

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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FOR IMMEDIATE RELEASE

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HAWAI'I'S UNEMPLOYMENT RATE AT 13.9 PERCENT IN JUNE

Jobs declined by 94,700 over-the-year

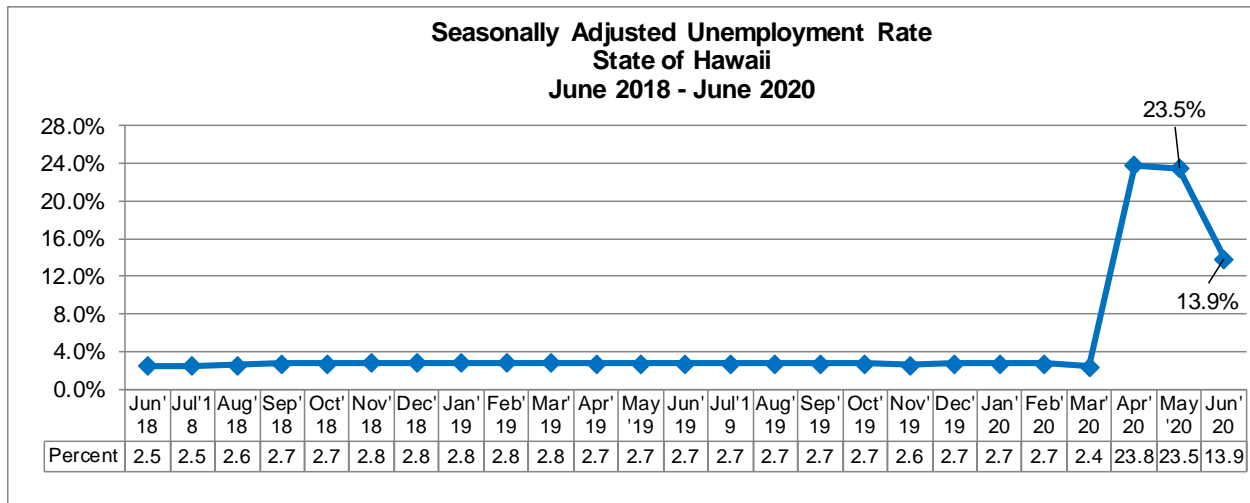
HONOLULU — The Hawai'i State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for June was 13.9 percent compared to the revised rate of 23.5 percent in May. Statewide, 527,600 were employed and 85,200 unemployed in June for a total seasonally adjusted labor force of 612,800. Nationally, the seasonally adjusted unemployment rate was 11.1 percent in June, down from 13.3 percent in May.

The DLIR would like to note that the COVID-19 Pandemic is impacting the data derived from the Current Population Survey (CPS), the survey used to produce the unemployment rate, also known as the household survey. In the household survey, individuals are classified as employed, unemployed, or not in the labor force based on questions about their activities during the survey reference week (June 7th through June 13th).

COVID-19-related issues are affecting the counts and the official level of unemployment published for the State of Hawai'i by the Bureau of Labor Statistics (BLS). The major discrepancy, with the exception of those unemployed on temporary layoff, is that individuals without a job who are not actively seeking work, particularly during this time of government-ordered business closures and social distancing requirements, are classified as not in the labor force in the CPS.

The CPS misclassification issue of workers who were recorded as "employed but not at work" instead of "unemployed on temporary layoff" is a contributing factor and the low response rate for the CPS during the pandemic is possibly another factor. More information on CPS can be found in the Technical Notes and BLS's web site provides more information about the impact of

COVID-19 on the household survey data (click on [BLS COVID-19 Employment Situation FAQs](#) under Related links on the HIWI Labor Force and Unemployment webpage).



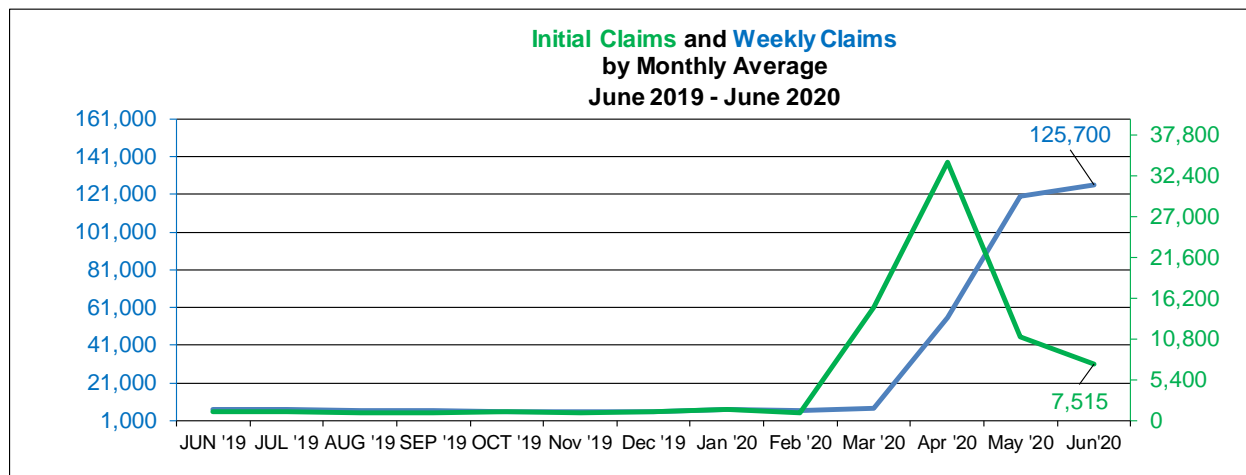
The unemployment rate figures for the State of Hawai'i and the U.S. in this release are seasonally adjusted, in accordance with the U.S. Bureau of Labor Statistics (BLS) methodology. The not seasonally adjusted rate for the State was 14.4 percent in June, compared to the revised rate of 23.4 percent in May.

	JUN	MAY	JUN*
	2020	2020	2019
Seasonally Adjusted			
STATE	13.9	23.5	2.7
U. S.	11.1	13.3	3.7
Not Seasonally Adjusted			
STATE	14.4	23.4	3.3
HONOLULU	12.5	20.8	3.2
HAWAII COUNTY	13.7	22.3	4.2
KAUAI	20.2	31.5	3.1
MAUI COUNTY	22.6	34.0	3.1
Maui Island	23.4	35.1	3.0
Molokai	9.3	14.2	8.9
Lanai	3.1	4.7	1.1
U. S.	11.2	13.0	3.8
county & island rates are not seasonally adjusted			
* benchmarked data			

State of Hawaii Seasonally Adjusted Labor Force Data**			
	Jun 2020	May 2020	Jun 2019*
Labor Force	612,800	627,000	662,700
Employment	527,600	479,600	644,550
Unemployment	85,200	147,350	18,200

* benchmarked data **totals may not add due to rounding

Unemployment Insurance (UI) Claims



Initial claims for unemployment benefits continued to decrease, declining by 32.2 percent over the month. Meanwhile, weeks claims continued its ascent, increasing by 4.9 percent as establishments remained closed due to COVID-19.

In contrast to one year ago, initial claims increased by 6,260 or 499 percent and weeks claims grew by 118,601 or 1671 percent.

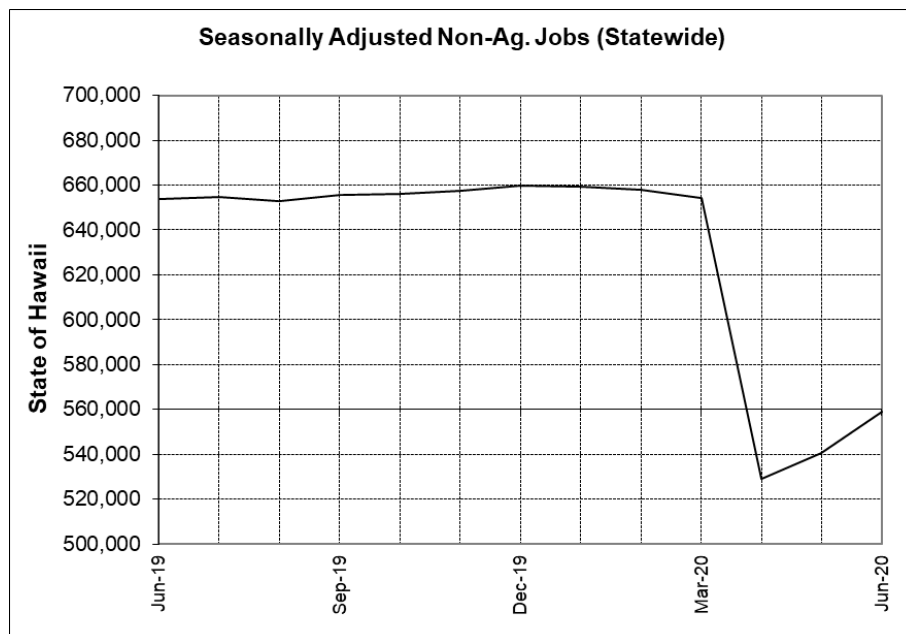
Industry Payroll Employment (Establishment Survey)

In a separate measure of employment, total nonagricultural jobs increased by 18,300 in June over May. Job gains occurred in Leisure & Hospitality (+12,300), Professional & Business Services (+1,500), Trade, Transportation, & Utilities (+1,100), Construction (+800), Other Services (+200), and Financial Activities (+100). Within Leisure & Hospitality, job expansion was roughly split between Accommodation and Food Services & Drinking Places. In the Professional & Business Services sector, just under two-thirds of the rise was in Administrative and Support & Waste Management & Remediation Services. Within the Trade, Transportation, & Utilities grouping, the employment gains were concentrated in Retail Trade.

Job losses were experienced in Manufacturing (-100), Information (-100), and Education & Health Services (-400). Government employment rose by 2,900, with gains in the Department of Education (small increase from May to June versus usual May to June drop off) and in the Department of Health. Compared with one year ago, there has been a decline of 94,700 (-14.5 percent) nonfarm jobs, while the comparison with just three months ago (March) has the job

count contracting by slightly more, at -95,300 or -14.6 percent.

Seasonally Adjusted Non-Ag. Jobs (Statewide)			
	Jun-20	May-20	Jun-19
MINING, LOGGING & CONSTRUCTION	38,200	37,400	36,700
MANUFACTURING	11,800	11,900	14,100
Durable Goods	3,300	3,300	3,800
Non-Durable Goods	8,500	8,600	10,300
TRADE, TRANSPORTATION & UTILITIES	107,300	106,200	123,800
Wholesale Trade	15,900	15,700	18,300
Retail Trade	66,200	64,700	71,400
Transportation, Warehousing, & Utilities	25,200	25,800	34,100
INFORMATION	7,500	7,600	8,100
FINANCIAL ACTIVITIES	27,900	27,800	29,900
Finance & Insurance	16,300	16,400	16,700
Real Estate & Rental & Leasing	11,600	11,400	13,200
PROFESSIONAL & BUSINESS SERVICES	68,300	66,800	73,200
Professional, Scientific, Tech Svcs	23,800	23,300	24,600
Management of Companies & Enterprises	8,600	8,500	9,100
Administrative & Support & Waste Mgmt	35,900	35,000	39,500
EDUCATION & HEALTH SERVICES	83,100	83,500	86,400
Educational Services	11,700	11,700	14,000
Health Care & Social Assistance	71,400	71,800	72,400
LEISURE & HOSPITALITY	72,500	60,200	126,700
Arts, Entertainment & Recreation	9,200	8,100	13,900
Accommodation & Food Services	63,300	52,100	112,800
OTHER SERVICES	25,300	25,100	28,300
GOVERNMENT	117,100	114,200	126,500
Federal Government	34,100	34,000	34,200
State Government	64,500	61,500	73,300
Local Government	18,500	18,700	19,000
TOTAL: STATEWIDE	559,000	540,700	653,700
TOTAL: HONOLULU MSA	410,500	395,500	470,800
TOTAL: KAHULUI-WAILUKU-LAHAINA MSA	60,300	58,700	80,000



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 2010-2019 have revised inputs and have been re-estimated to reflect revised population controls and model reestimation.

Change to Monthly Employment Estimates

This release incorporates revised job count figures for the seasonally adjusted series. The revised data reflects historical corrections applied to unadjusted supersector or sector level series dating back from 1993 through 2019. 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 estimates for both the seasonally adjusted and not seasonally adjusted areas are produced by

BLS. 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. BLS can be reached at (202) 691-6533 for any questions about these estimates.

The not seasonally adjusted job estimates for Hawai'i County, Kauai County, Maui Island, Molokai, and Lanai are produced by the State of Hawai'i Department of Labor & Industrial Relations.

Seasonally Adjusted Labor Force & Unemployment Estimates for Honolulu & Maui Co.

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, second quarter of 2019 through first quarter of 2020 averages (percent).

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	1.3	1.7	3.7	3.9	4.5	7.2
Hawai'i	1.0	1.1	2.6	2.8	3.5	6.4

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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