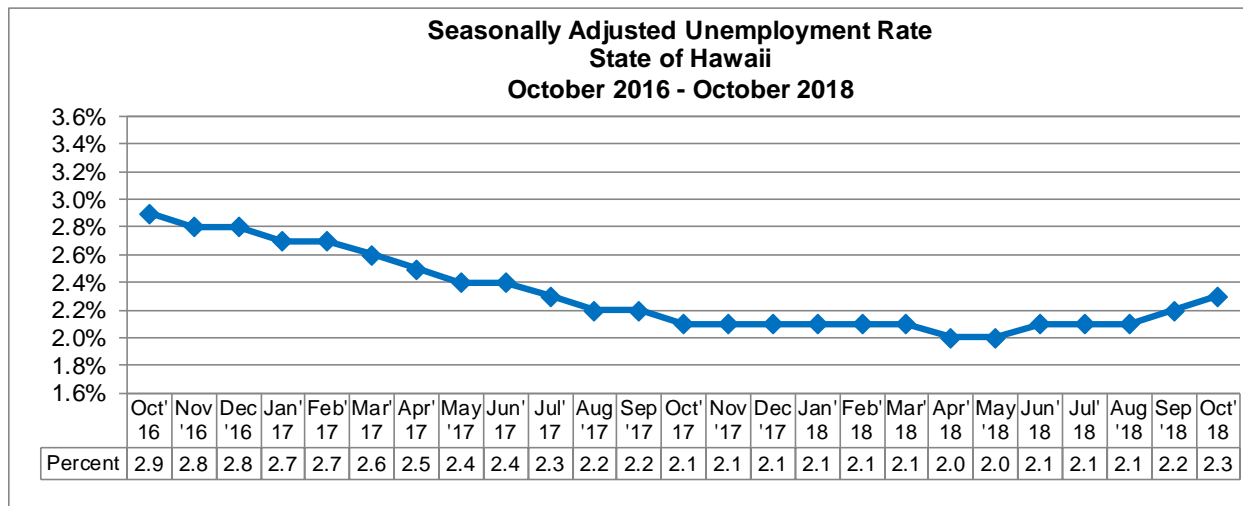
FOR IMMEDIATE RELEASE

November 15, 2018

HAWAII'S UNEMPLOYMENT RATE AT 2.3 PERCENT IN OCTOBER

Jobs Increase 10,900 Over the Year

HONOLULU — The Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for October was 2.3 percent compared to 2.2 percent in September. Statewide, 670,400 were employed and 15,750 unemployed in October for a total seasonally adjusted labor force of 686,100. Nationally, the seasonally adjusted unemployment rate was 3.7 percent in October, the same as in September.



Initial claims increased by 207 or 16.2 percent, while weeks claims decreased by 877 or -11.6 percent for unemployment benefits compared to one year ago. Over-the-month initial claims rose by 12.5 percent and weeks claims decreased by 3.0 percent in October 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 2.5 percent in October, the same as in September.

State of Hawaii Seasonally Adjusted Labor Force Data**				
	<u>Oct 2018</u>	<u>Sep 2018</u>	<u>Oct 2017*</u>	
Labor Force	686,100	686,850	682,550	
Employment	670,400	671,800	668,000	
Unemployment	15,750	15,050	14,550	

* benchmarked data

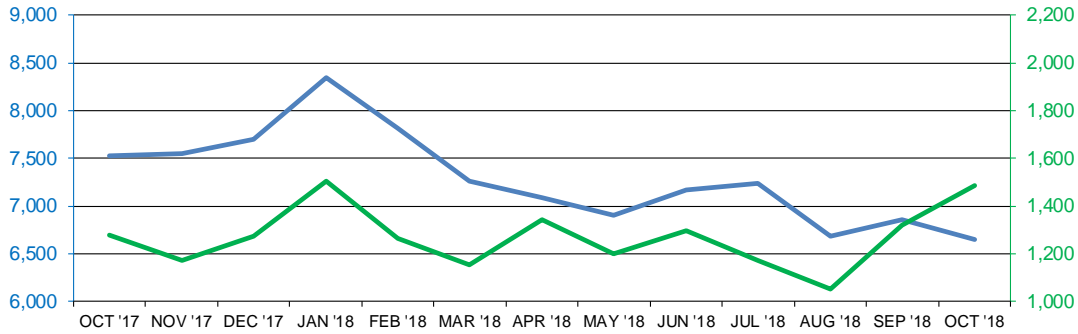
**totals may not add due to rounding

	OCT	SEP	OCT*
	2018	2018	2017
<u>Seasonally Adjusted</u>			
STATE	2.3	2.2	2.1
U. S.	3.7	3.7	4.1
<u>Not Seasonally Adjusted</u>			
STATE	2.5	2.5	2.1
HONOLULU	2.3	2.4	2.0
HAWAII COUNTY	3.5	3.0	2.5
KAUAI	2.7	2.9	1.9
MAUI COUNTY	2.6	2.5	2.2
Maui Island	2.5	2.3	2.1
Molokai	6.3	6.5	5.6
Lanai	1.6	3.2	2.6
U. S.	3.5	3.6	3.9
county & island rates are not seasonally adjusted			
* benchmarked data			

Industry Payroll Employment (Establishment Survey)

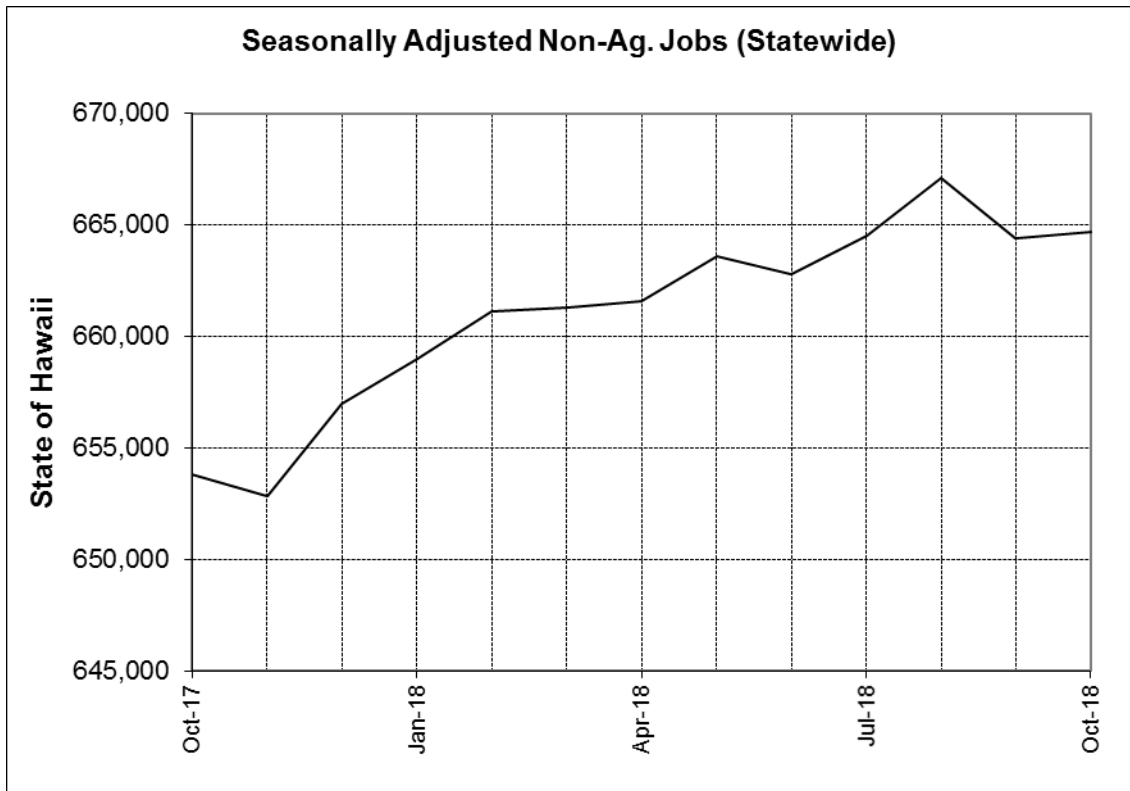
In a separate measure of employment, total nonfarm jobs increased by 300 in October over September. Among the major industries, there were job gains in Construction (+400), Education & Health Services (+300), Manufacturing (+200), Information (+200), Financial Activities (+100) and Professional & Business Services (+100). Employment in Other Services remained unchanged. Job losses were experienced in Trade, Transportation, & Utilities (-400) and Leisure & Hospitality (-500). Please note that the ongoing labor dispute in the Accommodation sector is not factored into the October estimates, as the strike began after the October pay period utilized by the BLS was already in progress. Government dipped by 100 jobs. In comparison with October 2017, total nonagricultural jobs have expanded by 10,900, or 1.7 percent.

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



Seasonally Adjusted Non-Ag. Jobs (Statewide)

	Oct-18	Sep-18	Oct-17
MINING, LOGGING & CONSTRUCTION	36,500	36,100	36,800
MANUFACTURING	13,700	13,500	13,900
Durable Goods	3,800	3,700	3,900
Non-Durable Goods	9,900	9,800	10,000
TRADE, TRANSPORTATION & UTILITIES	122,300	122,700	121,300
Wholesale Trade	18,500	18,300	17,900
Retail Trade	70,800	71,200	70,300
Transportation, Warehousing, & Utilities	33,000	33,200	33,100
INFORMATION	9,200	9,000	9,000
FINANCIAL ACTIVITIES	30,000	29,900	28,300
Finance & Insurance	16,800	16,800	16,000
Real Estate & Rental & Leasing	13,200	13,100	12,300
PROFESSIONAL & BUSINESS SERVICES	85,100	85,000	81,300
Professional, Scientific, Tech Svcs	24,100	24,200	24,000
Administrative & Support & Waste Mgmt	52,000	52,000	48,400
EDUCATION & HEALTH SERVICES	86,900	86,600	85,200
Educational Services	14,500	14,500	14,000
Health Care & Social Assistance	72,400	72,100	71,200
LEISURE & HOSPITALITY	127,800	128,300	125,000
Arts, Entertainment & Recreation	12,600	12,600	12,400
Accommodation & Food Services	115,200	115,700	112,600
OTHER SERVICES	28,100	28,100	27,600
GOVERNMENT	125,100	125,200	125,400
Federal Government	33,300	33,400	33,500
State Government	72,600	72,600	72,800
Local Government	19,200	19,200	19,100
TOTAL: STATEWIDE	664,700	664,400	653,800
TOTAL: HONOLULU MSA	486,500	485,200	476,600
TOTAL: KAHULUI-WAILUKU-LAHAINA MSA	77,700	78,100	76,900



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, Fourth Quarter of 2017 through Third Quarter of 2018 Averages.

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

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	1.5	1.9	4.0	4.2	4.9	7.8
Hawaii	0.8	1.2	2.4	2.6	3.2	5.8

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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