



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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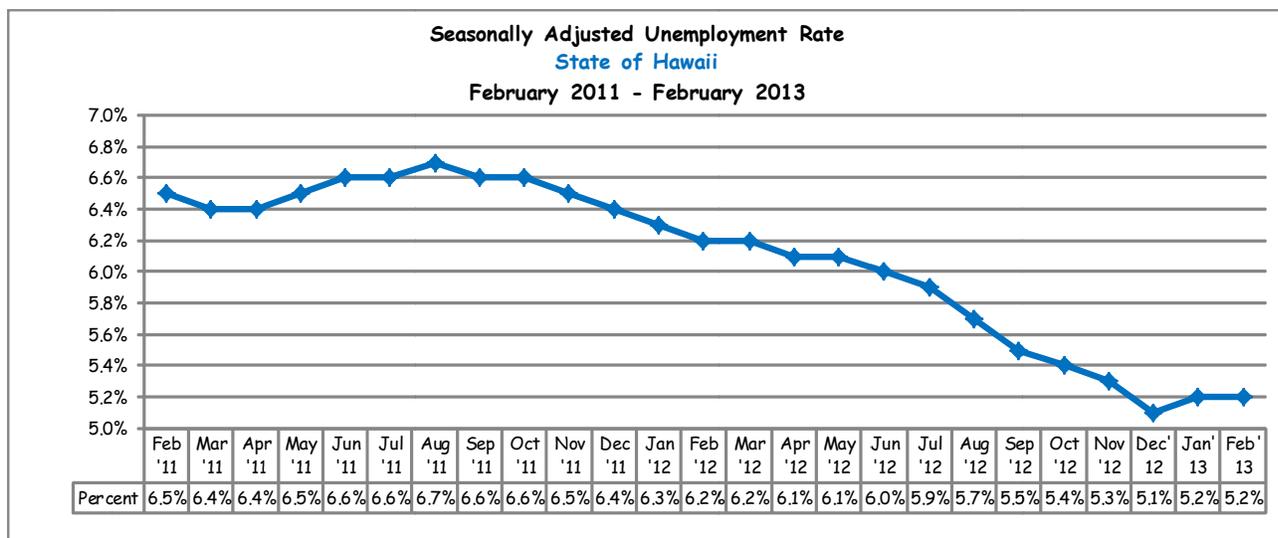
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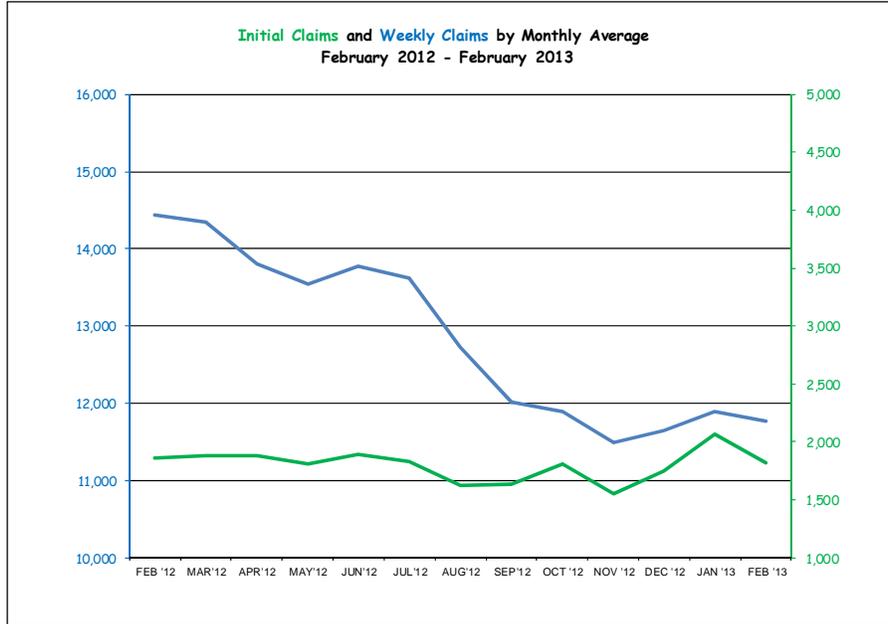
HAWAII'S UNEMPLOYMENT RATE UNCHANGED AT 5.2 PERCENT IN FEBRUARY

Jobs Expand by 9,100 Over the Year

HONOLULU—The Hawaii State Department of Labor & Industrial Relations announced today that the seasonally adjusted unemployment rate for February was 5.2 percent, the same rate as in January. Statewide, there were 617,250 employed and 33,750 unemployed in February, for a total seasonally adjusted labor force of 651,050. Nationally, the seasonally adjusted unemployment rate declined to 7.7 percent, from 7.9 percent in January.



Initial claims and weeks claims for unemployment benefits were both down by 48 claims or -2.6% and 2,669 claims or -18.5%, respectively compared to one year ago. Between January and February 2013, initial claims and weeks claims dropped by 12.2% and 0.9%, respectively.



| | FEB 2013 | JAN 2013 | FEB* 2012 |
|---------------------------------------|-------------|-------------|--------------|
| <u>Seasonally Adjusted</u> | | | |
| STATE | 5.2 | 5.2 | 6.2 |
| U. S. | 7.7 | 7.9 | 8.3 |
| <u>Not Seasonally Adjusted</u> | | | |
| STATE | 5.1 | 5.3 | 6.2 |
| HONOLULU HAWAII COUNTY | 4.5 | 4.8 | 5.4 |
| KAUAI | 7.2 | 7.5 | 9.0 |
| MAUI COUNTY | 6.4 | 6.5 | 8.0 |
| Maui Island | 5.6 | 5.7 | 6.9 |
| Molokai | 5.5 | 5.6 | 6.7 |
| Lanai | 10.9 | 9.2 | 13.1 |
| Lanai | 2.6 | 4.8 | 4.0 |
| U. S. | 8.1 | 8.5 | 8.7 |

county & island rates are not seasonally adjusted

* benchmarked data

| State of Hawaii Seasonally Adjusted Labor Force Data** | | | |
|--|----------|----------|-----------|
| | Feb 2013 | Jan 2013 | Feb 2012* |
| Labor Force | 651,050 | 651,950 | 654,700 |
| Employment | 617,250 | 618,250 | 613,850 |
| Unemployment | 33,750 | 33,700 | 40,850 |

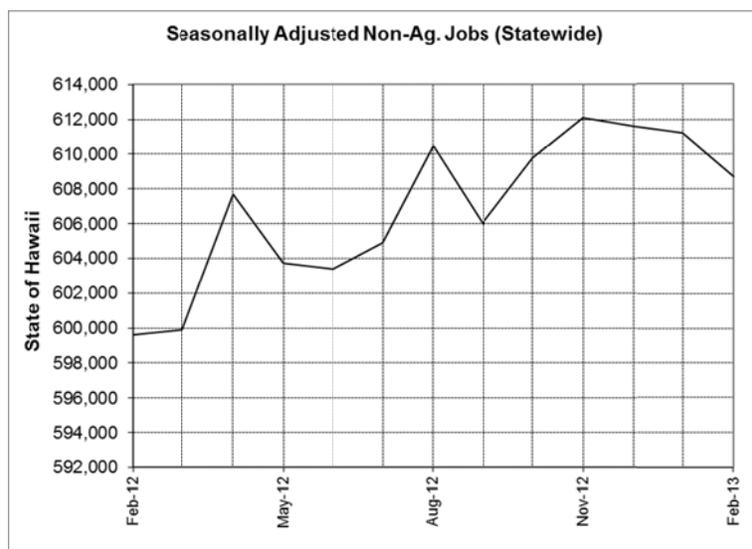
* benchmarked data

**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 decreased to 5.1 percent in February from the revised rate of 5.3 percent in January.

Industry Payroll Employment (Establishment Survey)

In another measure of employment, total seasonally adjusted nonagricultural jobs declined by 2,500 in February over January. Over-the-month expansion occurred in Financial Activities, which added 200 jobs. Over-the-month decreases in jobs took place in Construction and Manufacturing (-100 each), Education & Health Services (-200), Trade, Transportation, & Utilities (-400), Professional & Business Services (-500), and Leisure & Hospitality (-900). In Professional & Business Services, a post-holiday seasonal drop in Employment Services came a month later than typically (in January). Within the public sector, employment in Government contracted by 900 jobs, with the bulk of the drop in State Government. Compared with one year ago, total seasonally adjusted jobs have risen by 9,100, or 1.5 percent. Since February 2012, there have been gains of 1,000+ jobs in the following major sectors: Construction (+2,300), Trade, Transportation, & Utilities (+1,600), Professional & Business Services (+1,500), Leisure & Hospitality (+1,500), Other Services (+1,400), and Educational & Health Services (+1,100).



Seasonally Adjusted Non-Ag. Jobs (Statewide)

| SELECTED SERIES: | Feb-13 | Jan-13 | Feb-12* |
|---------------------------------------|----------------|----------------|----------------|
| MINING, LOGGING & CONSTRUCTION | 31,100 | 31,200 | 28,800 |
| MANUFACTURING | 13,200 | 13,300 | 13,500 |
| Non-Durable Goods | | | |
| TRADE, TRANSPORTATION & UTILITIES | 115,300 | 115,700 | 113,700 |
| Wholesale Trade | 18,200 | 18,100 | 17,700 |
| Retail Trade | 68,500 | 69,200 | 68,400 |
| FINANCIAL ACTIVITIES | 27,100 | 26,900 | 26,800 |
| Real Estate & Rental & Leasing | 11,700 | 11,600 | 11,400 |
| PROFESSIONAL & BUSINESS SERVICES | 76,600 | 77,100 | 75,100 |
| Professional, Scientific, Tech Svcs | 23,800 | 24,000 | 24,000 |
| Mgmt of Companies & Enterprises | 7,300 | 7,300 | 7,400 |
| Administrative & Support & Waste Mgmt | 45,500 | 45,800 | 43,700 |
| EDUCATIONAL & HEALTH SERVICES | 77,300 | 77,500 | 76,200 |
| Educational Services | 14,800 | 14,600 | 14,800 |
| Health Care & Social Assistance | 62,500 | 62,900 | 61,400 |
| LEISURE & HOSPITALITY | 106,900 | 107,800 | 105,400 |
| Arts, Entertainment & Recreation | 11,400 | 11,300 | 10,900 |
| Accommodation & Food Services | 95,500 | 96,500 | 94,500 |
| OTHER SERVICES | 27,500 | 27,500 | 26,100 |
| GOVERNMENT | 125,100 | 126,000 | 125,600 |
| Federal Government | 34,200 | 34,200 | 34,900 |
| State Government | 72,400 | 73,200 | 72,200 |
| Local Government | 18,500 | 18,600 | 18,500 |
| TOTAL: STATEWIDE | 608,700 | 611,200 | 599,600 |

* 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 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, 2012 Annual Averages.

| Alternative measures of labor underutilization for US and Hawaii, 2012 Annual Averages (percent) | | | | | | |
|---|---------|-----|-----|-----|-----|------|
| State | Measure | | | | | |
| | U-1 | U-2 | U-3 | U-4 | U-5 | U-6 |
| United States | 4.5 | 4.4 | 8.1 | 8.6 | 9.5 | 14.7 |
| Hawaii | 3.3 | 3.2 | 6.0 | 6.4 | 7.5 | 12.8 |

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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