



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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HAWAII POSTS A 2.5 UNEMPLOYMENT RATE IN MAY

Compared to a year ago, nearly 13,000 more people employed; nation's second lowest unemployment rate

HONOLULU - The Hawai'i State Department of Labor and Industrial Relations announced today that the seasonally adjusted unemployment rate for May 2007 was 2.5 percent, a slight increase over April's rate of 2.4 percent, but lower than the rate of 2.6 in May 2006. Hawai'i shares with Utah the distinction of having the country's second lowest unemployment rate. In fact, Hawai'i has consecutively posted the country's second lowest unemployment rate for the past two months. Hawai'i barely trailed Idaho and Montana, which notched the nation's lowest unemployment rate at 2.3 percent.

"We continue to be pleased with the steady performance of the State's vibrant economy that has kept the unemployment rate at continuously low levels," said Nelson B. Befitel, Director of Labor and Industrial Relations.

	MAY 2007	APR 2007	MAY 2006
STATE	2.5	2.4	2.6
HONOLULU*	2.2	2.3	2.4
HAWAII COUNTY*	3.1	3.0	3.0
KAUAI*	2.2	2.2	2.4
MAUI COUNTY*	2.2	2.2	2.4
Maui Island*	2.1	2.1	2.4
Molokai*	5.5	5.8	4.4
Lanai*	2.5	2.7	1.4
U. S.	4.5	4.5	4.6

* non-seasonally adjusted

Nationally, the seasonally adjusted unemployment rate remained unchanged over-the-month at 4.5 percent. Over the past 12 months, Hawai'i's monthly seasonally adjusted unemployment rate has ranged from 2.0 to 2.5 percent. In May, the statewide seasonally adjusted labor force totaled 654,000 (637,850 employed and 16,200 unemployed). Compared to a year ago, the number of employed persons has grown by 12,800, while the number of unemployed has gone down by 400.

State of Hawaii Seasonally Adjusted Labor Force Data			
	<u>May 2007</u>	<u>Apr 2007</u>	<u>May 2006</u>
Labor Force	654,000	653,250	641,650
Employment	637,850	637,500	625,050
Unemployment	16,200	15,750	16,600

Industry Payroll Employment

In another measure of employment, Hawai'i reported the nation's largest over-the-month percentage increase in employment. The total seasonally adjusted nonagricultural jobs grew over-the-month by 6,900 to 629,200 with all major published sectors posting increases in jobs. Nearly one-half of the job gain occurred in the private sector. Leisure and Hospitality (+700); Accommodation and Food Services (+600) and Educational and Health Services (+400) were sectors showing notable increases. Since

May 2006, the seasonally adjusted jobcount expanded by 14,600 or 2.4 percent with the private sector accounting for the largest percentage increase growing by 12,500 jobs or 85.6 percent notably in Leisure & Hospitality (+2,800 each) and Construction (+2,200).

Seasonally Adjusted Non-Ag. Jobs (State)			
SELECTED SERIES:	May-07	Apr-07	May-06*
NATURAL RESOURCES, MINING AND CONSTRUCTION	37,700	37,400	35,500
TRADE, TRANSPORTATION & UTILITIES	121,100	120,500	120,600
Wholesale Trade**	18,100	17,900	17,800
Retail Trade**	70,600	70,400	70,100
EDUCATIONAL AND HEALTH SERVICES	72,800	72,400	71,000
Educational Services**	14,400	14,300	14,000
Health Care and Social Assistance**	58,400	58,100	57,000
LEISURE & HOSPITALITY	110,300	109,600	107,500
Arts, Entertainment & Recreation**	11,700	11,600	11,600
Accommodation & Food Services**	98,600	98,000	95,900
OTHER SERVICES	26,600	26,500	26,000
GOVERNMENT	122,300	118,500	120,200
Federal Government**	31,700	31,800	31,700
State Government**	72,700	68,800	71,100
Local Government**	17,900	17,900	17,400
TOTAL: STATE	629,200	622,300	614,600

❖ **Leisure & Hospitality (+700)**

Leisure & Hospitality posted job gains for the seventh straight month. Arts, Entertainment and Recreation edged up by 100 jobs mostly in amusement and recreation industries. Accommodation and Food Services trended up by 600 jobs, primarily in Food Services and Drinking Places as new restaurants continued to open.

❖ **Trade, Transportation, & Utilities (+600)**

This industry group experienced a noticeable over-the-month increase of 600 jobs. Wholesale Trade added 200 jobs, while Retail Trade gained 200 jobs in food and

beverage stores. Air and Water Transportation also played integral roles in the growth in this sector. “Golden Week”, a major holiday in Japan occurring during this period, and more traffic in the cruise industry both contributed to the job gains.

❖ **Educational & Health Services (+400)**

This major sector recorded job growth for the fourth consecutive month. Education Services added 100 jobs in private schools, while Health Care and Social Assistance rose by 300 jobs, most of which were to staff workers in doctors’ offices.

❖ **Construction (+300)**

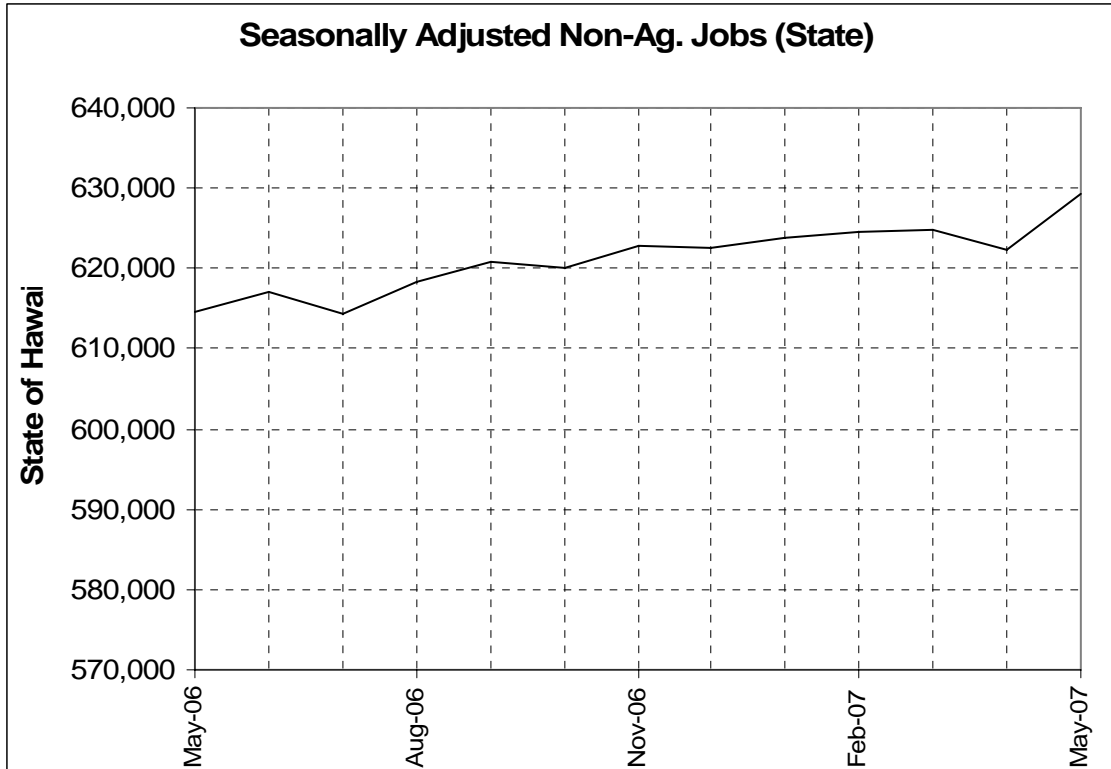
Construction continues to play an important role in our economy, rising by 300 jobs from April. The hiring of special trades contractors, including building equipment contactors and building finishing contractors, to work on renovated and new construction projects was largely responsible for the increase.

❖ **Other Services (+100)**

This miscellaneous group posted a modest gain in jobs mainly in civil and social organizations.

❖ **Government (+3,800)**

While Federal Government lost a nominal 100 jobs, Local Government remained unchanged. The largest share of the increase was in State Government due to the Department of Education rehiring staff after returning from its inter-session break.



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 status as of the end of May 2007 and its projected balance at the end of the year.

Fund Balance as of end of May 2007:	\$554,906,650
Taxes received year to date through end of May:	\$58,746,177
Interest received year to date through end of May:	\$6,410,263
Benefits paid year to date through end of May:	\$42,393,432

Tax Schedule for calendar year 2007: Schedule "B"

Fund projections (as of May 2007) for calendar year 2007 and calendar year 2008 tax schedule:

Fund Balance, end of 2007:	\$561,000,000 (projected)
Taxes for calendar year 2007:	\$107,300,000 (projected)
Interest for calendar year 2007:	\$25,500,000 (projected)
Benefits for calendar year 2007:	\$104,000,000 (projected)
Tax Schedule for calendar year 2008:	Schedule "A" (projected under Act 110)

For comparison purposes, in calendar year 2006 the Fund collected \$142.2 million in taxes and paid out \$90.6 million in benefits.

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