

**DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM**

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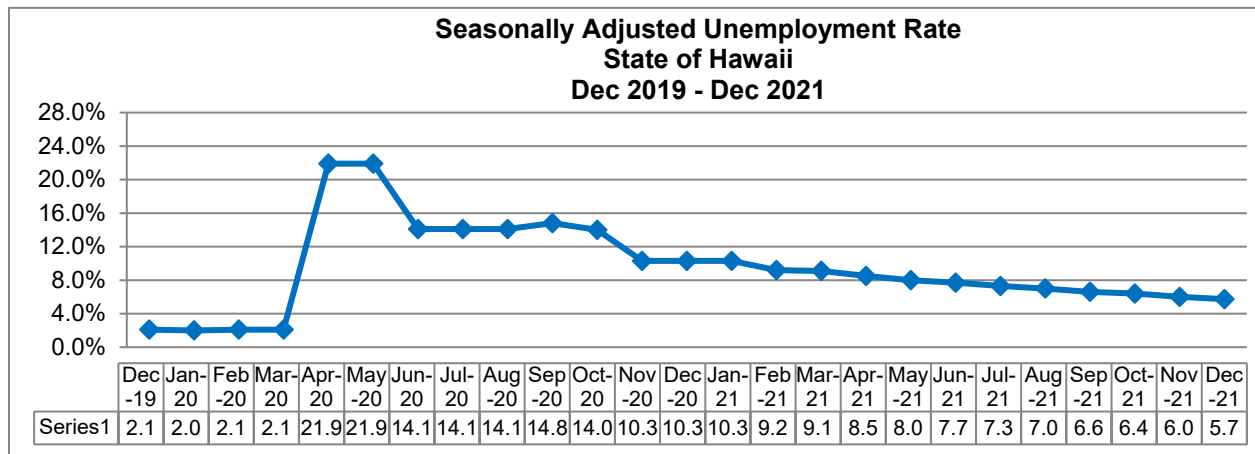
**FOR IMMEDIATE RELEASE**

January 24, 2022

**HAWAII'S UNEMPLOYMENT RATE AT 5.7 PERCENT IN DECEMBER**

*Jobs increased by 38,400 over-the-year*

HONOLULU — The Hawaii State Department of Business, Economic Development & Tourism (DBEDT) today announced that the seasonally adjusted unemployment rate for December was 5.7 percent compared to 6.0 percent in November. Statewide, 610,350 were employed and 37,050 unemployed in December for a total seasonally adjusted labor force of 647,450. Nationally, the seasonally adjusted unemployment rate was 3.9 percent in December, down from 4.2 percent in November.



The unemployment rate figures for the State of Hawaii and the U.S. are seasonally adjusted, in accordance with the U.S. Bureau of Labor Statistics (BLS) methodology. The not seasonally adjusted rate for the State was 4.9 percent in December, compared to 5.4 percent in November.

<b>State of Hawaii Seasonally Adjusted Labor Force Data**</b>			
	<u>Dec 2021</u>	<u>Nov 2021</u>	<u>Dec 2020*</u>
Labor Force	647,450	646,550	655,600
Employment	610,350	608,000	588,150
Unemployment	37,050	38,550	67,400

\* benchmarked data

	<b>DEC</b> 2021	<b>NOV</b> 2021	<b>DEC*</b> 2020
<b><u>Seasonally Adjusted</u></b>			
<b>STATE</b>	<b>5.7</b>	<b>6.0</b>	<b>10.3</b>
<b>U. S.</b>	<b>3.9</b>	<b>4.2</b>	<b>6.7</b>
<b><u>Not Seasonally Adjusted</u></b>			
<b>STATE</b>	<b>4.9</b>	<b>5.4</b>	<b>9.3</b>
HONOLULU	4.6	5.0	8.3
HAWAII COUNTY	4.9	5.3	9.2
KAUAI	6.7	7.2	13.1
MAUI COUNTY	6.3	6.9	13.4
Maui Island	6.3	6.8	13.8
Molokai	9.1	11.8	6.4
Lanai	4.8	6.0	5.9
<b>U. S.</b>	<b>3.7</b>	<b>3.9</b>	<b>6.5</b>

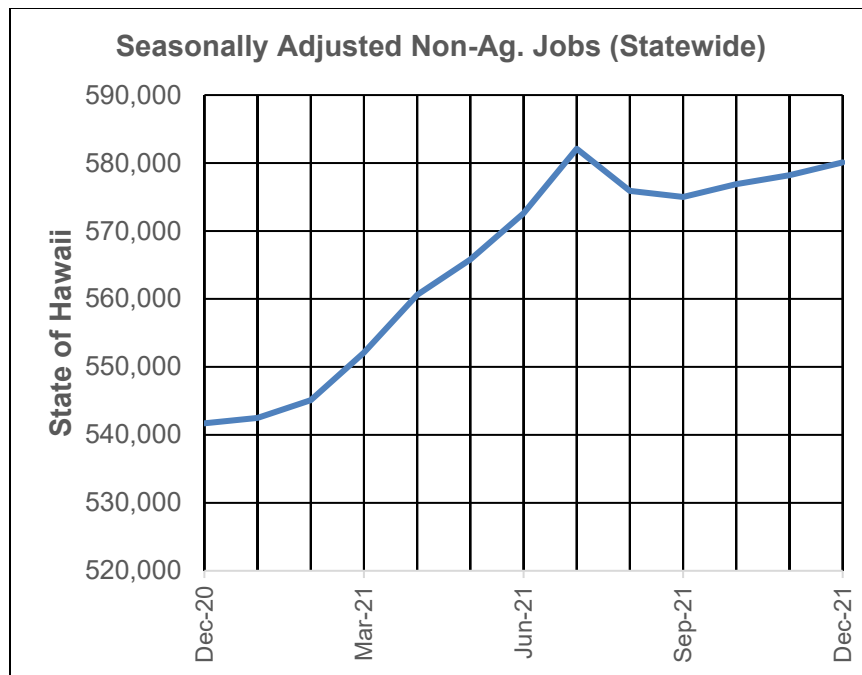
county & island rates are not seasonally adjusted

\* benchmarked data

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

In a separate measure of employment, total nonagricultural jobs increased by 1,900 in December over November. Job gains were experienced in Leisure & Hospitality (+1,100); Trade, Transportation, & Utilities (+700); and Professional & Business Services (+200). The expansion in Leisure & Hospitality was about equally robust in Accommodation and in Food Services & Drinking Places. Employment remained unchanged in Manufacturing; Information; and Other Services. Job losses occurred in Construction (-100); Financial Activities (-100); and Education & Health Services (-300). Government employment rose by 400 jobs, mostly due to an increase in the Department of Education. Over-the-year (December 2020 was the 9th month of pandemic effects), nonfarm jobs have gone up by 38,400, or 7.1 percent. However, in comparison with March 2020 (last month prior to pandemic effects), nonfarm jobs were down by 75,100, or -11.5 percent.

<b>Seasonally Adjusted Non-Ag. Jobs (Statewide)</b>			
	<b>Dec-21</b>	<b>Nov-21</b>	<b>Dec-20</b>
MINING, LOGGING & CONSTRUCTION	37,000	37,100	36,000
MANUFACTURING	11,600	11,600	11,200
Durable Goods	3,300	3,300	3,500
Non-Durable Goods	8,300	8,300	7,700
TRADE, TRANSPORTATION & UTILITIES	107,700	107,000	100,900
Wholesale Trade	17,600	17,500	16,300
Retail Trade	60,800	60,400	59,300
Transportation, Warehousing, & Utilities	29,300	29,100	25,300
INFORMATION	6,500	6,500	6,300
FINANCIAL ACTIVITIES	27,200	27,300	26,400
Finance & Insurance	17,000	17,100	16,700
Real Estate & Rental & Leasing	10,200	10,200	9,700
PROFESSIONAL & BUSINESS SERVICES	70,800	70,600	65,000
Professional, Scientific, Tech Svcs	23,900	23,800	24,000
Management of Companies & Enterprises	8,700	8,500	8,100
Administrative & Support & Waste Mgmt	38,200	38,300	32,900
EDUCATION & HEALTH SERVICES	81,500	81,800	81,500
Educational Services	12,800	12,800	11,300
Health Care & Social Assistance	68,700	69,000	70,200
LEISURE & HOSPITALITY	97,600	96,500	75,000
Arts, Entertainment & Recreation	8,300	8,400	7,800
Accommodation & Food Services	89,300	88,100	67,200
OTHER SERVICES	22,800	22,800	22,500
GOVERNMENT	117,400	117,000	116,900
Federal Government	33,800	33,800	34,600
State Government	65,400	65,000	63,600
Local Government	18,200	18,200	18,700
<b>TOTAL: STATEWIDE</b>	<b>580,100</b>	<b>578,200</b>	<b>541,700</b>
<b>TOTAL: HONOLULU MSA</b>	<b>426,400</b>	<b>425,300</b>	<b>399,600</b>
<b>TOTAL: KAHULUI-WAILUKU-LAHAINA MSA</b>	<b>64,700</b>	<b>64,600</b>	<b>58,900</b>



## Technical Notes

### **Labor Force Components**

The concepts and definitions used by the Local Area Unemployment Statistics (LAUS) program are the same as those used in the Current Population Survey for the national labor force data:

- *Civilian labor force.* Included are all persons in the civilian noninstitutional population ages 16 and older classified as either employed or unemployed. (See the definitions below.)
- *Employed persons.* These are all persons who, during the reference week (the week including the 12th day of the month), (a) did any work as paid employees, worked in their own business or profession or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of their family, or (b) were not working but who had jobs from which they were temporarily absent because of vacation, illness, bad weather, childcare problems, maternity or paternity leave, labor-management dispute, job training, or other family or personal reasons, whether or not they were paid for the time off or were seeking other jobs. Each employed person is counted only once, even if he or she holds more than one job.
- *Unemployed persons.* Included are all persons who had no employment during the reference week, were available for work, except for temporary illness, and had made specific efforts to find employment some time during the 4 week-period ending with the reference week. Persons who were waiting to be recalled to a job from which they had been laid off need not have been looking for work to be classified as unemployed.
- *Unemployment rate.* The unemployed percent of the civilian labor force [i.e., 100 times (unemployed/civilian labor force)].

## **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 2010-2020 have revised inputs and have been re-estimated to reflect revised population controls and model re-estimation.

## **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 super sector or sector level series dating back from 2004 through 2020. 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 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 Hawaii'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 Hawaii County, Kauai County, Maui Island, Molokai, and Lanai are produced by the State of Hawaii 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**

<i>Alternative Measures of Labor Underutilization for States, fourth quarter of 2020 through third quarter of 2021 averages (percent).</i>						
State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	3.2	3.8	6.0	6.3	7.1	10.4
Hawaii	5.9	6.3	8.1	8.6	9.4	14.8

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.

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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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