

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DAVID Y. IGE
GOVERNOR

SCOTT T. MURAKAMI
DIRECTOR

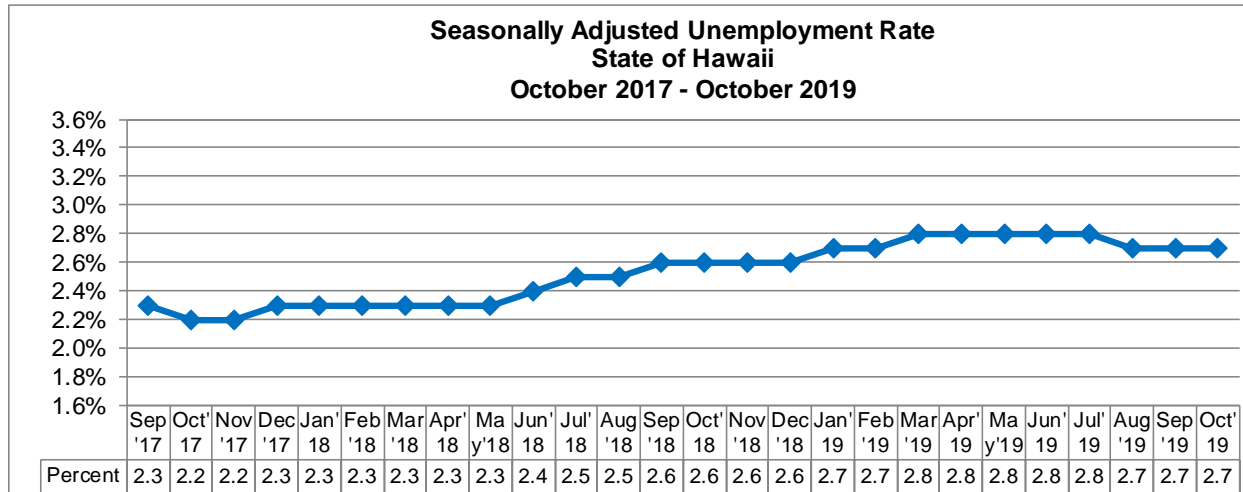
FOR IMMEDIATE RELEASE

November 18, 2019

**HAWAII'S UNEMPLOYMENT RATE REMAINS AT
2.7 PERCENT IN OCTOBER**

Jobs Increase by 5,600 Over-the-Year

HONOLULU — The Hawai'i State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for October was 2.7 percent, for the third consecutive month. Statewide, 643,700 were employed and 17,700 unemployed in October for a total seasonally adjusted labor force of 661,400. Nationally, the seasonally adjusted unemployment rate was 3.6 percent in October, compared to 3.5 percent in September.



Both Initial claims and weeks claims decreased by 265 or -17.8 percent and 569 or -8.5 percent respectively for unemployment benefits compared to one year ago. Over-the-month initial claims increased by 15.3 percent while weeks claims declined by -3.5 percent in October 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 2.6 percent in October, compared to the 2.8 percent in September.

State of Hawaii Seasonally Adjusted Labor Force Data**				
	<u>Oct 2019</u>	<u>Sep 2019</u>	<u>Oct 2018*</u>	
Labor Force	661,400	660,350	677,600	
Employment	643,700	642,600	659,850	
Unemployment	17,700	17,750	17,750	

* benchmarked data

**totals may not add due to rounding

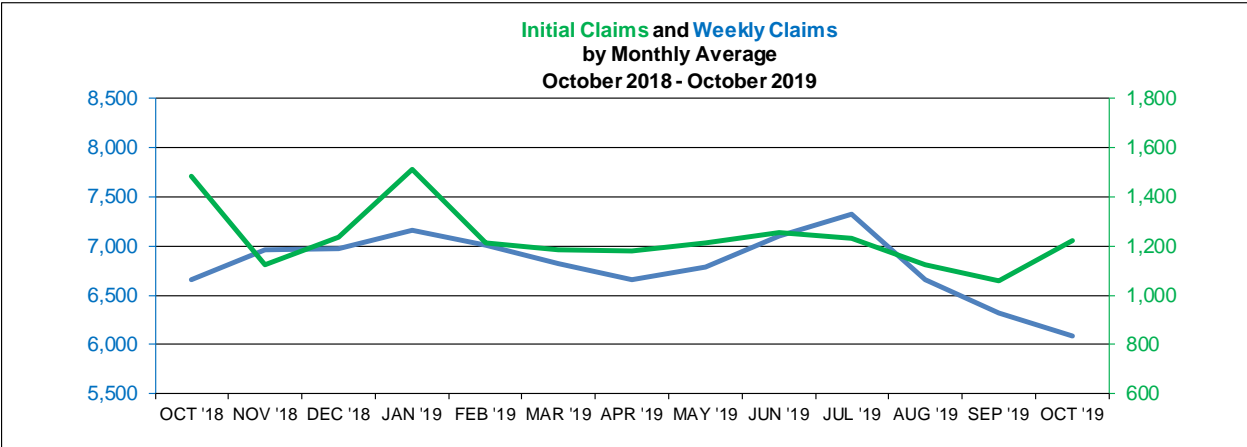
	OCT	SEP	OCT*
	2019	2019	2018
<u>Seasonally Adjusted</u>			
STATE	2.7	2.7	2.6
U. S.	3.6	3.5	3.8
<u>Not Seasonally Adjusted</u>			
STATE	2.6	2.8	2.6
HONOLULU	2.4	2.6	2.4
HAWAII COUNTY	3.6	3.5	3.5
KAUAI	2.7	2.8	2.8
MAUI COUNTY	2.7	2.7	2.7
Maui Island	2.6	2.6	2.6
Molokai	6.5	5.8	6.5
Lanai	1.4	1.6	1.7
U. S.	3.3	3.3	3.5

county & island rates are not seasonally adjusted

* benchmarked data

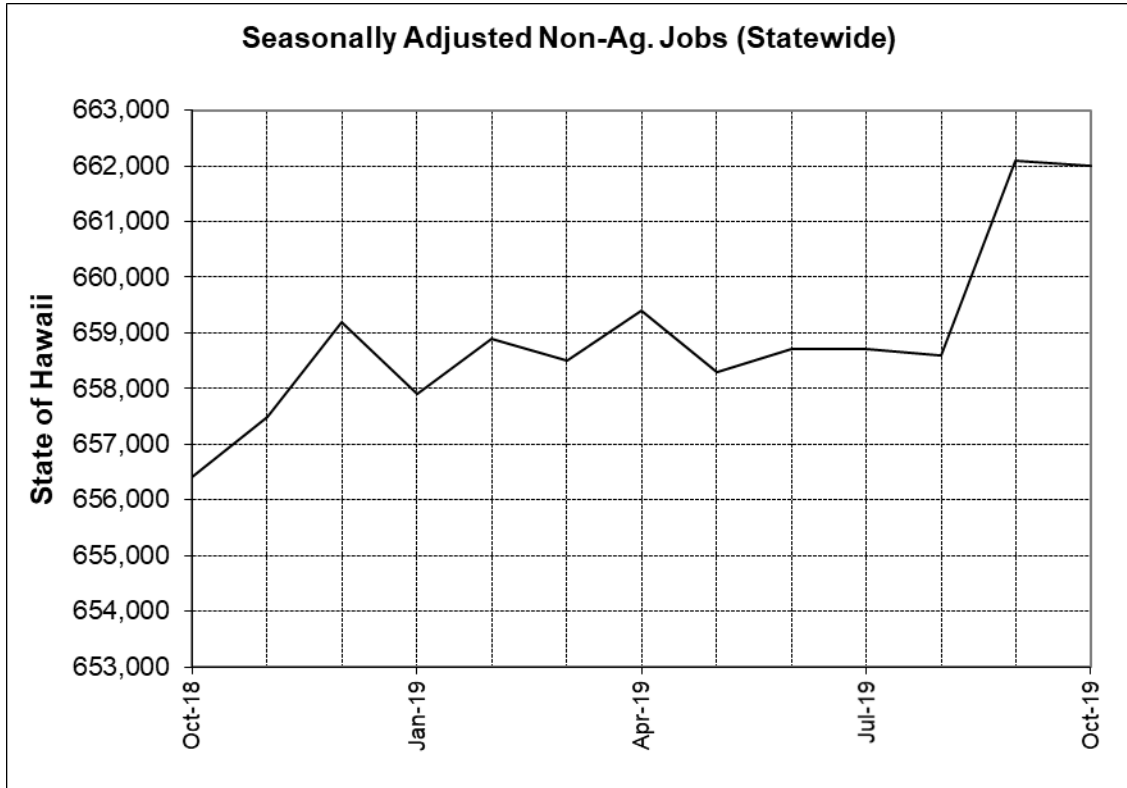
Industry Payroll Employment (Establishment Survey)

In a separate measure of employment, total nonagricultural jobs decreased by 100 in October over September. Within the major industries, job gains occurred in Professional & Business Services (+500), Education & Health Services (+400), Leisure & Hospitality (+200), and Financial Activities (+100). Employment in the Information sector remained unchanged. Job losses were experienced in Manufacturing (-100), Other Services (-100), Construction (-400), and Trade, Transportation, & Utilities (-700). Within Trade, Transportation, & Utilities, the bulk of the employment drop was in Retail Trade. Government jobs remained stable. In comparison with one year ago, total nonfarm jobs have gone up by 5,600, or 0.9 percent.



Seasonally Adjusted Non-Ag. Jobs (Statewide)

	Oct-19	Sep-19	Oct-18
MINING, LOGGING & CONSTRUCTION	37,900	38,300	36,700
MANUFACTURING	13,800	13,900	14,000
Durable Goods	3,700	3,800	3,800
Non-Durable Goods	10,100	10,100	10,200
TRADE, TRANSPORTATION & UTILITIES	118,600	119,300	121,900
Wholesale Trade	17,400	17,400	18,000
Retail Trade	68,100	68,900	70,900
Transportation, Warehousing, & Utilities	33,100	33,000	33,000
INFORMATION	9,300	9,300	9,300
FINANCIAL ACTIVITIES	28,800	28,700	28,700
Finance & Insurance	15,800	15,800	15,900
Real Estate & Rental & Leasing	13,000	12,900	12,800
PROFESSIONAL & BUSINESS SERVICES	83,900	83,400	82,600
Professional, Scientific, Tech Svcs	24,300	24,100	24,400
Management of Companies & Enterprises	9,200	9,200	9,000
Administrative & Support & Waste Mgmt	50,400	50,100	49,200
EDUCATION & HEALTH SERVICES	87,400	87,000	86,100
Educational Services	14,700	14,700	14,400
Health Care & Social Assistance	72,700	72,300	71,700
LEISURE & HOSPITALITY	126,300	126,100	123,700
Arts, Entertainment & Recreation	12,800	12,700	12,600
Accommodation & Food Services	113,500	113,400	111,100
OTHER SERVICES	28,400	28,500	28,100
GOVERNMENT	127,600	127,600	125,300
Federal Government	34,000	34,000	33,700
State Government	74,300	74,400	72,700
Local Government	19,300	19,200	18,900
TOTAL: STATEWIDE	662,000	662,100	656,400
TOTAL: HONOLULU MSA	482,900	483,400	478,100
TOTAL: KAHULUI-WAILUKU-LAHAINA MSA	78,400	78,200	77,100



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 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, fourth quarter of 2018 through third quarter of 2019 averages.

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

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	1.3	1.7	3.7	4.0	4.6	7.3
Hawai'i	0.9	1.2	2.9	3.1	3.9	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.

Equal Opportunity Employer/Program
Auxiliary aids and services are available upon request to individuals with disabilities.
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Media Contact:

Bill Kunstman
Department of Labor and Industrial Relations
(808) 586-8845
william.g.kunstman@hawaii.gov
<http://labor.hawaii.gov>