



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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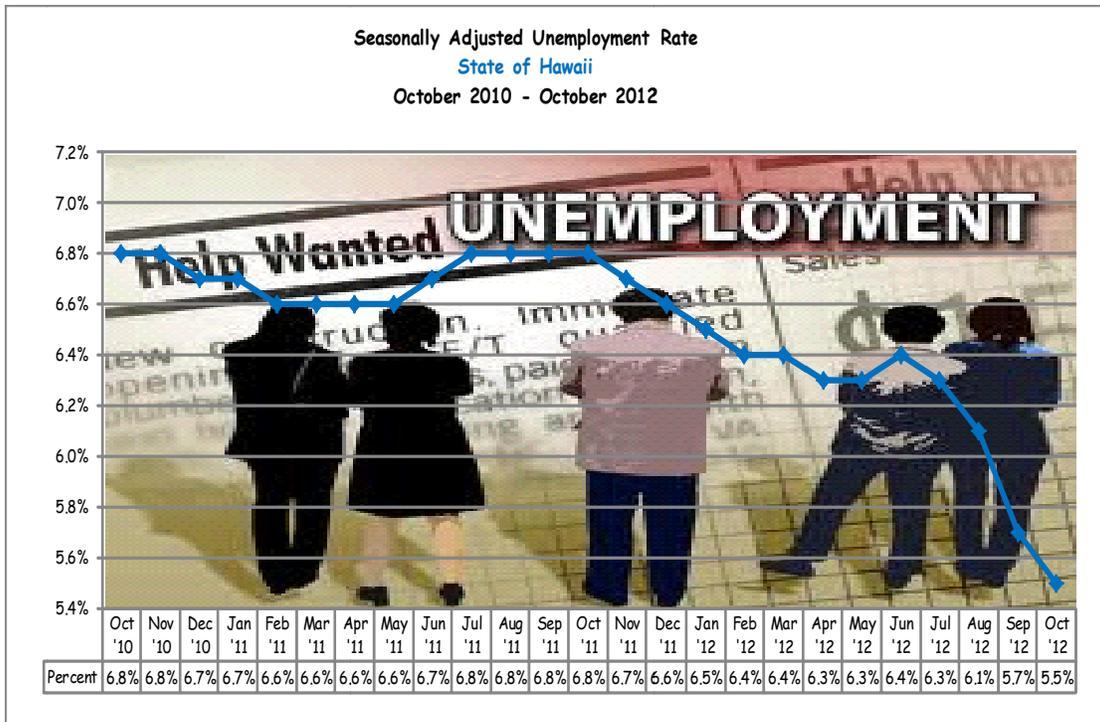
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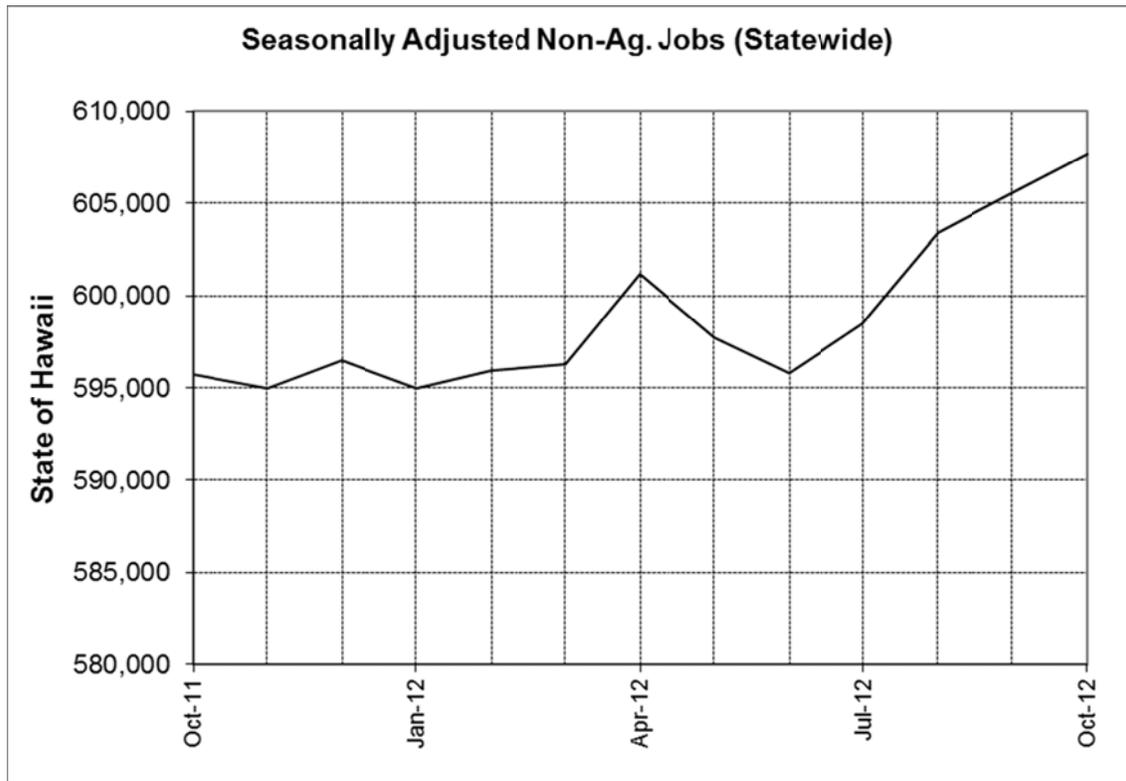
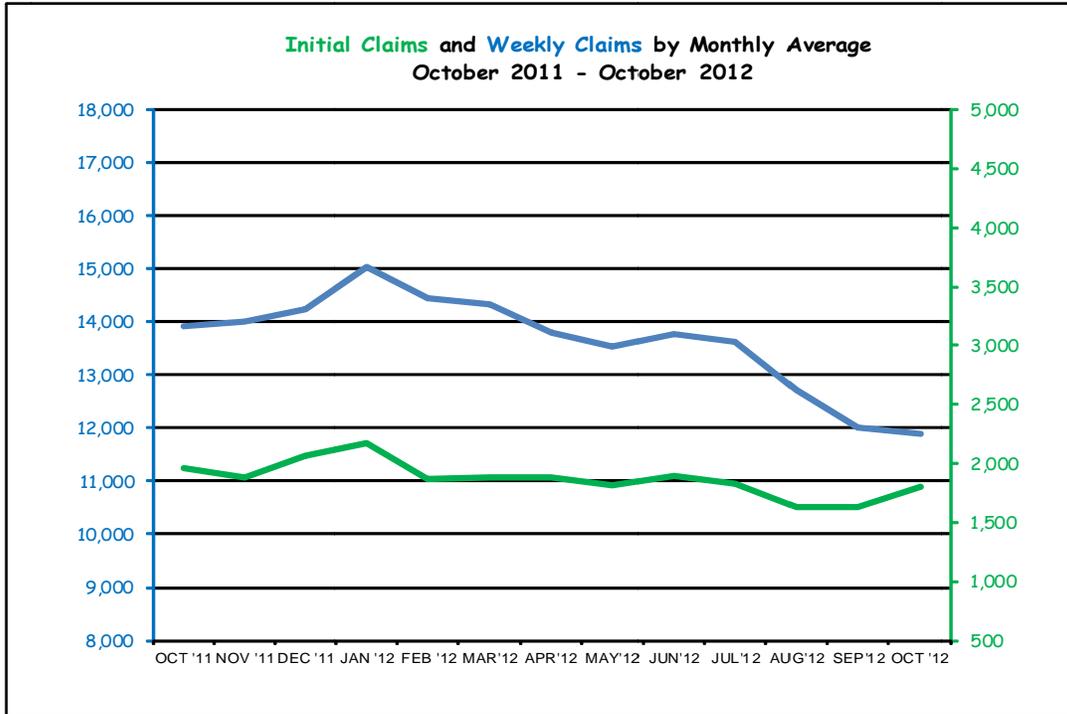
HAWAII'S UNEMPLOYMENT RATE FALLS TO 5.5 PERCENT IN OCTOBER

Employment Has Expanded by 11,900 Jobs since June

HONOLULU—The Hawai'i State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for October was 5.5 percent, down from 5.7 percent in September. The last time Hawai'i had an unemployment rate at or below 5.5 percent was in November 2008. Statewide, there were 606,950 employed and 35,550 unemployed in October, for a total seasonally adjusted labor force of 642,500. Nationally, the seasonally adjusted unemployment rate was 7.9 percent, up from 7.8 percent in September.



Initial claims and weeks claimed for unemployment benefits were down 7.8% and 14.7%, respectively compared to one year ago. Between September and October, initial claims increased by 173 claims or 10.6% while weeks claims dropped by 127 claims or 1.1%.



State of Hawai'i Seasonally Adjusted Labor Force Data**			
	<u>Oct 2012</u>	<u>Sep 2012</u>	<u>Oct 2011*</u>
Labor Force	642,500	640,550	661,400
Employment	606,950	603,950	616,700
Unemployment	35,550	36,650	44,750

* benchmarked data

**totals may not add due to rounding

The unemployment rate figures for the State of Hawai'i 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 declined to 5.5 percent in October from 5.6 percent in September.

	OCT 2012	SEP 2012	OCT* 2011
<u>Seasonally Adjusted</u>			
STATE	5.5	5.7	6.8
U. S.	7.9	7.8	8.9
<u>Not Seasonally Adjusted</u>			
STATE	5.5	5.6	6.7
HONOLULU	5.0	5.0	5.9
HAWAI'I COUNTY	7.5	7.9	9.5
KAUA'I	6.5	6.8	8.4
MAUI COUNTY	5.7	6.0	7.7
Maui Island	5.5	5.8	7.5
Moloka'i	14.0	14.4	17.8
Lana'i	1.3	1.6	4.4
U. S.	7.5	7.6	8.5

county & island rates are not seasonally adjusted

* benchmarked data

Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	Oct-12	Sep-12	Oct-11*
MINING, LOGGING & CONSTRUCTION	29,000	28,700	28,800
MANUFACTURING	13,700	13,600	13,200
TRADE, TRANSPORTATION & UTILITIES	114,500	114,200	111,400
Wholesale Trade	17,500	17,200	17,200
Retail Trade	68,900	68,700	67,000
FINANCIAL ACTIVITIES	28,000	28,100	27,400
Real Estate & Rental & Leasing	11,900	12,000	11,700
PROFESSIONAL & BUSINESS SERVICES	75,900	75,300	75,200
Professional, Scientific, Tech Svcs	23,300	22,800	23,900
Mgmt of Companies & Enterprises	6,700	6,700	6,800
EDUCATIONAL & HEALTH SERVICES	77,100	77,300	75,600
Educational Services	14,900	14,500	14,600
Health Care & Social Assistance	62,200	62,800	61,000
LEISURE & HOSPITALITY	111,100	110,300	105,900
Arts, Entertainment & Recreation	10,700	10,700	10,500
Accommodation & Food Services	100,400	99,600	95,400
OTHER SERVICES	25,400	25,200	25,700
GOVERNMENT	124,700	124,600	124,800
Federal Government	35,000	34,400	34,700
State Government	71,300	71,700	71,700
Local Government	18,400	18,500	18,400
TOTAL: STATEWIDE	607,700	605,500	595,700

* Benchmarked Data

Industry Payroll Employment (Establishment Survey)

In another measure of employment, total seasonally adjusted nonagricultural jobs grew by 2,200 over-the-month. Since June, employment has expanded by 11,900 jobs. Within industry sectors, private industry employment gains were experienced in Leisure & Hospitality (+800), Professional & Business Services (+600), Construction (+300), Trade, Transportation, & Utilities (+300), Other Services (+200), and Manufacturing (+100). A robust visitor industry continued to fuel employment in Leisure & Hospitality, while strong hiring in Employment Services provided a considerable boost to Professional & Business Services. Over-the-month job losses occurred in Financial Activities (-100) and Educational & Health Services (-200). Government employment went up slightly by 100 jobs. Compared with October 2011, total seasonally adjusted nonfarm jobs have risen by 12,000, with major industry increases in Leisure & Hospitality (+5,200), Trade, Transportation, & Utilities (+3,100), and Educational & Health Services (+1,500).

Technical Notes

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. 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 12th of each month of Hawai'i 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 2011 and 2010 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 2011 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

Hawai'i 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 Hawai'i 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 Hawai'i, 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 Hawai'i'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 for 2011 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 2011 through Third Quarter of 2012 Averages.

Alternative measures of labor underutilization for US and Hawai'i, Fourth Quarter of 2011 through Third Quarter of 2012 Averages
(percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	4.7	4.6	8.3	8.8	9.7	15.0
Hawai'i	3.6	3.5	6.7	7.0	8.2	13.7

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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