



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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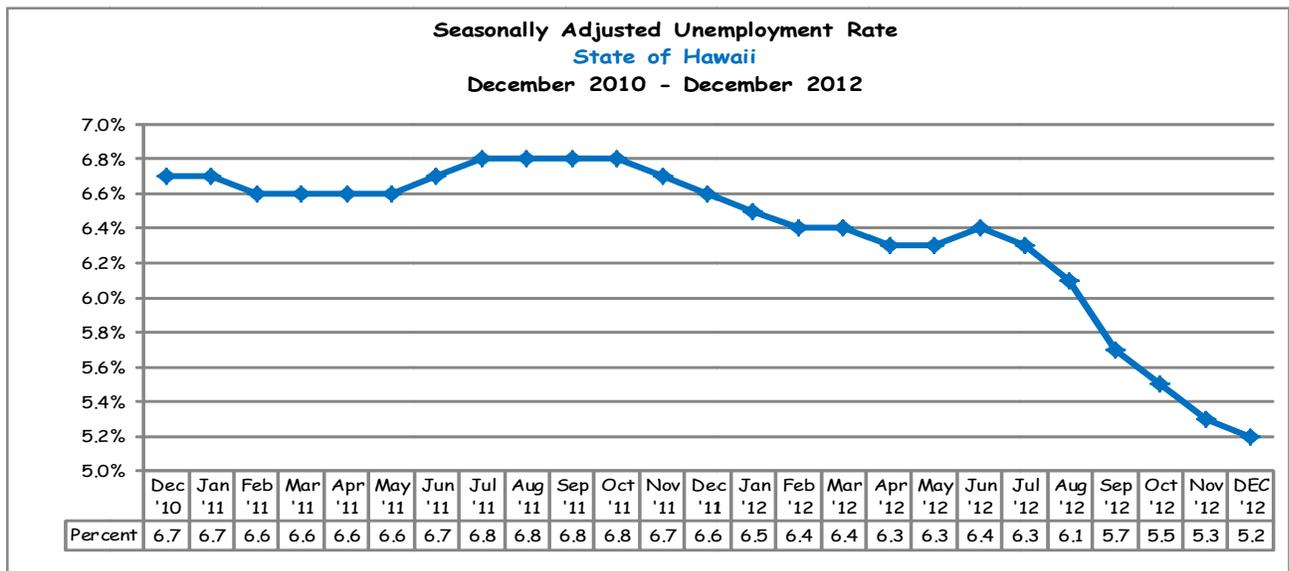
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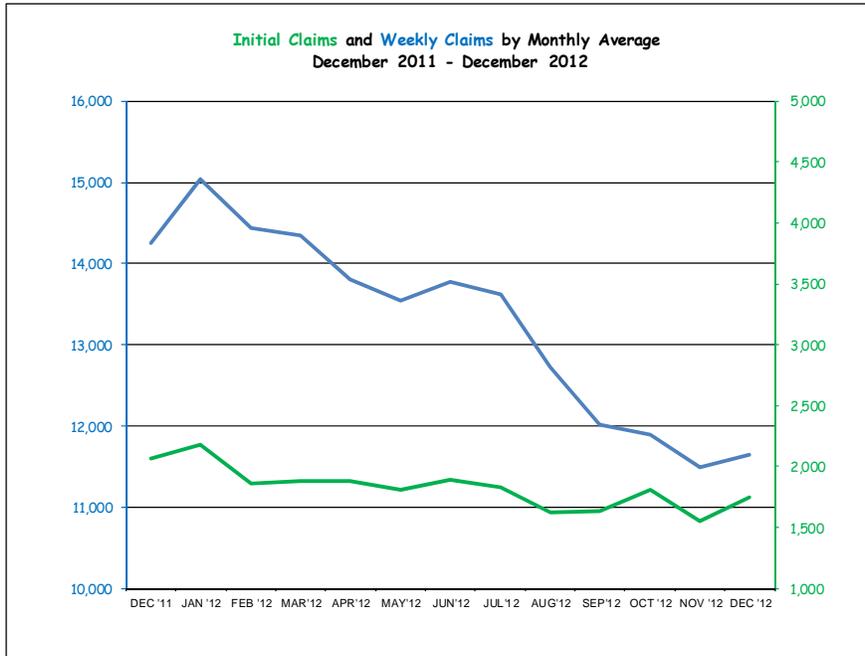
**HAWAII'S UNEMPLOYMENT RATE DECLINES
TO 5.2 PERCENT IN DECEMBER**

Employment Grows by 3,750 Over the Month

HONOLULU—The Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for December was 5.2 percent, down from 5.3 percent in November. The last time Hawaii had an unemployment rate of 5.2 percent or less was in October 2008. Statewide, there were 613,300 employed and 33,500 unemployed in December, for a total seasonally adjusted labor force of 646,800. Nationally, the seasonally adjusted unemployment rate was 7.8 percent, unchanged from the revised rate of 7.8 percent in November.



Initial claims and weeks claims for unemployment benefits were both down by 319 claims or 15.5% and 2,600 claims or 18.2%, respectively compared to one year ago. Between November and December, initial claims and weeks claims increased by 12.6% and 1.3%, respectively.



	DEC 2012	NOV 2012	DEC* 2011
<u>Seasonally Adjusted</u>			
STATE	5.2	5.3	6.6
U. S.	7.8	7.8	8.5
<u>Not Seasonally Adjusted</u>			
STATE	4.8	5.3	6.2
HONOLULU	4.3	4.8	5.4
HAWAII COUNTY	6.9	7.4	8.9
KAUAI	6.0	6.4	7.8
MAUI COUNTY	5.2	5.7	7.1
Maui Island	5.0	5.5	6.9
Molokai	12.7	13.9	13.5
Lanai	1.5	1.4	5.0
U. S.	7.6	7.4	8.3

county & island rates are not seasonally adjusted

* benchmarked data

State of Hawaii Seasonally Adjusted Labor Force Data**			
	Dec 2012	Nov 2012	Dec 2011*
Labor Force	646,800	643,500	662,700
Employment	613,300	609,550	618,650
Unemployment	33,500	33,950	44,050

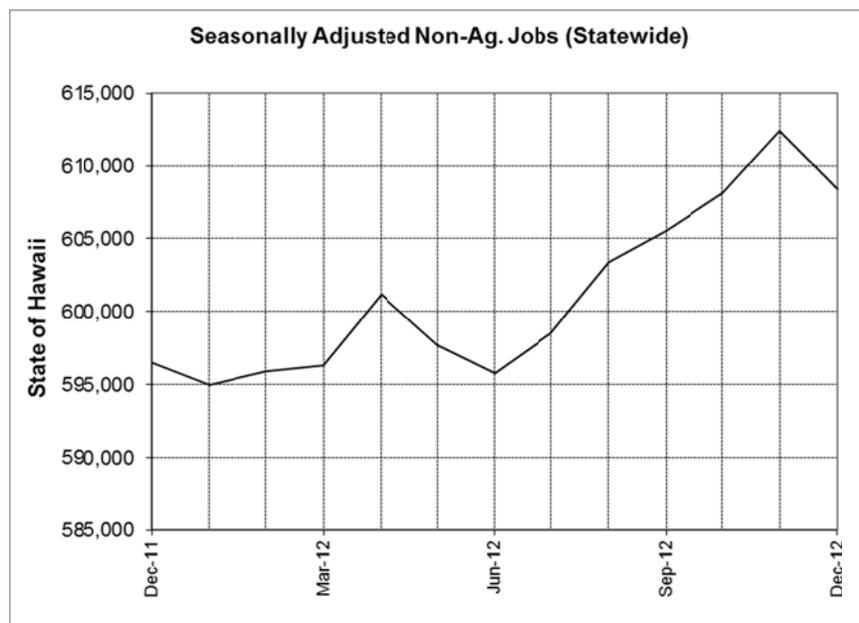
* benchmarked data

**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 declined to 4.8 percent in December from 5.3 percent in November.

Industry Payroll Employment (Establishment Survey)

In a separate measure of employment, total seasonally adjusted nonagricultural jobs declined by 4,000 in December over November. The release of temporary general election workers was the primary reason for the drop of 1,900 jobs in Government. In the private sector, employment gains occurred in Leisure & Hospitality (+500) and Manufacturing (+300). Over-the-month job contraction was experienced in Construction (-300), Trade, Transportation, & Utilities (-300), Other Services (-300), Financial Activities (-400), Education & Health Services (-600), and Professional & Business Services (-1,200). Within Professional & Business Services, less work in Employment Services was a significant contributing factor in the decline. Over-the-year, total nonfarm jobs have expanded by 11,900, or 2.0 percent. While Government employment has dipped by 100 jobs in comparison with December 2011, prominent job growth has taken place in Leisure & Hospitality (+4,700), Trade, Transportation, & Utilities (+4,400), and Construction (+1,800).



Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	Dec-12	Nov-12	Dec-11*
MINING, LOGGING & CONSTRUCTION	29,400	29,700	27,600
MANUFACTURING	13,800	13,500	13,200
TRADE, TRANSPORTATION & UTILITIES	115,800	116,100	111,400
Wholesale Trade	17,600	17,700	17,000
Retail Trade	70,000	69,800	67,000
FINANCIAL ACTIVITIES	28,000	28,400	27,400
Real Estate & Rental & Leasing	11,900	12,100	11,700
PROFESSIONAL & BUSINESS SERVICES	74,100	75,300	75,000
Professional, Scientific, Tech Svcs	22,900	23,100	23,600
Mgmt of Companies & Enterprises	6,600	6,600	6,900
EDUCATIONAL & HEALTH SERVICES	77,300	77,900	76,600
Educational Services	14,900	14,900	14,900
Health Care & Social Assistance	62,400	63,000	61,700
LEISURE & HOSPITALITY	110,900	110,400	106,200
Arts, Entertainment & Recreation	10,700	10,700	10,600
Accommodation & Food Services	100,200	99,700	95,600
OTHER SERVICES	25,800	26,100	26,100
GOVERNMENT	124,800	126,700	124,900
Federal Government	34,700	34,400	34,700
State Government	71,700	73,800	71,700
Local Government	18,400	18,500	18,500
TOTAL: STATEWIDE	608,400	612,400	596,500

* 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 12th 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 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 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 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 Hawaii, 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
Hawaii	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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