

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

RESEARCH AND ECONOMIC ANALYSIS DIVISION

JOSH GREEN, M.D.
GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

DR. EUGENE TIAN
CHIEF STATE ECONOMIST

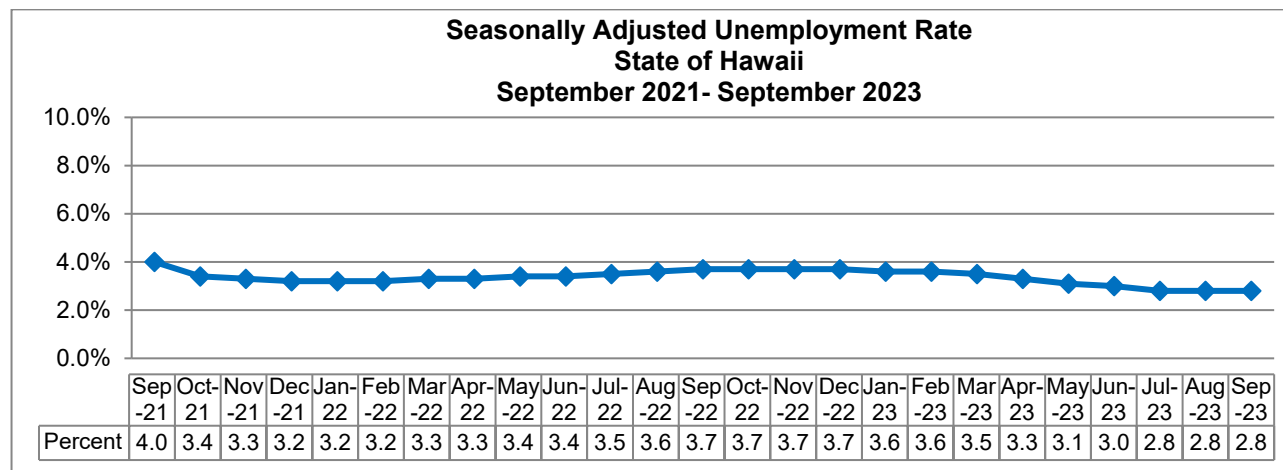
FOR IMMEDIATE RELEASE

October 19, 2023

HAWAII SEPTEMBER UNEMPLOYMENT RATE AT 2.8 PERCENT

Jobs increased by 6,600 year-over-year

HONOLULU — The Hawaii State Department of Business, Economic Development and Tourism (DBEDT) today announced that the seasonally adjusted unemployment rate for September was 2.8 percent, the same as in July and August. In September, 656,400 persons were employed and 19,200 were unemployed, for a total seasonally adjusted labor force of 675,600 statewide. Nationally, the seasonally adjusted unemployment rate was 3.8 percent in September, the same as in July.



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 3.3 percent in September, compared to 3.1 percent in August.

State of Hawaii Seasonally Adjusted Labor Force Data**			
	<u>Sep 2023</u>	<u>Aug 2023</u>	<u>Sep 2022*</u>
Labor Force	675,600	676,400	680,000
Employment	656,400	657,400	655,150
Unemployment	19,200	19,000	24,850

* benchmarked data

**totals may not add up due to rounding

	SEP 2023	AUG 2023	SEP* 2022
<u>Seasonally Adjusted</u>			
STATE	2.8	2.8	3.7
U. S.	3.8	3.8	3.5
<u>Not Seasonally Adjusted</u>			
STATE	3.3	3.1	3.7
HONOLULU	2.6	2.8	3.7
HAWAII COUNTY	2.8	3.1	3.9
KAUAI	2.4	2.6	3.7
MAUI COUNTY	8.1	4.5	3.5
Maui Island	8.4	4.7	3.4
Molokai	1.3	2.2	6.9
Lanai	1.2	1.5	1.7
U. S.	3.6	3.9	3.3

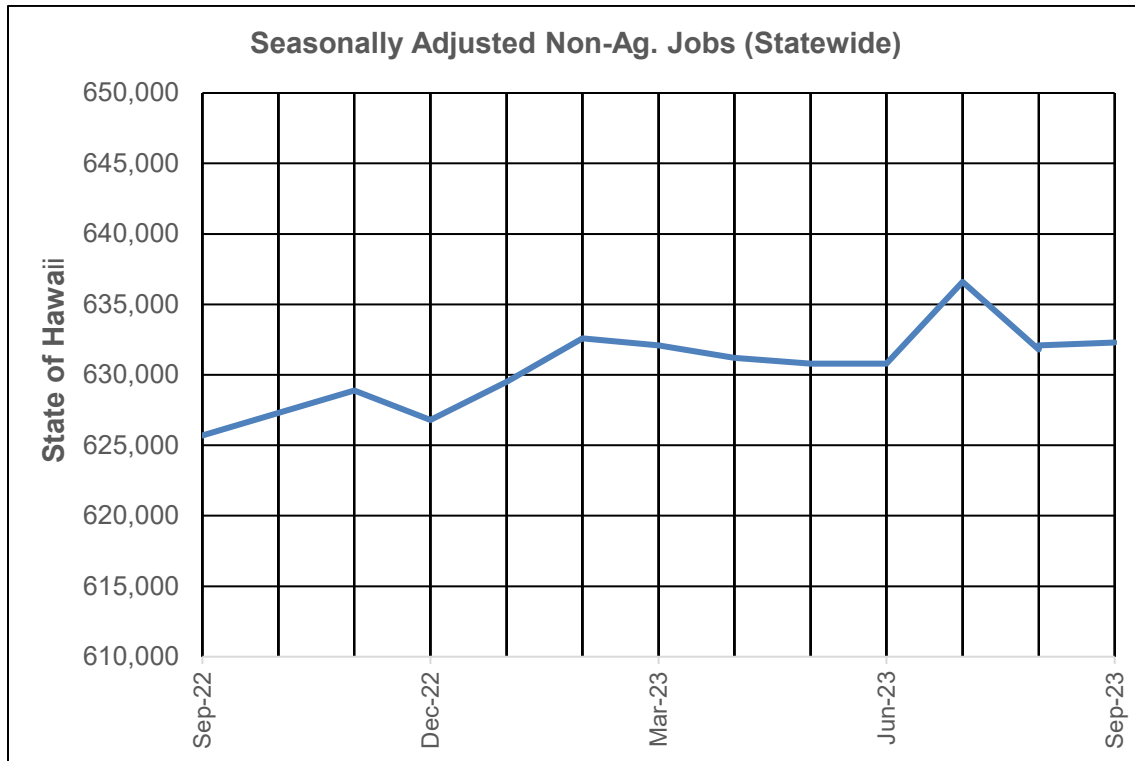
county and island rates are not seasonally adjusted

* benchmarked data

Industry Payroll Employment (Establishment Survey)

In a separate measure of employment, total nonagricultural jobs increased by 200 month-over-month, from August 2023 to September 2023. Job gains were experienced in Private Education & Health Services (+500); Professional & Business Services (+300); Manufacturing (+200); Construction (+100); and Financial Activities (+100). Job losses occurred in Information (-100); Other Services (-200); Leisure & Hospitality (-800); and Trade, Transportation & Utilities (-1,300). There was notable job contraction in the predominant subsectors of Leisure & Hospitality (Accommodation; and Food Services & Drinking Places) and Trade, Transportation & Utilities (Retail Trade; and Transportation & Warehousing) because of the Maui wildfires. Government employment went up by 1,400 jobs. The rise in Government was in state government, due to the deployment of the National Guard on Maui and a higher-than-seasonal-average increase of workers in the University of Hawaii system. Year-over-year (September 2022 was the 30th month of pandemic effects), nonfarm jobs have gone up by 6,600, or 1.1 percent. However, in comparison with March 2020 (the last month prior to pandemic effects), nonfarm jobs were down by 22,900, or -3.5 percent.

Seasonally Adjusted Non-Ag. Jobs (Statewide)			
	Sep-23	Aug-23	Sep-22
MINING, LOGGING & CONSTRUCTION	38,000	37,900	37,400
MANUFACTURING	12,900	12,700	12,700
Durable Goods	3,300	3,200	3,300
Non-Durable Goods	9,600	9,500	9,400
TRADE, TRANSPORTATION & UTILITIES	115,500	116,800	116,700
Wholesale Trade	17,100	17,600	17,400
Retail Trade	64,900	65,400	65,600
Transportation, Warehousing & Utilities	33,500	33,800	33,700
INFORMATION	8,900	9,000	8,400
FINANCIAL ACTIVITIES	27,100	27,000	28,000
Finance & Insurance	14,900	14,900	15,500
Real Estate & Rental & Leasing	12,200	12,100	12,500
PROFESSIONAL & BUSINESS SERVICES	72,000	71,700	72,100
Professional, Scientific, Tech Svcs	27,000	26,900	26,200
Management of Companies & Enterprises	8,700	8,700	8,600
Administrative & Support & Waste Mgmt	36,300	36,100	37,300
PRIVATE EDUCATION & HEALTH SERVICES	88,300	87,800	86,200
Private Educational Services	15,000	15,500	14,100
Health Care & Social Assistance	73,300	72,300	72,100
LEISURE & HOSPITALITY	118,700	119,500	114,700
Arts, Entertainment & Recreation	12,500	12,600	12,500
Accommodation & Food Services	106,200	106,900	102,200
OTHER SERVICES	27,000	27,200	26,500
GOVERNMENT	123,900	122,500	123,000
Federal Government	35,200	35,200	34,900
State Government	69,900	68,400	69,600
Local Government	18,800	18,900	18,500
TOTAL: STATEWIDE	632,300	632,100	625,700
TOTAL: HONOLULU MSA	457,000	454,800	448,200
TOTAL: KAHULUI-WAILUKU-LAHAINA MSA	70,900	75,800	75,400



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 sometime during the four-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 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 those 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 2010-2022 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 1990 through 2022. For years, analysts with the State of Hawaii Department of Labor and Industrial Relations' Research and Statistics Office have developed monthly employment estimates for Hawaii and its 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 were 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) 691-6555 for any questions about these estimates.

The not-seasonally adjusted job estimates for Hawaii County, Kauai County, Maui, Molokai, and Lanai are produced by the State of Hawaii Department of Business, Economic Development, and Tourism.

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

<i>Alternative Measures of Labor Underutilization for States, Third Quarter of 2022 through Second Quarter of 2023 averages</i>						
Area	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	1.2	1.6	3.6	3.8	4.4	6.7
Hawaii	1.2	1.2	3.3	3.4	4.0	6.5

The six alternative labor underutilization state measures based on the Current Population Survey (CPS) and compiled on a four-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 childcare or transportation problems, for example. Discouraged workers are a subset of the marginally attached.

Please 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 four-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.

###

Media Contacts:

Dr. Eugene Tian
Research and Economic Analysis Division
Department of Business, Economic Development and Tourism
(808) 586-2470
eugene.x.tian@hawaii.gov
dbedt.hawaii.gov/economic

Laci Goshi
Department of Business, Economic Development and Tourism
(808) 518-5480
lacianne.a.goshi@hawaii.gov
dbedt.hawaii.gov