

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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**DURING LINGLE-AIONA ADMINISTRATION UNEMPLOYMENT
POPULATION DROPS BY 25.9% AS ECONOMY ADDS 30,900 NEW
JOBS**

Hawaii's Near Historically Low 2.7% Unemployment Rate for Month of May
Still Lowest in the Nation as Unemployment Trust Fund Projected to Grow
to \$452 Million Dollars by End of Year

HONOLULU- The Hawaii State Department of Labor and Industrial Relations (DLIR) announced today that the seasonally adjusted unemployment rate for May was 2.7 percent, a decline of 0.2 percentage point over April's seasonally adjusted unemployment rate of 2.9 percent. In comparison, the national seasonally adjusted unemployment rate was 5.1 percent in May, down slightly from 5.2 percent in April. One year ago, Hawaii's seasonally adjusted unemployment rate was 3.3 percent, while the U.S. seasonally adjusted unemployment rate was 5.6 percent.

May 2005 marked the third consecutive month that Hawaii posted the lowest seasonally adjusted unemployment rate in the nation, as well as marking the third consecutive month in which the rate was below three percent. Hawaii's seasonally adjusted labor force totaled 625,250 in May, and was comprised of 608,200 employed and 17,050 unemployed. Compared with December 2002, the number of unemployed has contracted by 5,950, or 25.9 percent.

In another measure of employment, total seasonally adjusted non-agricultural jobs remained largely stable over-the-month, rising slightly by 400, to 594,700. In May over April, all of the seasonally adjusted industries posted either small gains or remained unchanged. Trade, Transportation, & Utilities added 600 jobs, mostly as a result of on-going hiring for a cruise ship. The balance of seasonally adjusted industries, namely Manufacturing, Other Services, and Government, remained unchanged in May over April. Leisure & Hospitality (+400), Education & Health Services (+300), and Construction (+100) experienced smaller over-the-month job gains

Since December 2002, the seasonally adjusted job count has risen by 30,900, or 5.5 percent. Trade, Transportation, & Utilities have grown by 9,300 jobs while Construction has expanded by over sixteen percent (+4,500, +16.5 percent), with Leisure & Hospitality (+8,100, +8.2 percent) and Education & Health Services (+5,500, +8.6 percent) having job increases in excess of eight percent.

Unemployment Trust Fund

To better inform the public on the status of the state's Unemployment Compensation Fund (Fund), the DLIR will be providing the monthly status of the Fund and its projected balance at the end of the year. The Fund was established in 1937 to provide temporary income to unemployed individuals as required by the federal Social Security and National Employment Acts. The federal government strictly prohibits the use of the fund for anything other than the payment of benefits. The Fund pays benefits to eligible unemployed individuals and is financed through payroll taxes assed on employers and interest earned on the fund balance.

Present Balance:	\$418,640,396
Taxes Received:	\$62,318,652
Interest:	\$5,458,070
Benefits Paid:	\$37,101,208
Current Tax Schedule:	Schedule "C"

In analysis of the Fund, the DLIR has made the following Fund and Tax Schedule projections:

2005 Ending Balance:	\$452,000,000 (projected)
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2005 Taxes Received:	\$127,300,000 (projected)
2005 Interest:	\$23,000,000 (projected)
2005 Benefits Paid:	\$86,800,000 (projected)
2006 Tax Schedule:	Schedule "C" (projected)

For historical reference in 2004 the Fund collected \$124,597,453 in taxes and paid out \$104,691,814 in benefits. Since 2001, when the Fund had an ending balance of \$298.2 million, the Fund has grown by more than \$120.4 million in four and a half years. The tax schedule for 2006 is projected to remain unchanged from schedule "C".

This past legislative session, the Lingle-Aiona Administration introduced a measure that would have offered UI tax relief to Hawaii's employers, saving them an estimated \$200 million. This proposal was rejected by the Legislature.

"The percentage of unemployed in our labor force continues to remain near historically low levels, with a vibrant economy continuing to produce new jobs," said Nelson B. Befitel, Director of Labor & Industrial Relations. "Our administration is focused on ensuring that the state continues this economic momentum."

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Not Seasonally Adjusted Non-Ag. Jobs

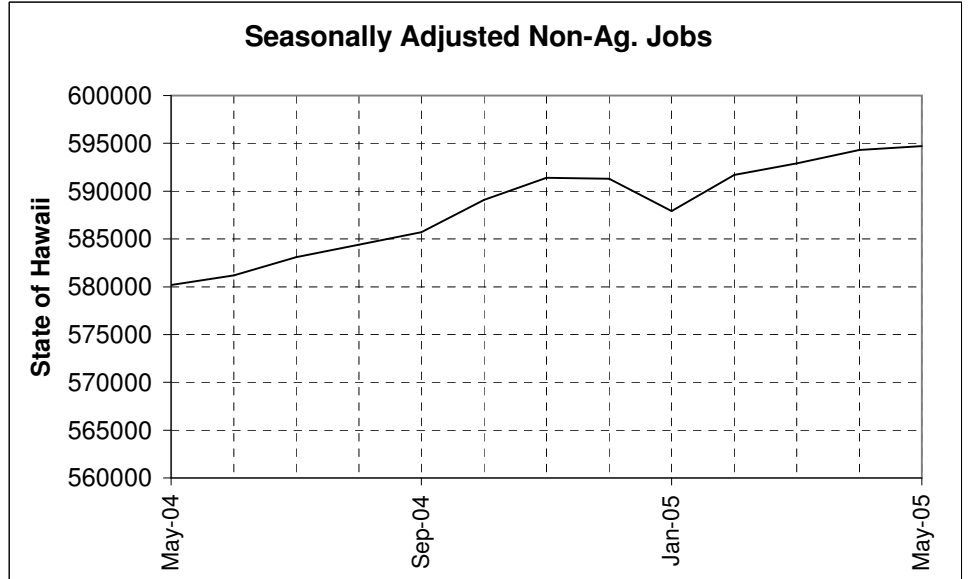
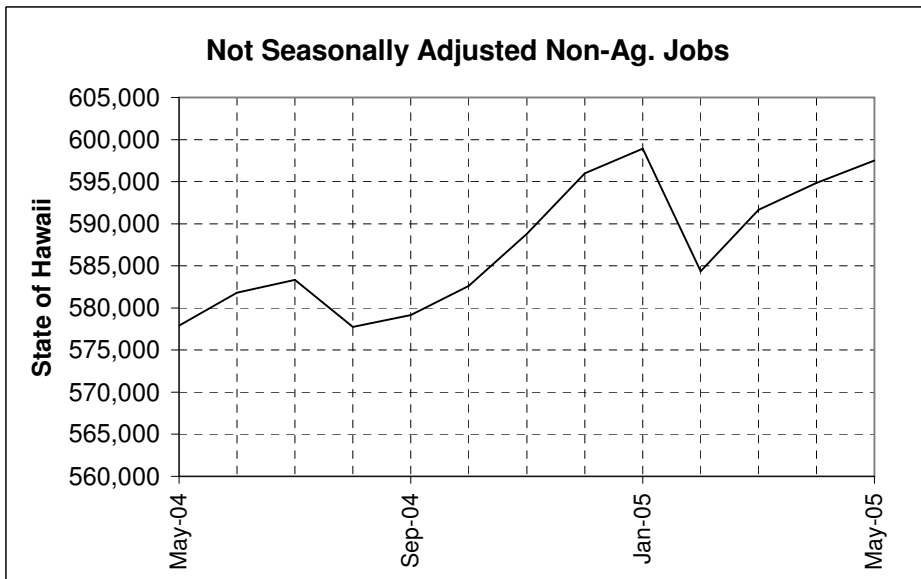
	May-05	Apr-05	May-04*
NAT. RESOURCES, MINING & CONSTR.	32,050	31,750	28,950
MANUFACTURING	15,400	15,400	15,450
TRADE, TRANSPORTATION & UTILITIES	115,650	115,100	110,800
INFORMATION	10,600	10,800	10,550
FINANCIAL ACTIVITIES	29,200	29,100	28,700
PROFESSIONAL & BUSINESS SERVICES	72,300	72,750	69,400
EDUCATIONAL & HEALTH SERVICES	69,450	69,100	67,350
LEISURE & HOSPITALITY	105,950	105,750	103,000
OTHER SERVICES	24,450	24,250	24,450
GOVERNMENT	122,550	121,350	123,150
TOTAL	597,500	594,850	577,900

* BENCHMARKED DATA

Seasonally Adjusted Non-Ag. Jobs

	May-05	Apr-05	May-04*
NAT. RESOURCES, MINING & CONSTR. **	31,700	31,600	28,900
MANUFACTURING **	15,300	15,300	15,400
TRADE, TRANSPORTATION & UTILITIES	116,900	116,300	111,900
EDUCATIONAL AND HEALTH SERVICES	69,200	68,900	67,100
LEISURE & HOSPITALITY	106,300	105,900	103,000
OTHER SERVICES **	24,500	24,500	24,400
GOVERNMENT	119,100	119,100	119,800
TOTAL	594,700	594,300	580,200

** NEW SEASONALLY ADJUSTED SERIES



	Total Unemp Rate	Insured Unemp Rate	<i>Hawaii Unemployment Compensation Fund</i>			
			INCOME		OUTGO	BALANCE
			Taxes	Interest		
2004						
Jan	3.4%	1.79%	7,768,263	5,226,357	10,245,907	344,794,042
Feb	3.2%	1.79%	19,488,591	-903	9,178,017	355,103,713
Mar	3.6%	1.79%	57,360	1,695	11,853,652	343,309,117
Apr	3.2%	1.75%	12,925,902	5,343,436	9,655,615	351,922,840
May	3.0%	1.72%	24,291,831	-2,481	8,558,088	367,654,103
Jun	3.9%	1.65%	-379,998	1,276	9,666,254	357,609,127
Jul	3.4%	1.57%	9,985,418	5,071,196	8,023,844	364,641,897
Aug	3.2%	1.51%	23,457,813	-2,417	8,770,043	379,327,250
Sep	3.3%	1.43%	176,628	5,120,761	7,309,596	377,315,042
Oct	3.0%	1.37%	6,548,784	-2,159	6,865,437	376,996,230
Nov	3.0%	1.31%	20,050,091	3,074	7,747,292	389,302,103
Dec	2.7%	1.27%	226,752	5,254,096	6,818,069	387,964,883
Total	3.3%	1.58%	124,597,435	26,013,933	104,691,814	387,964,883
2005						
Jan	2.8%	1.29%	6,542,549	887	8,837,081	385,671,238
Feb	2.7%	1.30%	15,423,701	-2,174	7,179,756	393,913,008
Mar	2.6%	1.29%	-78,189	5,452,312	7,000,534	392,286,597
Apr	2.8%	1.22%	9,539,840	5,309	6,691,664	395,140,082
May		1.17%	30,890,752	1,736	7,392,174	418,640,396
Total			62,318,652	5,458,070	37,101,208	418,640,396

TUR = Total Unemployment Rate, not seasonally adjusted (2004 rates revised March 2005)

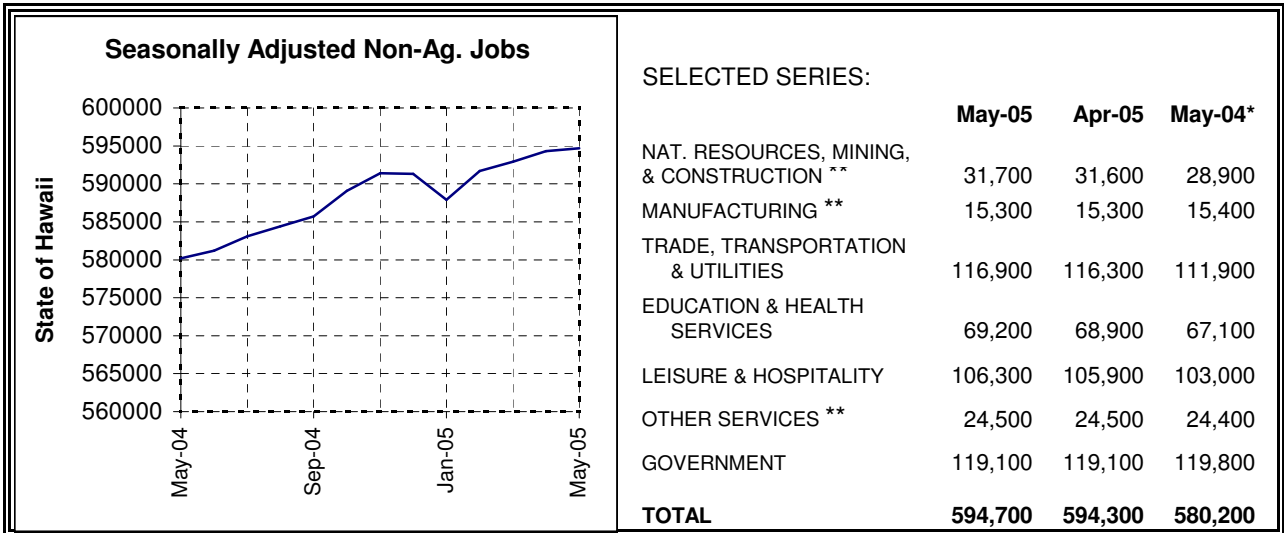
IUR = Insured Unemployment Rate; week including the 12th of the month

Taxes = UI taxes collected, adjusted for refunds and transfers to P&I and E&T funds, and Reed Act distributions

Outgo = Benefits paid from the contributing employer trust fund, adjusted for claimant refunds, cancelled warrants, and interstate combined wage claim reimbursements.

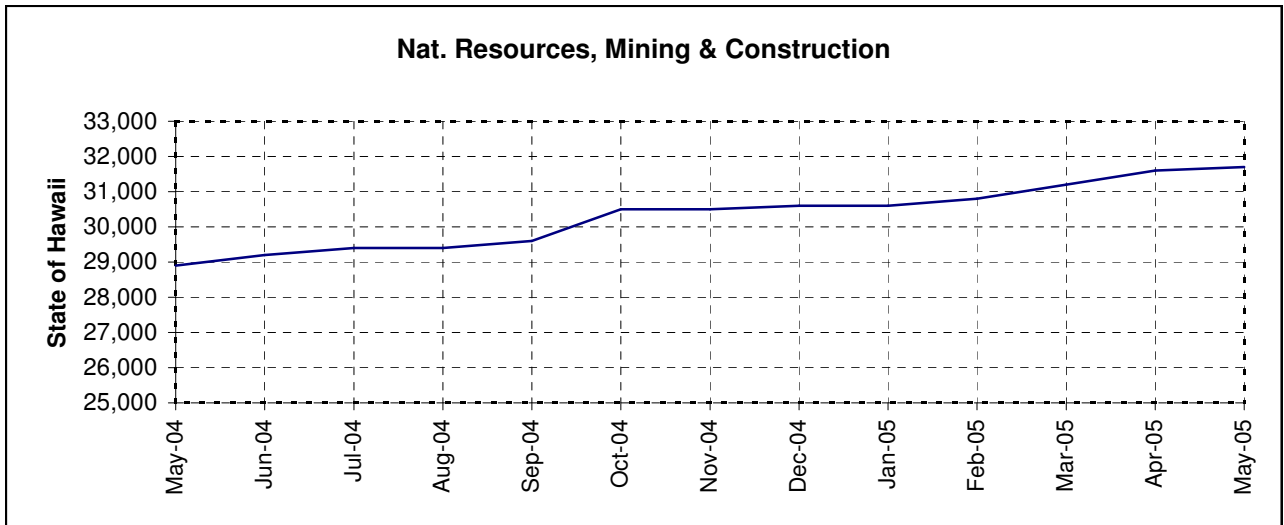
LABOR FORCE AND JOBCOUNT ESTIMATES
April 2005 Report, Statewide

	DEPARTMENT OF LABOR -- LABOR FORCE ESTIMATES							
	STATEWIDE							
	(NOT SEASONALLY ADJUSTED)							
	May-05	Apr-05	May-04	CHANGE FROM ONE MONTH AGO		CHANGE FROM ONE YEAR AGO		
CIVILIAN LABOR FORCE	623.7	632.2	613.9	-8.5	-1.3%	9.8	1.6%	
TOTAL EMPLOYED	608.4	614.5	595.2	-6.1	-1.0%	13.2	2.2%	
UNEMPLOYED	15.3	17.7	18.7	-2.4	-13.6%	-3.4	-18.2%	
percent of Labor Force	2.5%	2.8%	3.0%					
Total Nonfarm	597.5	595.3	581.8	2.2	0.4%	15.7	2.7%	
Total Private	474.9	474.0	458.6	0.9	0.2%	16.3	3.6%	
Goods Producing	47.4	47.2	44.4	0.3	0.6%	3.0	6.8%	
Service-Providing	550.1	548.2	537.4	1.9	0.3%	12.7	2.4%	
Private Service-Providing	427.5	426.8	414.2	0.7	0.2%	13.3	3.2%	
Nat. Res & Construct	32.0	31.8	29.0	0.3	0.9%	3.1	10.6%	
Construction of Buildings	10.0	9.9	9.2	0.1	0.1%	0.8	9.8%	
Special Trade Contractors	17.5	17.3	15.4	0.2	1.0%	2.1	9.0%	
Manufacturing	15.4	15.4	15.4	0.0	-0.1%	0.0	-0.3%	
Durable Goods	4.3	4.4	4.4	0.0	-0.6%	-0.1	-1.6%	
Non-Durable Goods	11.1	11.0	11.0	0.0	0.1%	0.0	0.2%	
Trade, Transportation,	115.6	115.1	110.8	0.6	0.5%	4.8	4.4%	
Wholesale Trade	17.4	17.4	17.0	0.1	0.3%	0.5	2.7%	
Retail Trade	67.8	67.8	65.6	-0.1	-0.1%	2.1	3.2%	
Food and Beverage Sto	12.8	12.8	12.7	0.0	0.3%	0.1	0.9%	
Grocery Stores	10.5	10.5	10.5	0.0	0.1%	0.0	-0.1%	
Clothing and Clothing	10.5	10.6	9.6	-0.1	-0.9%	0.8	8.7%	
General Merchandise S	12.1	12.0	10.9	0.0	0.4%	1.2	11.4%	
Department Stores	8.9	8.8	8.0	0.1	0.9%	0.9	10.8%	
Trans,Warehouse, Util	30.5	29.9	28.2	0.6	1.9%	2.3	8.0%	
Utilities	2.8	2.8	2.7	0.0	0.1%	0.2	5.8%	
Transport & Warehouse	27.6	27.1	25.5	0.6	2.1%	2.1	8.3%	
Air Transportation	10.3	10.3	10.3	0.0	0.1%	0.1	0.8%	
Information	10.6	10.8	10.5	-0.2	-1.6%	0.1	0.8%	
Telecommunications	3.8	3.8	3.7	0.0	0.2%	0.0	1.3%	
Financial Activities	29.2	29.1	28.7	0.1	0.3%	0.5	1.7%	
Finance and Insurance	16.5	16.5	16.4	0.0	0.1%	0.2	0.9%	
Real Estate and Renta	12.7	12.6	12.3	0.1	0.5%	0.4	2.8%	
Professional and Busin	72.3	72.7	69.4	-0.4	-0.6%	2.9	4.2%	
Professional, Scienti	23.1	23.6	22.4	-0.5	-2.0%	0.8	3.4%	
Management of Compani	6.9	6.9	6.7	0.0	0.2%	0.2	2.4%	
Administrative and Su	42.3	42.3	40.3	0.0	0.0%	2.0	4.9%	
Employment Services	15.2	15.4	14.1	-0.2	-1.3%	1.1	8.1%	
Educational and Health	69.4	69.1	67.4	0.3	0.5%	2.1	3.1%	
Educational Services	13.4	13.3	13.2	0.1	0.4%	0.2	1.4%	
Elementary and Second	7.3	6.9	6.7	0.3	4.6%	0.5	8.0%	
Health Care and Socia	56.1	55.8	54.2	0.3	0.5%	1.9	3.5%	
Ambulatory Health Car	22.1	22.1	21.2	0.0	0.2%	0.9	4.4%	
Hospitals	14.4	14.3	14.2	0.1	0.9%	0.2	1.7%	
Nursing and Residenti	6.6	6.5	6.2	0.0	0.5%	0.3	5.4%	
Social Assistance	13.0	12.9	12.6	0.1	0.4%	0.4	3.0%	
Leisure and Hospitalit	105.9	105.8	103.0	0.2	0.2%	2.9	2.9%	
Arts, Entertainment,	11.4	11.4	11.4	0.0	0.4%	0.0	0.1%	
Accommodation and Foo	94.5	94.4	91.6	0.1	0.1%	2.9	3.2%	
Accommodation	38.9	38.8	37.6	0.1	0.3%	1.3	3.4%	
Food Services and Dri	55.6	55.6	54.0	0.0	0.1%	1.6	3.1%	
Full-Service Restaura	28.6	28.8	27.8	-0.1	-0.4%	0.9	3.1%	
Other Services	24.4	24.3	24.5	0.2	0.7%	0.0	-0.1%	
Government	122.6	121.3	123.2	1.2	1.0%	-0.6	-0.5%	
Federal Government	31.1	31.0	31.2	0.0	0.1%	-0.1	-0.3%	
Ship Building & Repai	4.1	4.1	4.2	0.0	0.0%	-0.1	-1.8%	
Department of Defense	16.5	16.5	16.5	0.0	-0.1%	0.0	0.3%	
State Government	74.5	73.4	75.1	1.2	1.6%	-0.5	-0.7%	
State Govt. Education	50.6	49.4	45.6	1.2	2.5%	5.0	11.0%	
Local Government	16.9	16.9	16.9	0.0	0.1%	0.0	0.1%	

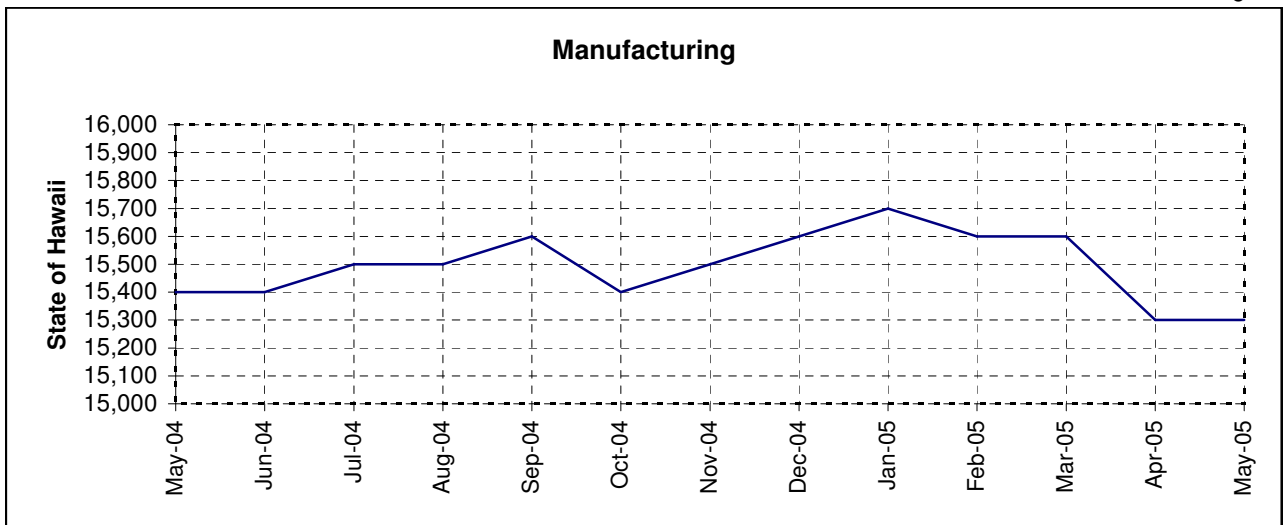


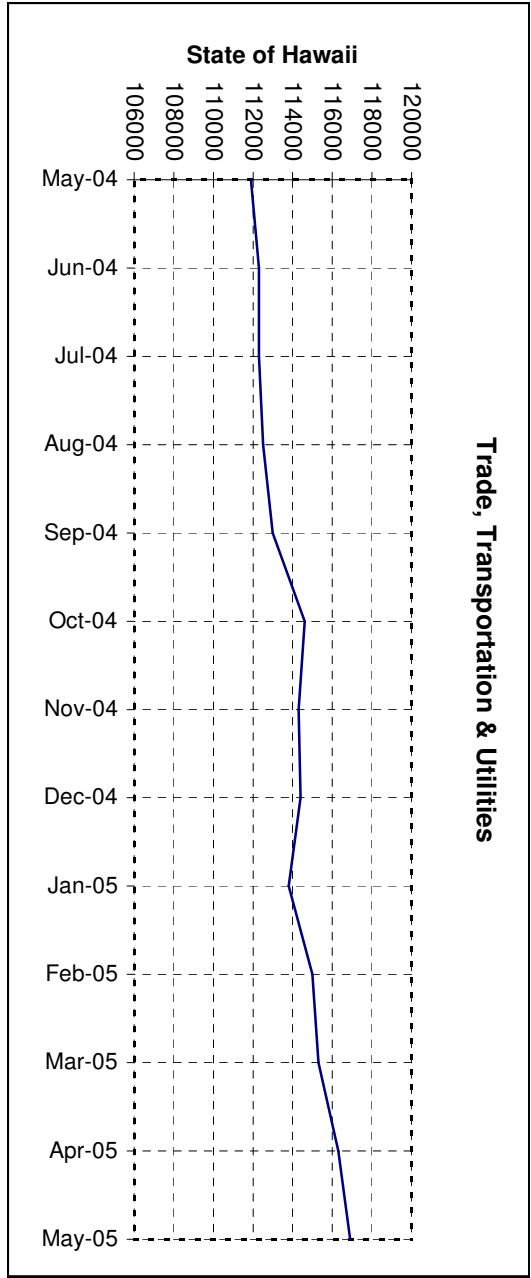
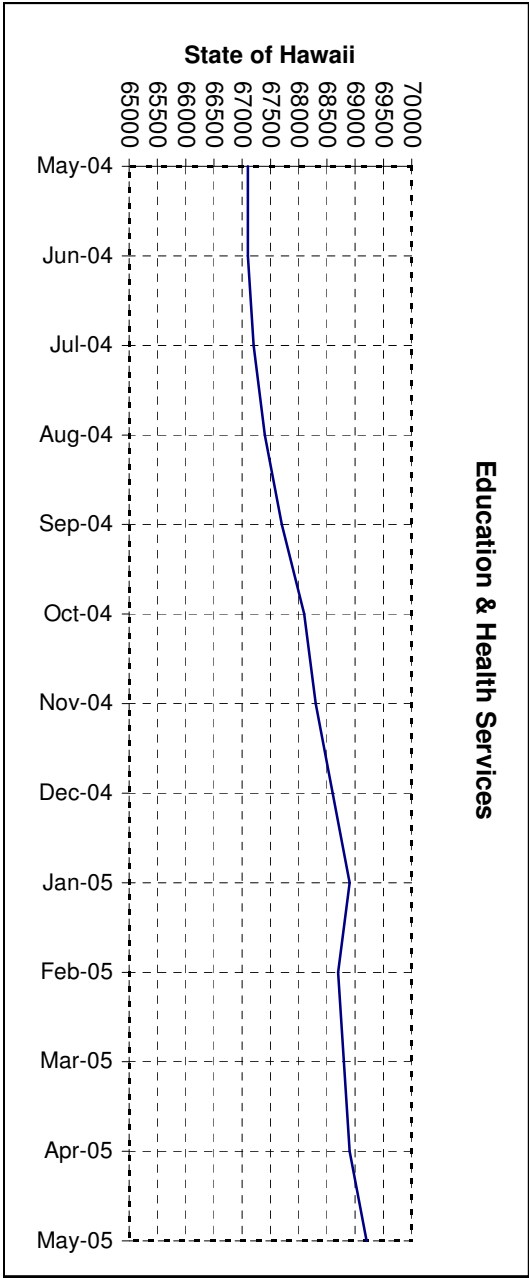
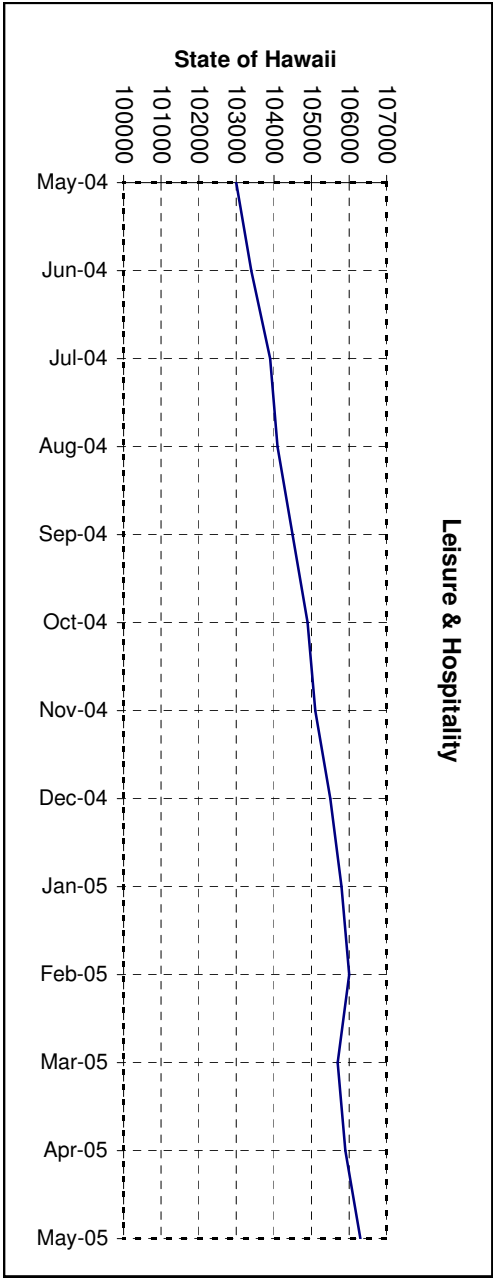
* BENCHMARKED DATA; ** NEW SEASONALLY ADJUSTED SERIES

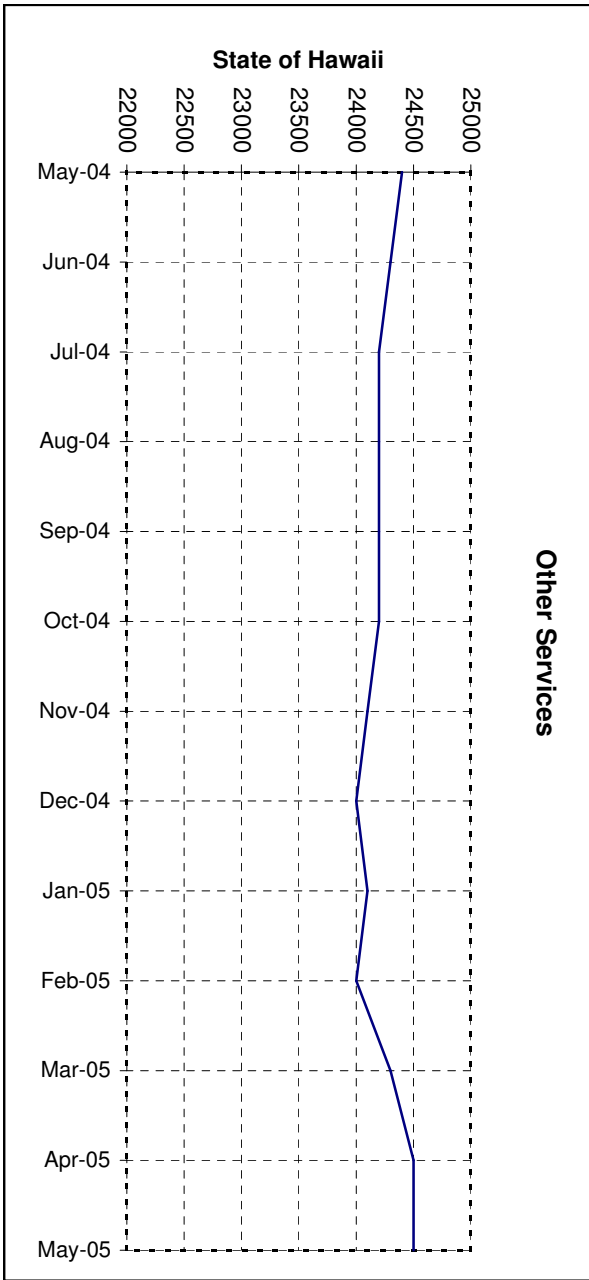
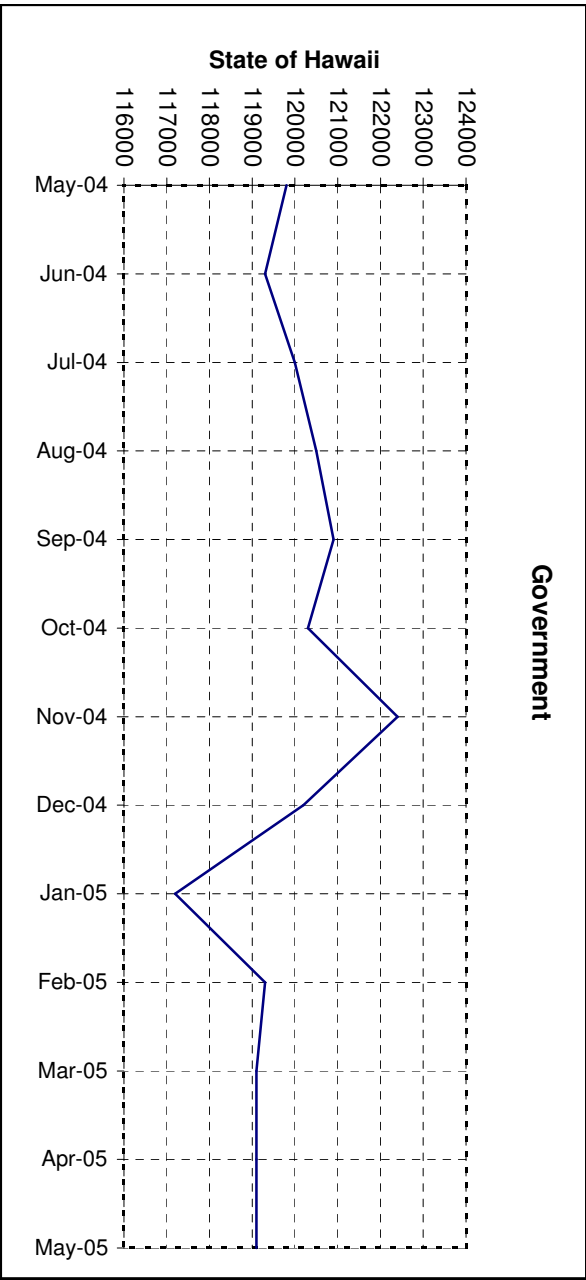
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UNEMPLOYMENT RATES- NOT SEASONALLY ADJUSTED

UNEMPLOYMENT RATES- SEASONALLY ADJUSTED

	MAY 2005	APR 2005	* MAY 2004
STATE	2.5	2.8	3.0
HONOLULU	2.4	2.7	2.9
HAWAII COUNTY	2.9	3.3	3.9
KAUAI	2.4	2.8	3.2
MAUI COUNTY	2.3	2.6	3.0
Maui Island	2.1	2.4	2.7
Molokai	6.9	9.3	10.5
Lanai	2.4	1.2	1.9
U. S.	4.9	4.9	5.3

	MAY 2005	APR 2005	MAY 2004
STATE	2.7	2.9	3.3
U. S.	5.1	5.2	5.6

	<u>May 2005</u>	<u>Apr 2005</u>	<u>May 2004</u>
Labor Force	625,250	630,900	615,300
Employment	608,200	612,550	595,300
Unemployment	17,050	18,350	20,000

* preliminary data subject to approval by the Bureau of Labor Statistics

** totals may not add up due to rounding

	May 2004	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May 2005
U. S.	5.3	5.8	5.7	5.4	5.1	5.1	5.2	5.1	5.7	5.8	5.4	4.9	4.9
Hawaii	3.0	3.9	3.4	3.2	3.3	3.0	3.0	2.7	2.8	2.7	2.6	2.8	2.5

	May 2004	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May 2005
U. S.	5.6	5.6	5.5	5.4	5.4	5.5	5.4	5.4	5.2	5.4	5.2	5.2	5.1
Hawaii	3.3	3.2	3.1	3.1	3.1	3.1	3.1	3.0	2.9	3.0	2.8	2.9	2.7

