

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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**HAWAII'S SEASONALLY ADJUSTED UNEMPLOYMENT RATE HOLDS
STEADY AT 2.7 PERCENT IN JUNE**

**Unemployment Rate Remains Below Three Percent for the
Fourth Consecutive Month**

HONOLULU - The Hawaii State Department of Labor and Industrial Relations announced today that the seasonally adjusted unemployment rate for June was 2.7 percent, remaining unchanged from the previous month. In comparison, the national seasonally adjusted rate in June was 5.0, a slight decline from 5.1 percent in May. One year ago, Hawaii's seasonally adjusted unemployment rate stood at 3.2 percent, while the U.S. seasonally adjusted unemployment rate was 5.6 percent. Since January 2004, Hawaii's monthly seasonally adjusted unemployment rate has been at least two percentage points lower than the national seasonally adjusted unemployment rate.

In June, Hawaii's seasonally adjusted labor force totaled 630,350 and was comprised of 613,250 employed and 17,100 unemployed. Compared with June 2004, the number of employed has expanded by 17,800, or 3.0 percent, while the number of unemployed has contracted by 2,400, or 12.3 percent.

In a separate measure of employment, total seasonally adjusted non-agricultural jobs increased by 600 in June over May. The most notable changes in June over May occurred in Government (+1,100) and in Leisure & Hospitality (+700). The rise in Government employment was primarily due to staffing increases for summer programs at the Department of Education. Jobs gains in Accommodation and Food Services & Drinking Places contributed to the increase in Leisure & Hospitality. The balance of the seasonally adjusted industry series experienced little over-the-month change. Construction added 100 jobs. Small decreases occurred in Manufacturing and Education & Health Services (-100 jobs each) and in Trade, Transportation, & Utilities and Other Services (-200 jobs each). Since the beginning of the year, the jobcount has gone up for five consecutive months, increasing by 7,800. Since June 2004, the number of jobs has risen by 14,500. Over-the-year, jobs in the private sector have risen by 13,600, or 2.9 percent, while government employment has grown by 900, or 0.8 percent.

“A healthy private sector continues to provide a strong foundation for the economy, creating jobs for our local residents,” said Nelson Befitel, Director of Labor & Industrial Relations.

Unemployment Trust Fund

To keep the public informed on the status of the state's Unemployment Compensation Fund (Fund), from which unemployment benefits are paid to qualified claimants, the following is the current status of the Fund and its projected balance at the end of the year.

| | |
|---|---------------|
| Fund Balance as of end of June 2005: | \$411,926,435 |
| Taxes received year-to-date through end of June: | \$62,471,967 |
| Interest received year-to-date through end of June: | \$5,459,968 |
| Benefits paid year-to-date through end of June: | \$43,970,383 |
| Current Tax Schedule: | Schedule "C" |

Calendar year 2005 Fund and Tax Schedule projections, as of the end of June:

| | |
|-------------------------------|---------------------------|
| Fund Balance, end of 2005: | \$452,400,000 (projected) |
| Taxes for Calendar Year 2005: | \$127,500,000 (projected) |

| | |
|--------------------------------------|--------------------------|
| Interest for Calendar Year 2005: | \$23,600,000 (projected) |
| Benefits for Calendar Year 2005: | \$86,600,000 (projected) |
| Tax Schedule for Calendar Year 2006: | Schedule "C" (projected) |

For comparison purposes, in calendar year 2004 the Fund collected \$124.6 million in taxes and paid out \$104.7 million in benefits.

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LABOR FORCE AND JOBCOUNT ESTIMATES
June 2005 Report, Statewide

| | DEPARTMENT OF LABOR -- LABOR FORCE ESTIMATES | | | | | | | |
|---------------------------|--|--------|--------|------------------------------|-------|-----------------------------|--------|--|
| | STATEWIDE | | | | | | | |
| | (NOT SEASONALLY ADJUSTED) | | | | | | | |
| | Jun-05 | May-05 | Jun-04 | CHANGE FROM ONE MONTH AGO | | CHANGE FROM ONE YEAR AGO | | |
| CIVILIAN LABOR FORCE | 634.5 | 623.6 | 617.3 | 10.9 | 1.7% | 17.2 | 2.8% | |
| TOTAL EMPLOYED | 613.5 | 608.4 | 593.4 | 5.1 | 0.8% | 20.1 | 3.4% | |
| UNEMPLOYED | 21.0 | 15.2 | 23.9 | 5.8 | 38.2% | -2.9 | -12.1% | |
| percent of Labor Force | 3.3% | 2.4% | 3.9% | | | | | |
| Total Nonfarm | 599.0 | 597.9 | 583.4 | 1.1 | 0.2% | 15.7 | 2.7% | |
| Total Private | 477.7 | 475.4 | 462.4 | 2.3 | 0.5% | 15.3 | 3.3% | |
| Goods Producing | 47.6 | 47.5 | 45.2 | 0.2 | 0.4% | 2.5 | 5.5% | |
| Service-Providing | 551.4 | 550.5 | 538.2 | 0.9 | 0.2% | 13.2 | 2.5% | |
| Private Service-Providing | 430.0 | 427.9 | 417.2 | 2.1 | 0.5% | 12.8 | 3.1% | |
| Nat. Res & Construct | 32.2 | 32.1 | 29.6 | 0.2 | 0.5% | 2.6 | 8.9% | |
| Construction of Buildings | 10.2 | 10.1 | 9.4 | 0.1 | 0.5% | 0.8 | 7.6% | |
| Special Trade Contractors | 17.6 | 17.5 | 15.8 | 0.1 | 1.4% | 1.8 | 8.7% | |
| Manufacturing | 15.4 | 15.4 | 15.6 | 0.0 | 0.1% | -0.2 | -1.0% | |
| Durable Goods | 4.3 | 4.3 | 4.4 | 0.0 | 0.3% | -0.1 | -2.3% | |
| Non-Durable Goods | 11.1 | 11.1 | 11.1 | 0.0 | 0.1% | -0.1 | -0.5% | |
| Trade, Transportation, | 116.6 | 115.9 | 111.9 | 0.7 | 0.6% | 4.7 | 4.2% | |
| Wholesale Trade | 17.4 | 17.4 | 17.1 | 0.0 | -0.1% | 0.3 | 2.0% | |
| Retail Trade | 68.6 | 68.1 | 66.5 | 0.6 | 0.8% | 2.2 | 3.3% | |
| Food and Beverage Sto | 12.9 | 12.8 | 12.8 | 0.1 | 1.0% | 0.2 | 1.2% | |
| Grocery Stores | 10.7 | 10.6 | 10.6 | 0.1 | 1.0% | 0.0 | 0.3% | |
| Clothing and Clothing | 10.9 | 10.7 | 9.8 | 0.2 | 1.5% | 1.1 | 11.1% | |
| General Merchandise S | 12.2 | 12.0 | 11.0 | 0.2 | 1.3% | 1.1 | 10.3% | |
| Department Stores | 9.1 | 8.9 | 8.2 | 0.2 | 2.0% | 0.9 | 10.7% | |
| Trans,Warehouse, Util | 30.6 | 30.4 | 28.4 | 0.2 | 0.6% | 2.2 | 7.8% | |
| Utilities | 2.9 | 2.8 | 2.7 | 0.0 | 1.4% | 0.2 | 6.2% | |
| Transport & Warehouse | 27.7 | 27.6 | 25.7 | 0.1 | 0.5% | 2.0 | 8.0% | |
| Air Transportation | 10.3 | 10.3 | 10.3 | 0.0 | 0.3% | 0.0 | -0.2% | |
| Information | 10.6 | 10.6 | 10.6 | 0.0 | -0.2% | 0.0 | 0.0% | |
| Telecommunications | 3.8 | 3.8 | 3.8 | 0.0 | 0.0% | 0.0 | 0.9% | |
| Financial Activities | 29.4 | 29.2 | 28.9 | 0.2 | 0.7% | 0.5 | 1.7% | |
| Finance and Insurance | 16.6 | 16.5 | 16.5 | 0.1 | 0.5% | 0.2 | 1.0% | |
| Real Estate and Renta | 12.7 | 12.6 | 12.4 | 0.1 | 0.8% | 0.3 | 2.7% | |
| Professional and Busin | 72.9 | 72.3 | 70.0 | 0.6 | 0.8% | 2.8 | 4.0% | |
| Professional, Scienti | 23.2 | 23.0 | 22.8 | 0.2 | 0.9% | 0.5 | 2.2% | |
| Management of Compani | 6.9 | 7.0 | 6.8 | 0.0 | -0.3% | 0.1 | 1.5% | |
| Administrative and Su | 42.7 | 42.3 | 40.4 | 0.4 | 0.9% | 2.2 | 5.5% | |
| Employment Services | 15.5 | 15.2 | 14.0 | 0.3 | 2.1% | 1.5 | 11.0% | |
| Educational and Health | 68.9 | 69.4 | 67.2 | -0.5 | -0.7% | 1.7 | 2.5% | |
| Educational Services | 12.6 | 13.3 | 12.8 | -0.7 | -5.0% | -0.2 | -1.4% | |
| Elementary and Second | 6.7 | 7.0 | 6.6 | -0.3 | -4.4% | 0.1 | 1.6% | |
| Health Care and Socia | 56.3 | 56.1 | 54.4 | 0.2 | 0.4% | 1.9 | 3.5% | |
| Ambulatory Health Car | 22.1 | 22.1 | 21.3 | 0.0 | 0.0% | 0.8 | 3.7% | |
| Hospitals | 14.4 | 14.4 | 14.1 | 0.0 | 0.2% | 0.3 | 2.3% | |
| Nursing and Residenti | 6.6 | 6.6 | 6.3 | 0.1 | 1.0% | 0.3 | 4.8% | |
| Social Assistance | 13.2 | 13.1 | 12.7 | 0.1 | 0.8% | 0.5 | 3.7% | |
| Leisure and Hospitalit | 107.0 | 106.0 | 104.0 | 1.0 | 1.0% | 3.0 | 2.9% | |
| Arts, Entertainment, | 11.6 | 11.4 | 11.7 | 0.1 | 1.2% | -0.1 | -0.7% | |
| Accommodation and Foo | 95.4 | 94.5 | 92.4 | 0.9 | 0.9% | 3.1 | 3.3% | |
| Accommodation | 39.2 | 38.9 | 37.7 | 0.2 | 0.6% | 1.4 | 3.7% | |
| Food Services and Dri | 56.3 | 55.6 | 54.6 | 0.6 | 1.2% | 1.7 | 3.1% | |
| Full-Service Restaura | 29.0 | 28.7 | 28.1 | 0.3 | 1.1% | 0.9 | 3.1% | |
| Other Services | 24.6 | 24.5 | 24.6 | 0.1 | 0.3% | 0.1 | 0.2% | |
| Government | 121.4 | 122.5 | 121.0 | -1.2 | -0.9% | 0.4 | 0.3% | |
| Federal Government | 31.5 | 31.1 | 31.6 | 0.4 | 1.4% | -0.1 | -0.4% | |
| Ship Building & Repai | 4.2 | 4.1 | 4.3 | 0.0 | 0.5% | -0.2 | -3.8% | |
| Department of Defense | 16.8 | 16.5 | 16.8 | 0.3 | 1.8% | 0.0 | 0.2% | |
| State Government | 72.8 | 74.5 | 72.3 | -1.7 | -2.3% | 0.5 | 0.6% | |
| State Govt. Education | 49.1 | 50.6 | 43.9 | -1.5 | -2.9% | 5.2 | 11.9% | |
| Local Government | 17.1 | 16.9 | 17.0 | 0.2 | 0.9% | 0.1 | 0.4% | |

Not Seasonally Adjusted Non-Ag. Jobs

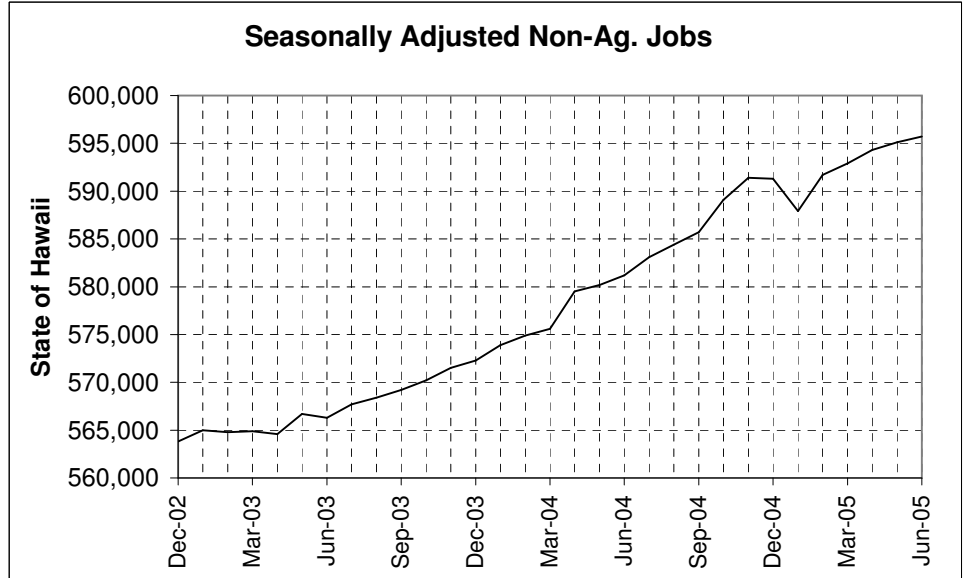
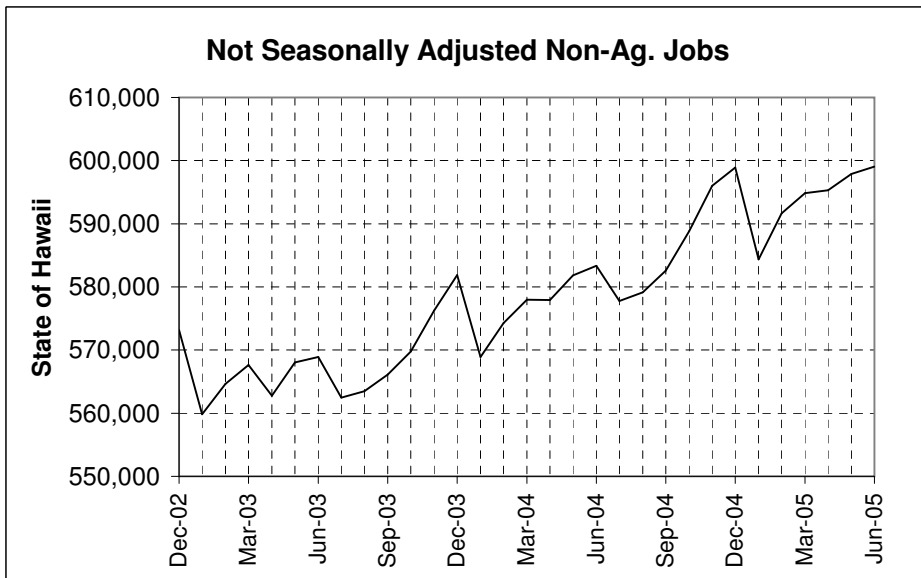
| | Jun-05 | Jun-04* | Dec-02 |
|-----------------------------------|----------------|----------------|----------------|
| NAT. RESOURCES, MINING & CONSTR. | 32,250 | 29,600 | 27,200 |
| MANUFACTURING | 15,400 | 15,550 | 15,000 |
| TRADE, TRANSPORTATION & UTILITIES | 116,650 | 111,900 | 111,000 |
| INFORMATION | 10,600 | 10,600 | 11,700 |
| FINANCIAL ACTIVITIES | 29,400 | 28,900 | 28,350 |
| PROFESSIONAL & BUSINESS SERVICES | 72,850 | 70,050 | 70,600 |
| EDUCATIONAL & HEALTH SERVICES | 68,950 | 67,200 | 64,250 |
| LEISURE & HOSPITALITY | 107,000 | 104,000 | 98,550 |
| OTHER SERVICES | 24,600 | 24,550 | 23,950 |
| GOVERNMENT | 121,350 | 121,000 | 122,500 |
| TOTAL | 599,050 | 581,800 | 573,150 |

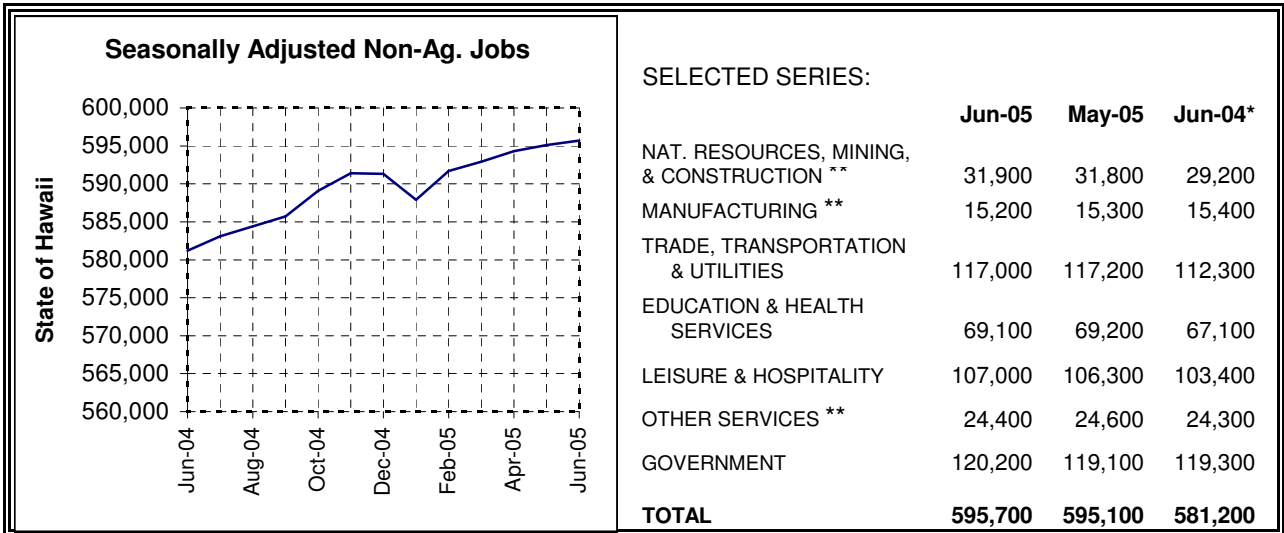
* BENCHMARKED DATA

Seasonally Adjusted Non-Ag. Jobs

| | Jun-05 | Jun-04** | Dec-02 |
|-------------------------------------|----------------|----------------|----------------|
| NAT. RESOURCES, MINING & CONSTR. ** | 31,900 | 29,200 | 27,200 |
| MANUFACTURING ** | 15,200 | 15,400 | 14,900 |
| TRADE, TRANSPORTATION & UTILITIES | 117,000 | 112,300 | 107,600 |
| EDUCATIONAL AND HEALTH SERVICES | 69,100 | 67,100 | 63,700 |
| LEISURE & HOSPITALITY | 107,000 | 103,400 | 98,200 |
| OTHER SERVICES ** | 24,400 | 24,300 | 23,900 |
| GOVERNMENT | 120,200 | 119,300 | 119,300 |
| TOTAL | 595,700 | 581,200 | 563,800 |

** NEW SEASONALLY ADJUSTED SERIES

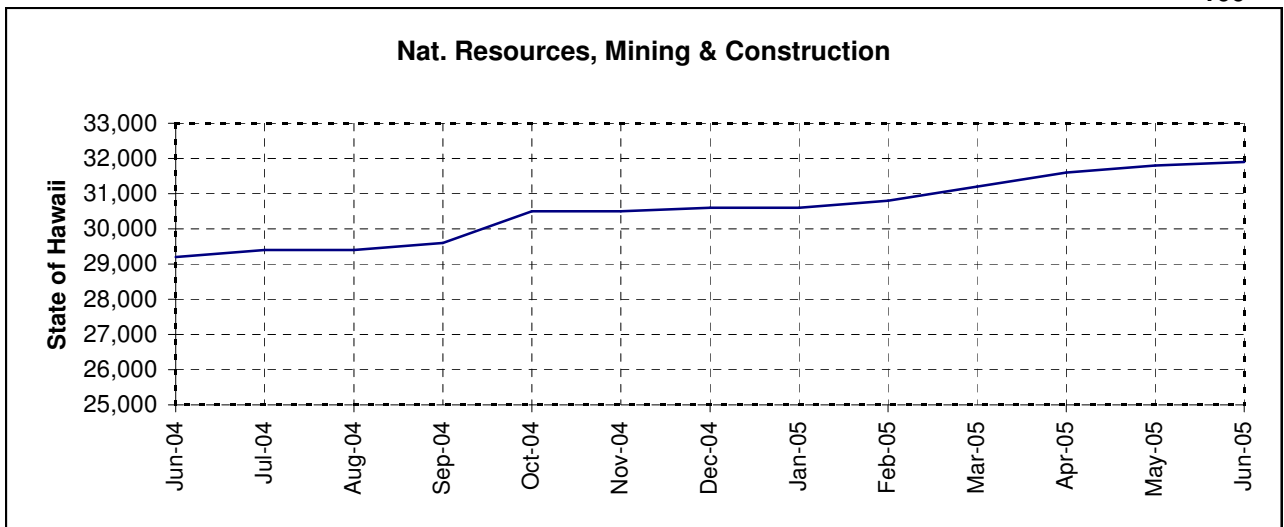




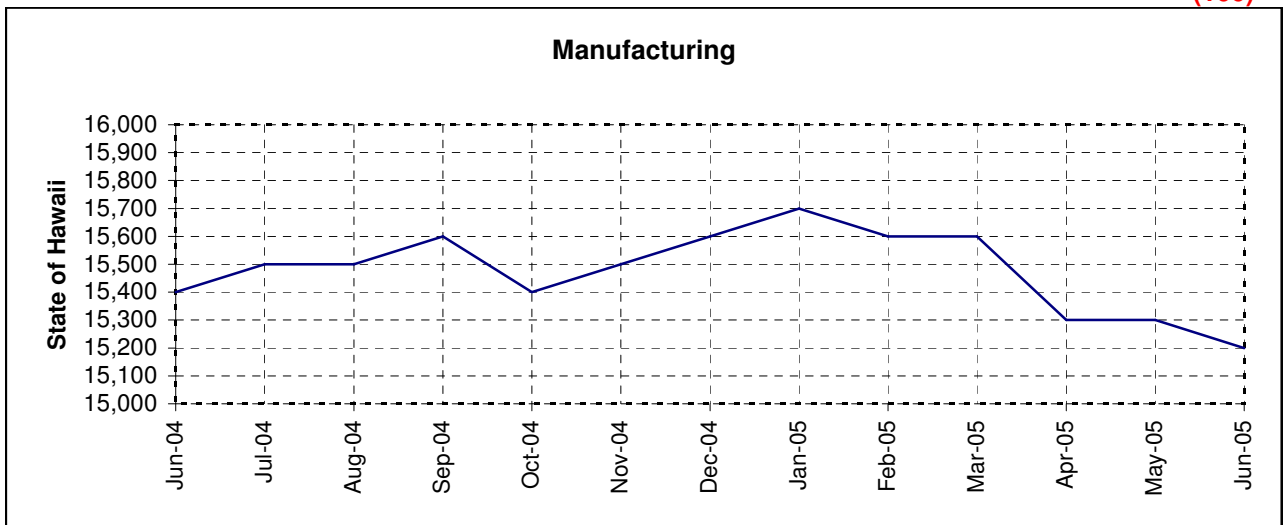
May05 - Jun05 (+600)

* BENCHMARKED DATA; ** NEW SEASONALLY ADJUSTED SERIES

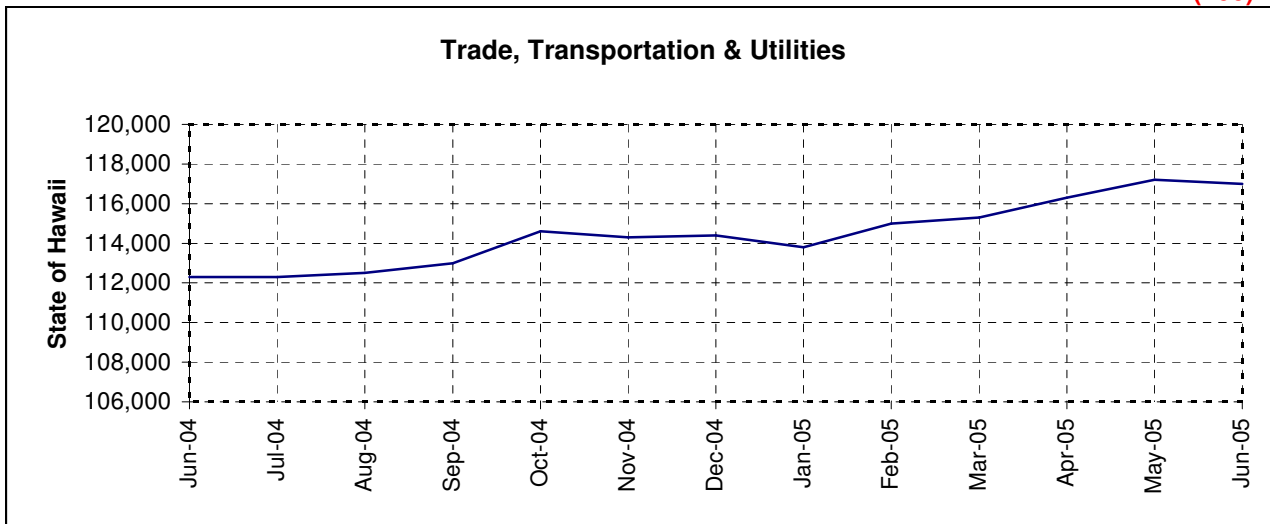
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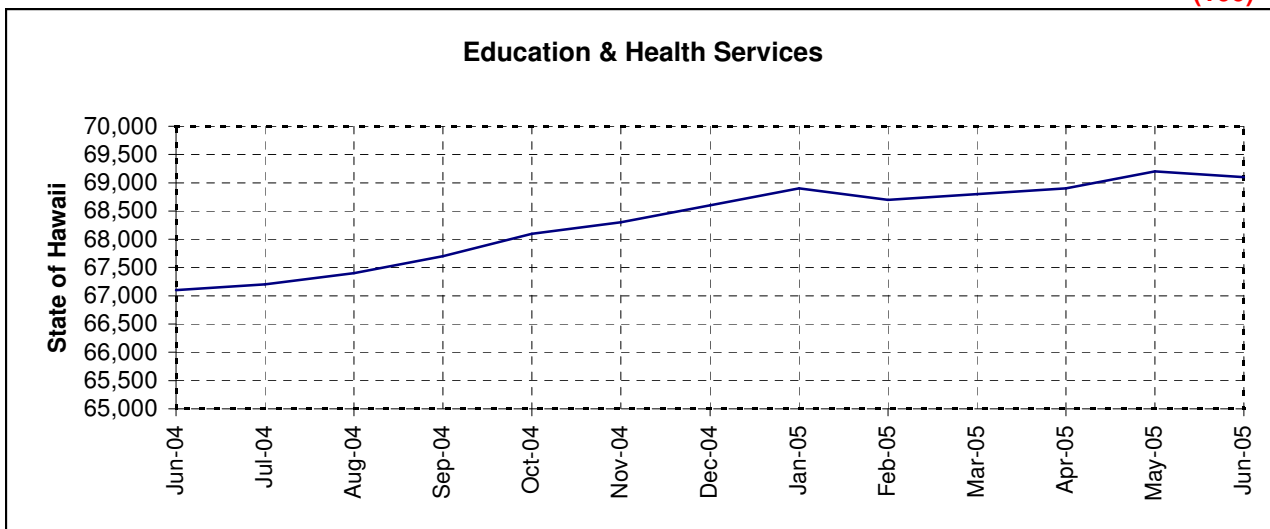
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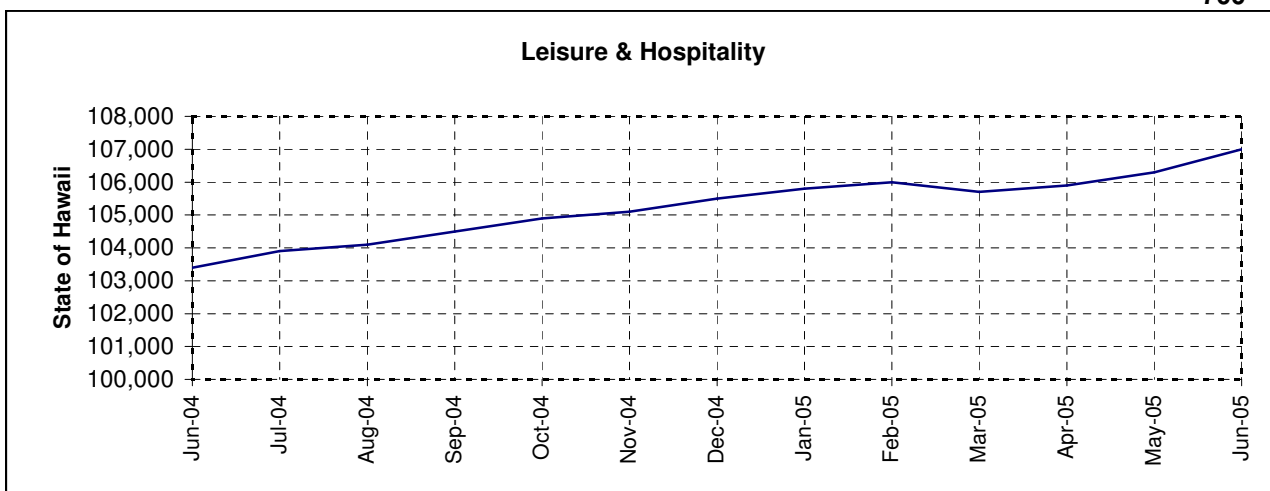
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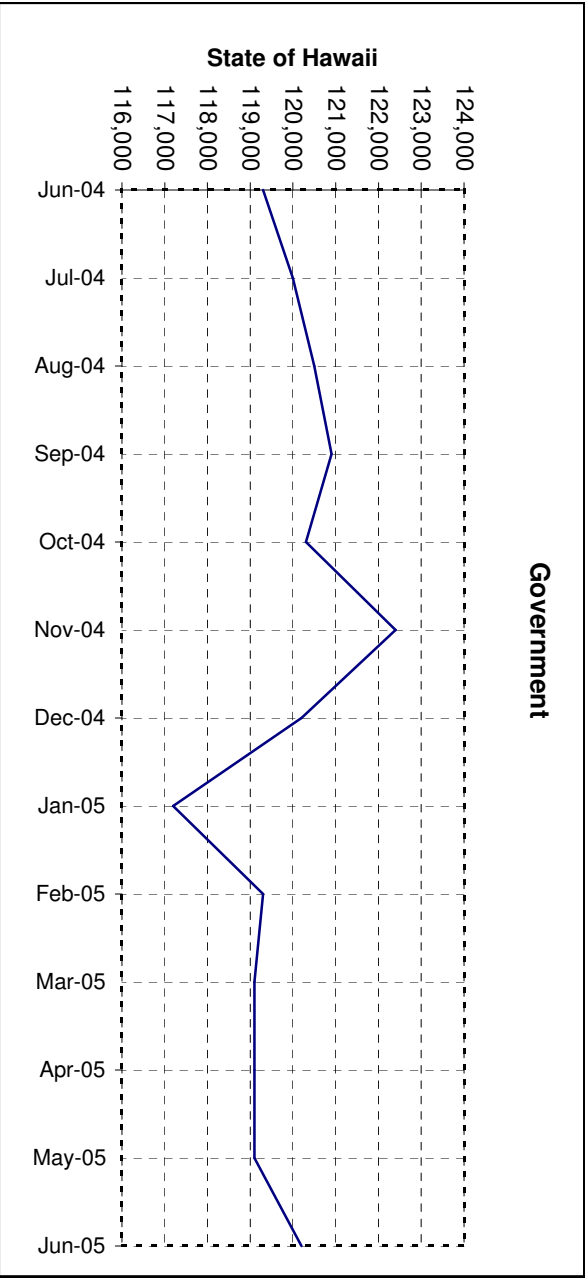
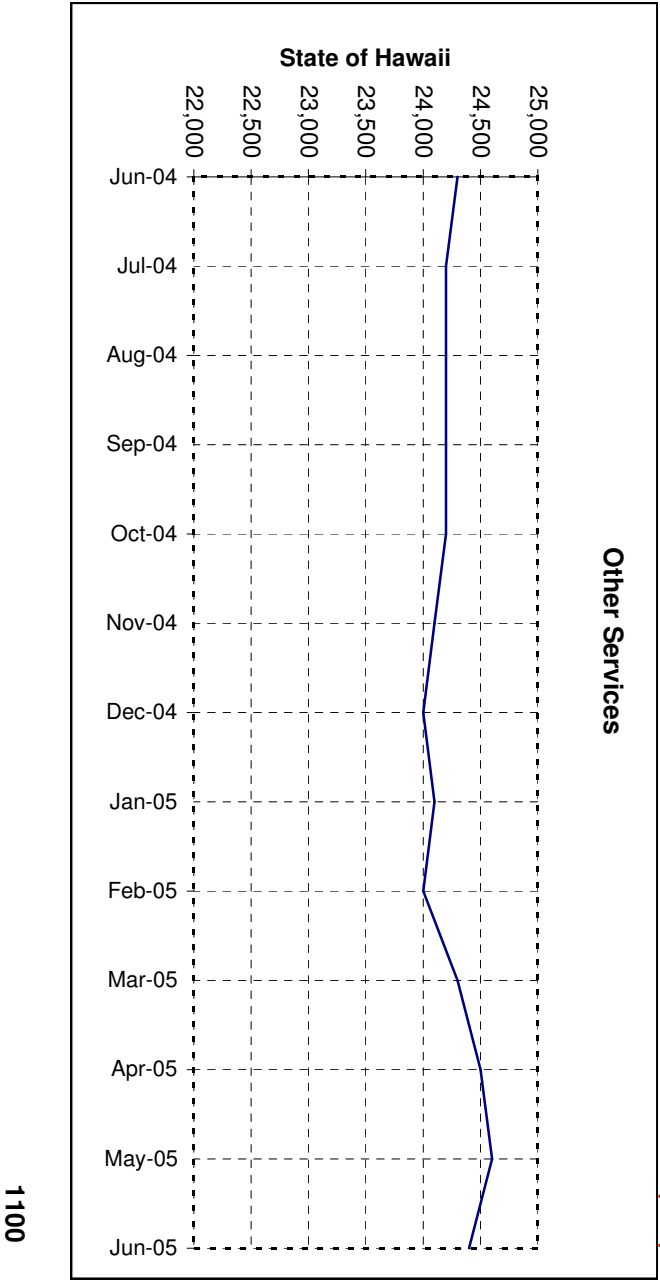


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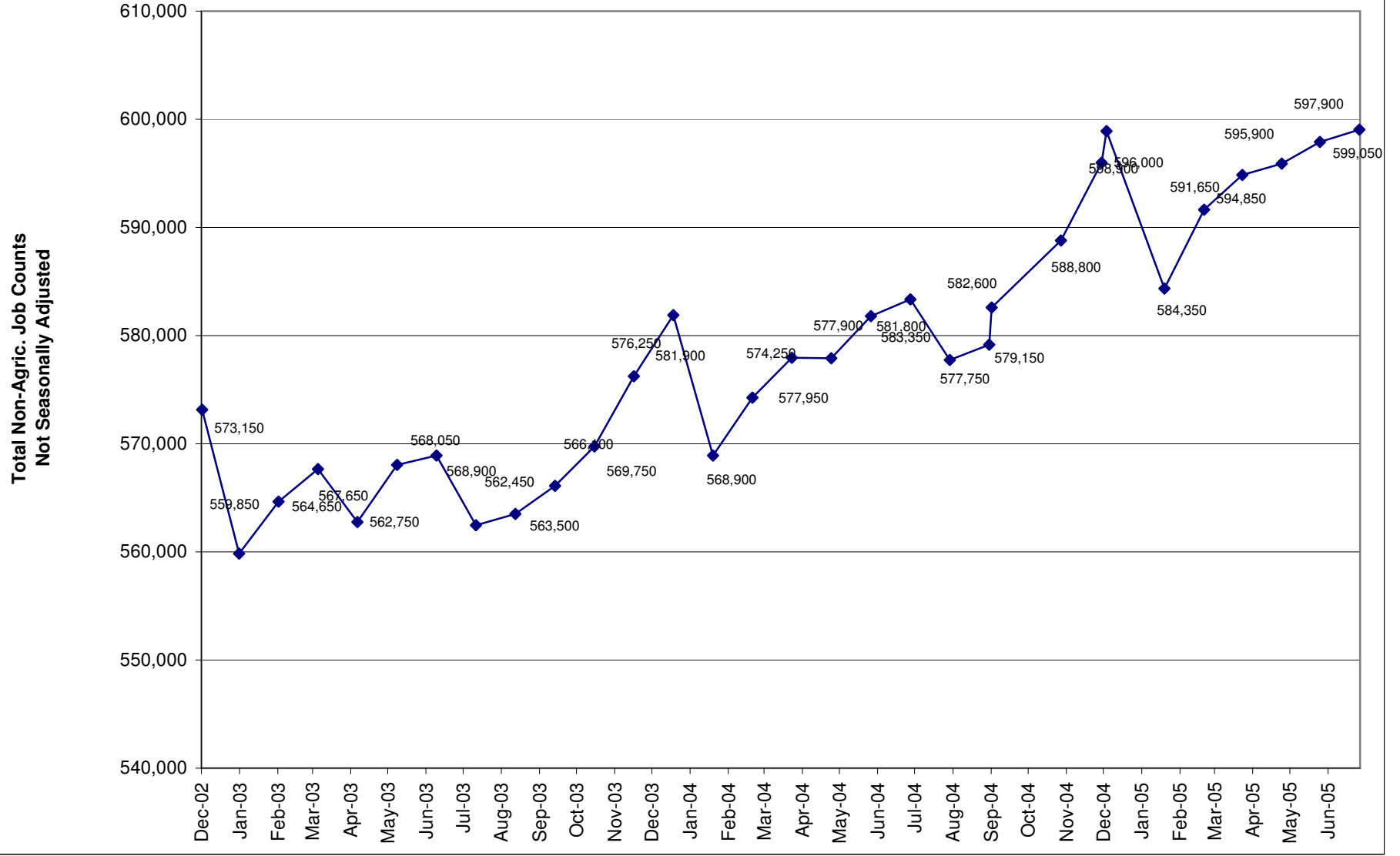


700





Non-agricultural Jobcount (Not Seasonally Adjusted)



STATE OF HAWAII
Seasonally Adjusted Job Count and Unemployment Rates
Dec2002 thru May2005 (Preliminary)

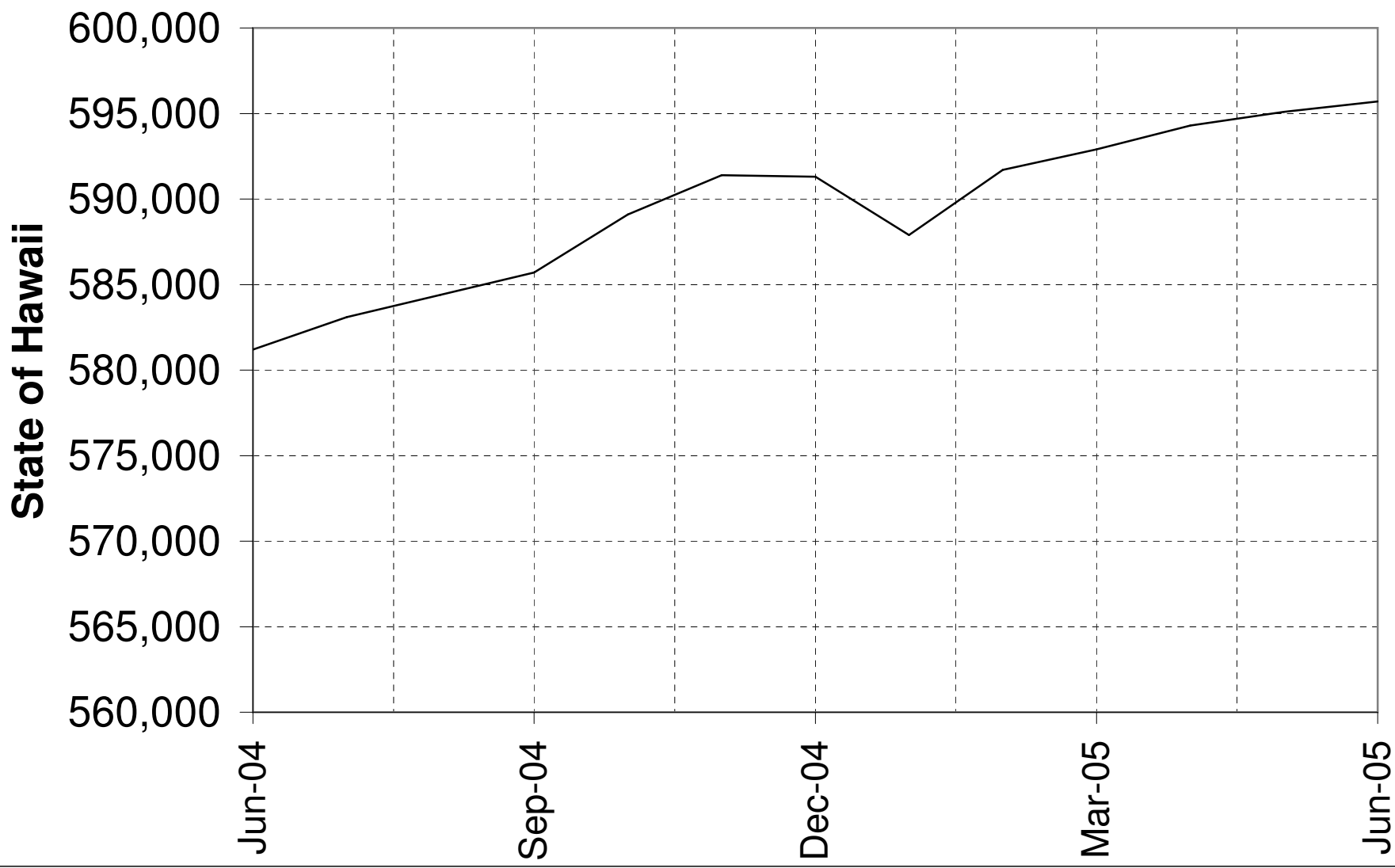
| YEAR | Nonagricultural Jobcount | Unemployment Rate |
|-------------|-------------------------------------|--------------------------|
| Dec-02 | 563,800 | 3.8 |
| Jan-03 | 565,000 | 3.9 |
| Feb-03 | 564,800 | 3.8 |
| Mar-03 | 564,900 | 4.1 |
| Apr-03 | 564,600 | 4.2 |
| May-03 | 566,700 | 4.3 |
| Jun-03 | 566,300 | 4.4 |
| Jul-03 | 567,700 | 4.4 |
| Aug-03 | 568,400 | 4.5 |
| Sep-03 | 569,200 | 4.5 |
| Oct-03 | 570,200 | 4.5 |
| Nov-03 | 571,500 | 4.4 |
| Dec-03 | 572,300 | 4.4 |
| Jan-04 | 573,900 | 3.6 |
| Feb-04 | 574,900 | 3.6 |
| Mar-04 | 575,600 | 3.6 |
| Apr-04 | 579,500 | 3.4 |
| May-04 | 580,200 | 3.3 |
| Jun-04 | 581,200 | 3.2 |
| Jul-04 | 583,100 | 3.1 |
| Aug-04 | 584,400 | 3.1 |
| Sep-04 | 585,700 | 3.1 |
| Oct-04 | 589,100 | 3.1 |
| Nov-04 | 591,400 | 3.1 |
| Dec-04 | 591,300 | 3.0 |
| Jan-05 | 587,900 | 2.9 |
| Feb-05 | 591,700 | 3.0 |
| Mar-05 | 592,900 | 2.8 |
| Apr-05 | 594,700 | 2.9 |
| May-05 | 595,100 | 2.7 |
| Jun-05 | 595,700 | 2.7 |

2003

2004

2005

Seasonally Adjusted Non-Ag. Jobs



UNEMPLOYMENT RATES- NOT SEASONALLY ADJUSTED

UNEMPLOYMENT RATES- SEASONALLY ADJUSTED

| | JUN 2005 | MAY 2005 | JUN 2004 |
|---------------|-------------|-------------|-------------|
| STATE | 3.3 | 2.4 | 3.9 |
| HONOLULU | 3.2 | 2.4 | 3.7 |
| HAWAII COUNTY | 4.0 | 2.9 | 4.8 |
| KAUAI | 3.2 | 2.4 | 4.0 |
| MAUI COUNTY | 3.0 | 2.3 | 3.7 |
| Maui Island | 2.8 | 2.1 | 3.3 |
| Molokai | 9.8 | 6.9 | 15.8 |
| Lanai | 1.7 | 2.4 | 2.4 |
| U. S. | 5.2 | 4.9 | 5.8 |

| | JUN 2005 | MAY 2005 | JUN 2004 |
|--------------|-------------|-------------|-------------|
| STATE | 2.7 | 2.7 | 3.2 |
| U. S. | 5.0 | 5.1 | 5.6 |

| | <u>Jun 2005</u> | <u>May 2005</u> | <u>Jun 2004</u> |
|--------------|-----------------|-----------------|-----------------|
| Labor Force | 630,350 | 625,150 | 614,950 |
| Employment | 613,250 | 608,250 | 595,450 |
| Unemployment | 17,100 | 16,900 | 19,500 |

** totals may not add up due to rounding

| | Jun 2004 | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun 2005 |
|--------|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------------|
| U. S. | 5.8 | 5.7 | 5.4 | 5.1 | 5.1 | 5.2 | 5.1 | 5.7 | 5.8 | 5.4 | 4.9 | 4.9 | 5.2 |
| Hawaii | 3.9 | 3.4 | 3.2 | 3.3 | 3.0 | 3.0 | 2.7 | 2.8 | 2.7 | 2.6 | 2.8 | 2.4 | 3.3 |

| | Jun 2004 | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun 2005 |
|--------|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------------|
| U. S. | 5.6 | 5.5 | 5.4 | 5.4 | 5.5 | 5.4 | 5.4 | 5.2 | 5.4 | 5.2 | 5.2 | 5.1 | 5.0 |
| Hawaii | 3.2 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.0 | 2.9 | 3.0 | 2.8 | 2.9 | 2.7 | 2.7 |

