

## DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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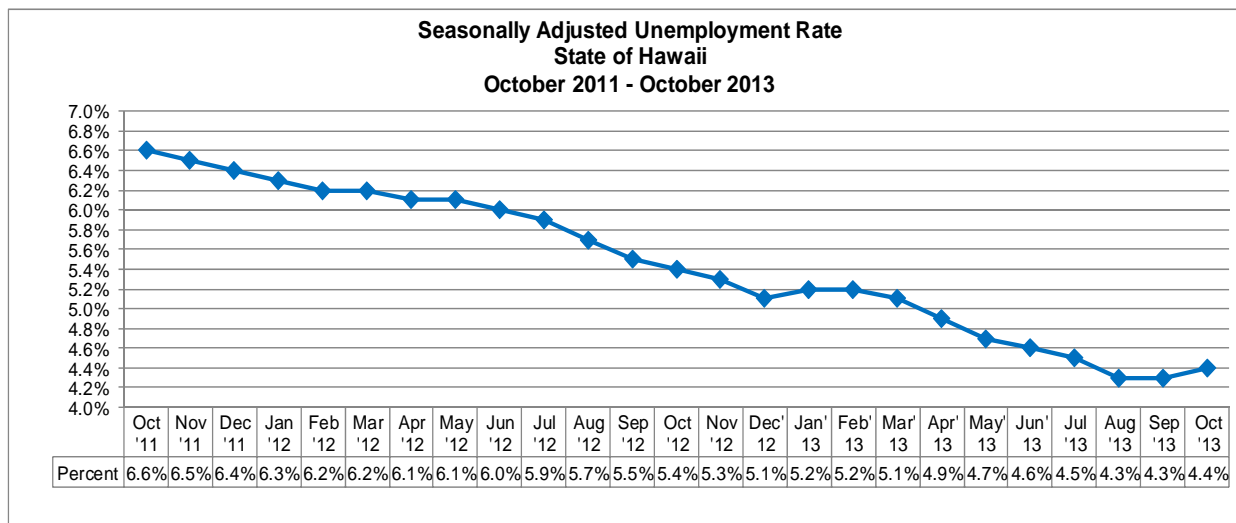
**FOR IMMEDIATE RELEASE**

Nov. 22, 2013

### Hawaii's Unemployment Rate at 4.4 Percent in October

#### *Leisure & Hospitality, Construction Sectors Lead Job Growth*

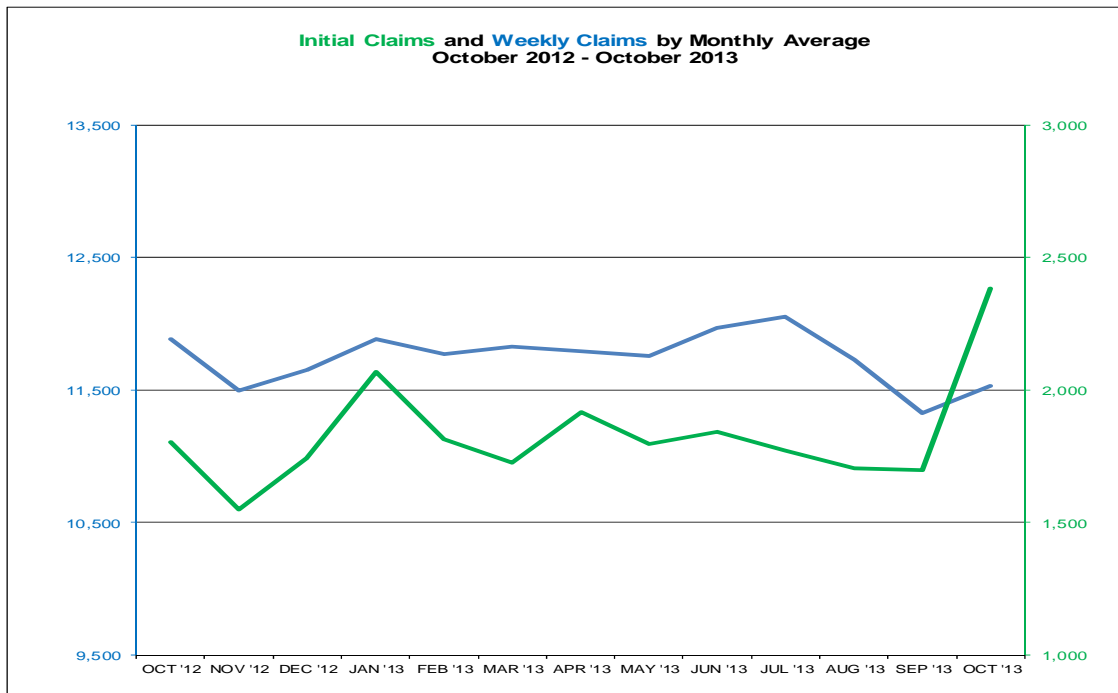
HONOLULU — The Hawaii State Department of Labor & Industrial Relations today announced that the seasonally adjusted unemployment rate for October was 4.4 percent, up from 4.3 percent in September. Statewide, there were 619,600 employed and 28,700 unemployed in October, for a total seasonally adjusted labor force of 648,300. Nationally, the seasonally adjusted unemployment rate was 7.3 percent in October, up from 7.2 percent in September.



Initial claims increased by 579 or 32.1% while weeks claims decreased by 352 or -3.0% for unemployment benefits compared to one year ago. Over-the-month initial claims and weeks claims grew by 40.3% and 1.8% consecutively from September 2013. Over-the-year and over-the-month increases in initial claims were due to the government shutdown.

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

In a separate measure of employment, total seasonally adjusted nonagricultural jobs decreased by 700 in October over September. Major industry sector employment gains were experienced in Trade, Transportation, & Utilities (+1,000) and Professional & Business Services (+300). Within the Trade, Transportation, & Utilities grouping, the bulk of the expansion took place in Retail Trade, with job gains well diffused throughout a variety of retail sectors. Jobs in Financial Activities and Educational & Health Services remained stable. Over-the-month job declines occurred in Manufacturing (-100), Leisure & Hospitality (-500), Other Services (-500) and Construction (-800). Government employment went up by 100 jobs. It should be noted that Federal employees on furlough during the partial government shutdown were still considered employed in the payroll survey because they worked or received pay for the pay period that included the 12th of the month. Over-the-year, Leisure & Hospitality has added the most jobs (+3,200, +3.0 percent), while Construction (+1,800, +5.9 percent) has grown by the highest percentage.



	OCT 2013	SEP 2013	AUG 2013	OCT* 2012
<u>Seasonally Adjusted</u>				
STATE	4.4	4.3	4.3	5.4
U. S.	7.3	7.2	7.3	7.9
<u>Not Seasonally Adjusted</u>				
STATE	4.7	4.5	4.2	5.3
HONOLULU	4.3	4.1	3.8	4.8
HAWAII COUNTY	6.4	6.1	5.8	7.4
KAUAI	5.6	5.2	4.8	6.5
MAUI COUNTY	5.0	4.8	4.5	5.7
Maui Island	4.8	4.7	4.3	5.5
Molokai	11.4	9.9	9.5	14.1
Lanai	4.1	4.2	2.9	1.2
U. S.	7.0	7.0	7.3	7.5

county & island rates are not seasonally adjusted

\* benchmarked data

State of Hawaii Seasonally Adjusted Labor Force Data**				
	<u>Oct 2013</u>	<u>Sep 2013</u>	<u>Aug 2013</u>	<u>Oct 2012*</u>
Labor Force	648,300	645,200	642,500	651,050
Employment	619,600	617,600	614,650	616,000
Unemployment	28,700	27,550	27,800	35,100

\* benchmarked data

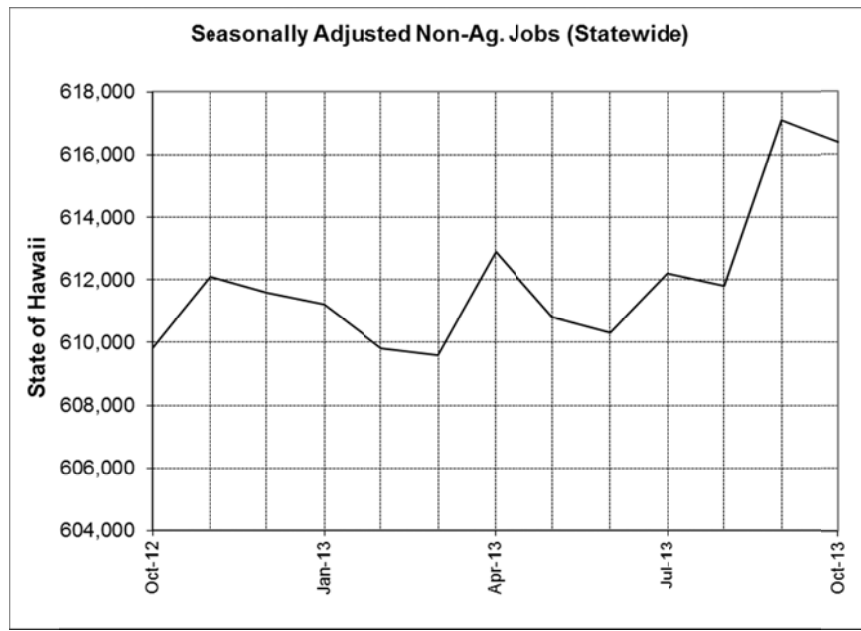
\*\*totals may not add due to rounding

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 increased to 4.7 percent in October from 4.5 percent in September.

**Seasonally Adjusted Non-Ag. Jobs (Statewide)**

<b>SELECTED SERIES:</b>	<b>Oct-13</b>	<b>Sep-13</b>	<b>Aug-13</b>	<b>Oct-12*</b>
MINING, LOGGING & CONSTRUCTION	32,100	32,900	32,500	30,300
MANUFACTURING	13,400	13,500	13,400	13,300
Non-Durable Goods	9,900	10,000	9,800	9,700
TRADE, TRANSPORTATION & UTILITIES	116,300	115,300	114,900	115,600
Wholesale Trade	17,900	18,000	17,900	17,900
Retail Trade	69,100	68,100	67,800	69,000
FINANCIAL ACTIVITIES	27,200	27,200	27,400	27,300
Real Estate & Rental & Leasing	11,600	11,700	11,800	11,600
PROFESSIONAL & BUSINESS SERVICES	77,900	77,600	77,300	77,200
Professional, Scientific, Tech Svcs	24,800	24,300	24,300	24,500
Mgmt of Companies & Enterprises	7,300	7,200	7,100	7,400
Administrative & Support & Waste Mgmt	45,800	46,100	45,900	45,300
EDUCATIONAL & HEALTH SERVICES	77,400	77,400	76,900	77,300
Educational Services	14,500	14,500	14,300	14,800
Health Care & Social Assistance	62,900	62,900	62,600	62,500
LEISURE & HOSPITALITY	111,000	111,500	111,600	107,800
Arts, Entertainment & Recreation	11,800	11,900	11,800	11,200
Accommodation & Food Services	99,200	99,600	99,800	96,600
OTHER SERVICES	28,000	28,500	28,300	26,900
GOVERNMENT	125,000	124,900	121,400	126,000
Federal Government	33,500	33,400	33,700	35,000
State Government	72,800	72,700	69,200	72,400
Local Government	18,700	18,800	18,500	18,600
<b>TOTAL: STATEWIDE</b>	<b>616,400</b>	<b>617,100</b>	<b>611,800</b>	<b>609,800</b>

\*Benchmarked Data



## Technical Notes

### **Seasonal Adjustment**

The seasonal fluctuations in the number of employed and unemployed persons reflect hiring (and layoffs) 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. To deal with such problems, a statistical technique called seasonal adjustment is used. This technique uses the past history of the series 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. When a statistical series has been seasonally adjusted, data for any month can be more meaningfully compared with data from any other month or with an annual average.

### **Current Population (Household) Survey (CPS)**

The labor force statistics are derived from a survey based on the week including the 12<sup>th</sup> of each month of Hawaii residents with a sample size of about 1,000 households. A series of questions are asked to assess whether a person is currently part of the labor force, and if so, what is their 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 are classified as unemployed if they do not have a job, have actively looked for work in the prior four weeks, and are currently available for work. Workers expecting to be recalled from layoff are counted as unemployed, whether or not 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**

The 2012 and 2011 labor force estimates have been revised to incorporate updated inputs, updated population controls, re-estimation of models, and adjustment to new division and national control totals. The updated population controls reflect the annual updating of population estimates by the U.S. Census Bureau.

### **Change to Monthly Employment Estimates**

This release incorporates revised job count figures from 1990 through 2012 for the seasonally adjusted series. The reconstructed data reflects data from historical corrections applied to unadjusted supersector or sector level series. For years, monthly employment estimates for Hawaii and our metropolitan areas have been developed by analysts with the State Department of Labor - Research and Statistics Office. 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 and Honolulu MSA areas. State agencies will continue to provide the BLS with information on local events that may impact the estimates, such as strikes or large layoffs/hiring at businesses not covered by the survey and to disseminate and analyze the 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.

### **Seasonally Adjusted Labor Force and Unemployment Estimates for Honolulu**

Effective with the release of metropolitan area data for May 2011, the Bureau of Labor Statistics is publishing smoothed seasonally adjusted civilian labor force and unemployment estimates for all metropolitan areas. This includes estimates for Honolulu County. The data will be available on the day of each Metropolitan Area Employment and Unemployment news release. The schedule is available at <http://www.bls.gov/lau/lausched.htm>.

### **Alternative Measures of Labor Underutilization**

*Alternative Measures of Labor Underutilization for States, Fourth Quarter of 2012 through Third Quarter of 2013 Averages.*

**Alternative measures of labor underutilization for US and Hawaii,  
Fourth Quarter of 2012 through Third Quarter of 2013 Averages**  
(percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	4.1	4.0	7.6	8.1	9.0	14.1
Hawaii	2.5	2.1	4.8	5.4	6.4	11.3

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.

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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