



## DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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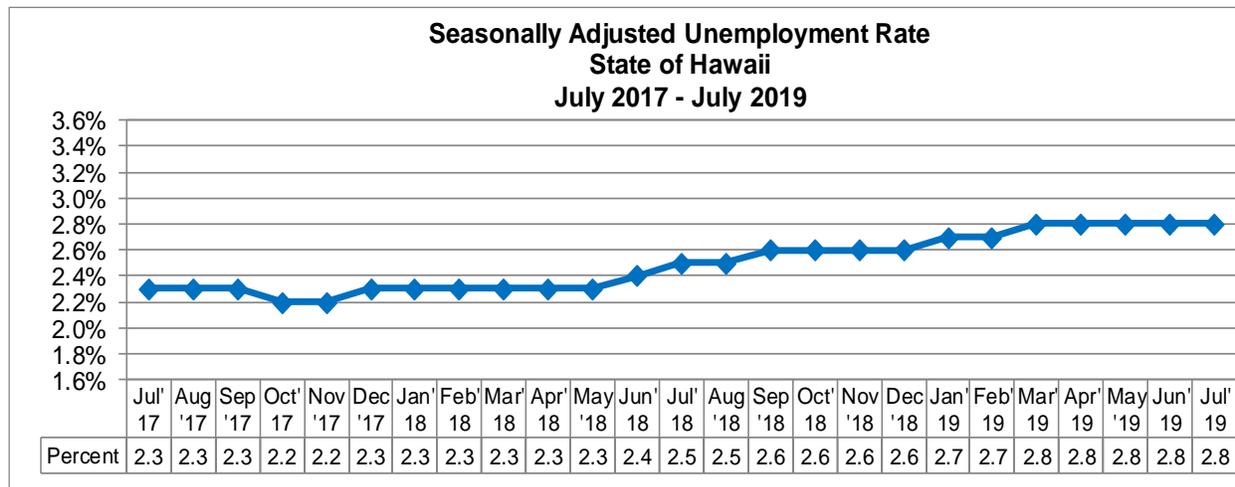
**FOR IMMEDIATE RELEASE**

August 15, 2019

### HAWAII'S UNEMPLOYMENT RATE AT 2.8 PERCENT IN JULY

#### Jobs Increase by 4,300 Over-the-Year

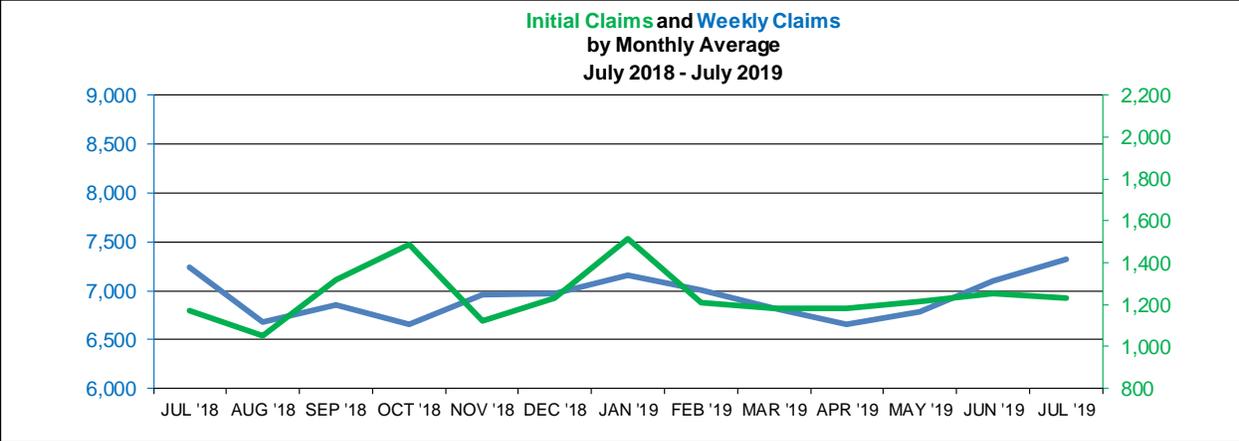
HONOLULU — The Hawai'i State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for July was 2.8 percent, the same for the fifth consecutive month. Statewide, 644,550 were employed and 18,350 unemployed in July for a total seasonally adjusted labor force of 662,900. Nationally, the seasonally adjusted unemployment rate was 3.7 percent in July, the same as in June.



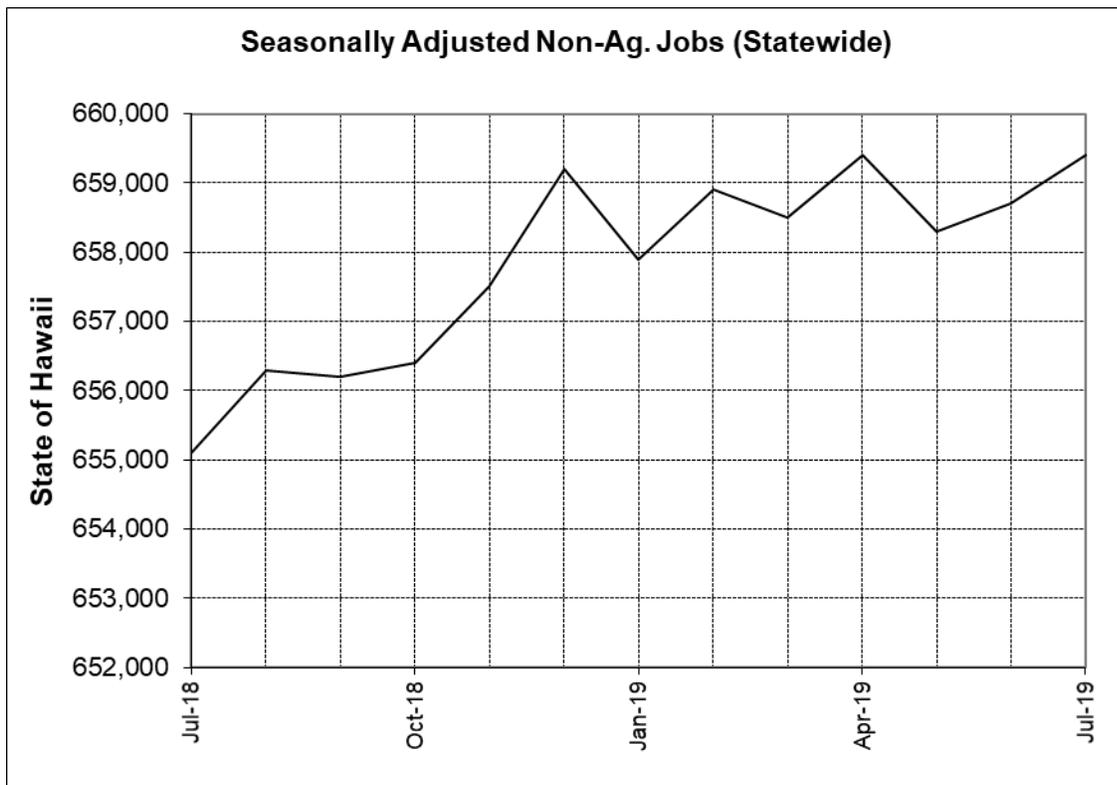
Initial claims and weeks claims both increased by 58 or 4.9 percent and 82 or 1.1 percent respectively for unemployment benefits compared to one year ago. Over-the-month initial claims decreased by -1.9 percent while weeks claims grew by 3.1 percent July 2019.

The unemployment rate figures for the State of Hawai'i 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 2.7 percent in July, compared to 3.2 percent in June.





<b>Seasonally Adjusted Non-Ag. Jobs (Statewide)</b>			
	<b>Jul-19</b>	<b>Jun-19</b>	<b>Jul-18</b>
MINING, LOGGING & CONSTRUCTION	36,700	36,800	36,000
MANUFACTURING	13,700	13,800	14,000
Durable Goods	3,800	3,800	3,700
Non-Durable Goods	9,900	10,000	10,300
TRADE, TRANSPORTATION & UTILITIES	119,500	120,100	123,200
Wholesale Trade	17,400	17,600	17,800
Retail Trade	68,900	69,300	72,000
Transportation, Warehousing, & Utilities	33,200	33,200	33,400
INFORMATION	9,200	9,200	8,200
FINANCIAL ACTIVITIES	28,700	28,700	28,600
Finance & Insurance	15,800	15,800	16,000
Real Estate & Rental & Leasing	12,900	12,900	12,600
PROFESSIONAL & BUSINESS SERVICES	82,800	83,600	82,400
Professional, Scientific, Tech Svcs	24,200	24,400	24,600
Management of Companies & Enterprises	9,100	9,200	8,900
Administrative & Support & Waste Mgmt	49,500	50,000	48,900
EDUCATION & HEALTH SERVICES	86,700	86,000	85,300
Educational Services	14,600	14,300	14,400
Health Care & Social Assistance	72,100	71,700	70,900
LEISURE & HOSPITALITY	126,200	125,200	123,900
Arts, Entertainment & Recreation	12,700	12,700	12,900
Accommodation & Food Services	113,500	112,500	111,000
OTHER SERVICES	28,600	28,600	28,100
GOVERNMENT	127,300	126,700	125,400
Federal Government	34,000	33,900	33,700
State Government	74,200	73,800	72,800
Local Government	19,100	19,000	18,900
<b>TOTAL: STATEWIDE</b>	<b>659,400</b>	<b>658,700</b>	<b>655,100</b>
<b>TOTAL: HONOLULU MSA</b>	<b>483,400</b>	<b>481,500</b>	<b>476,600</b>
<b>TOTAL: KAHULUI-WAILUKU-LAHAINA MSA</b>	<b>77,900</b>	<b>78,200</b>	<b>77,600</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 Hawai'i 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 2014-2018 have been re-estimated to reflect revised population controls and model reestimation, and for seasonally adjusted data, new seasonal adjustment.

### **Change to Monthly Employment Estimates**

This release incorporates revised job count figures for 2014-2018 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 Hawai'i and our metropolitan areas. These estimates were based on a monthly survey of Hawai'i 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 Hawai'i, 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 Hawai'i'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 2018 through second quart of 2019 averages.*

### **Alternative Measures of Labor Underutilization for US and Hawai'i, third quarter of 2018 through second quarter of 2019 averages** (percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	1.4	1.8	3.8	4.0	4.7	7.4
Hawai'i	0.9	1.2	2.8	3.1	4.0	6.9

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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