



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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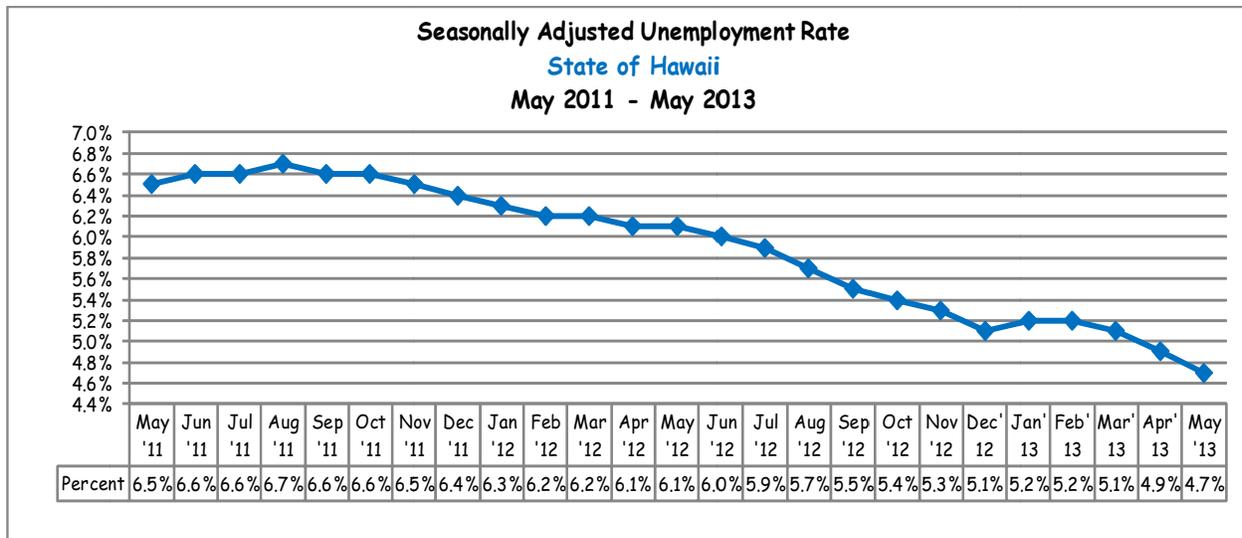
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For Immediate Release: June 20, 2013

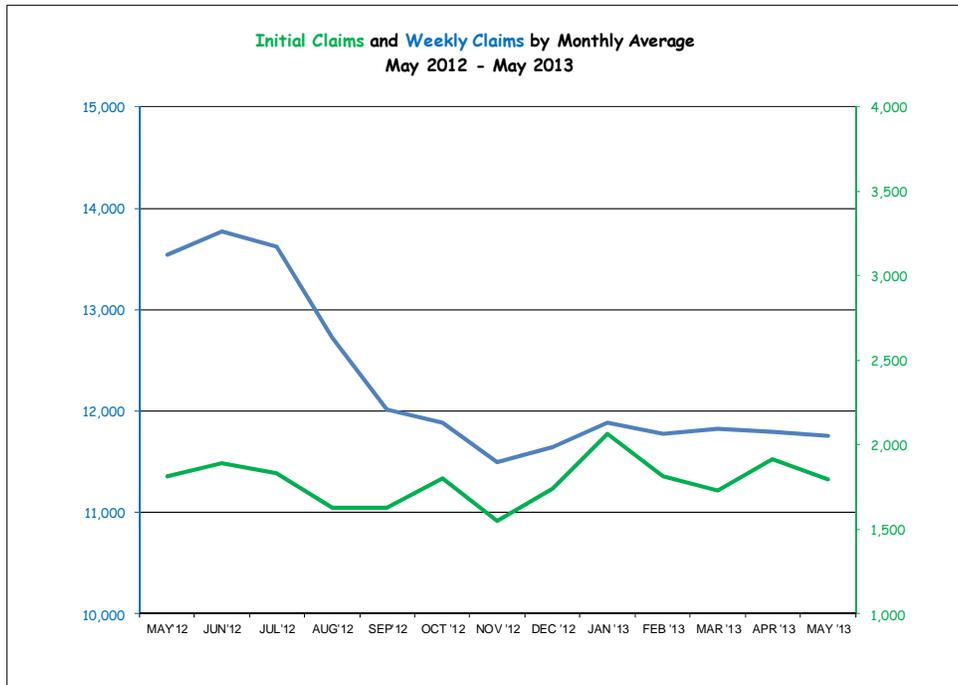
**HAWAII'S UNEMPLOYMENT RATE DROPS
TO 4.7 PERCENT IN MAY**

Lowest Rate Since September 2008

HONOLULU—The Hawaii State Department of Labor and Industrial Relations today announced that the seasonally adjusted unemployment rate for May declined to 4.7 percent, from 4.9 percent in April. Statewide, there were 615,750 employed and 30,600 unemployed in May, for a total seasonally adjusted labor force of 646,350. Nationally, the seasonally adjusted unemployment rate was 7.6 percent in May, compared to 7.5 percent in April.



Initial claims and weeks claims decreased by 18 or -1.0% and by 1,788 or -13.2% respectively for unemployment benefits compared to one year ago. Between April and May 2013, both initial claims and weeks claims also dropped by 6.3% and 0.3% respectively.



State of Hawaii Seasonally Adjusted Labor Force Data**			
	May 2013	Apr 2013	May 2012
Labor Force	646,350	645,750	650,600
Employment	615,750	614,000	611,150
Unemployment	30,600	31,750	39,450

* 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 4.5 percent in May from the revised rate of 4.4 percent in April.

	MAY 2013	APR 2013	MAY* 2012
<u>Seasonally Adjusted</u>			
STATE	4.7	4.9	6.1
U. S.	7.6	7.5	8.2
<u>Not Seasonally Adjusted</u>			
STATE	4.5	4.4	5.9
HONOLULU	4.0	3.9	5.3
HAWAII COUNTY	6.5	6.6	8.4
KAUAI	5.3	5.6	7.7
MAUI COUNTY	4.8	4.8	6.4
Maui Island	4.7	4.7	6.3
Molokai	8.3	8.5	12.0
Lanai	1.9	2.4	2.5
U. S.	7.3	7.1	7.9

county & island rates are not seasonally adjusted
* benchmarked data

Industry Payroll Employment (Establishment Survey)

In a separate measure of employment, total seasonally adjusted nonagricultural jobs declined by 2,000 over-the-month. Government declined by 2,800, mostly due to continual shifts in seasonal staffing patterns in the Department of Education. In the private sector, job expansion occurred in Leisure & Hospitality (+800), Education & Health Services (+300), Professional & Business Services (+100), and Financial Services (+100). Within Leisure & Hospitality, the bulk of the rise was attributed to Food Services & Drinking Places. Employment in Other Services remained unchanged. Job contraction was experienced in Manufacturing (-100), Trade, Transportation, & Utilities (-100), and Construction (-300). Over-the-year, among major industry sectors, there has been significant job gains in Construction (+2,700) and Leisure & Hospitality (+1,900).

Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	May-13	Apr-13	May-12*
MINING, LOGGING & CONSTRUCTION	31,700	32,000	29,000
MANUFACTURING	13,000	13,100	13,200
Non-Durable Goods	9,600	9,700	9,800
TRADE, TRANSPORTATION & UTILITIES	115,100	115,200	114,300
Wholesale Trade	18,000	18,100	17,600
Retail Trade	67,400	67,700	68,700
FINANCIAL ACTIVITIES	27,300	27,200	26,900
Real Estate & Rental & Leasing	11,800	11,700	11,400
PROFESSIONAL & BUSINESS SERVICES	77,200	77,100	76,800
Professional, Scientific, Tech Svcs	24,300	23,800	24,200
Mgmt of Companies & Enterprises	7,400	7,400	7,500
Administrative & Support & Waste Mgmt	45,500	45,900	45,100
EDUCATIONAL & HEALTH SERVICES	77,300	77,000	76,800
Educational Services	14,500	14,500	14,900
Health Care & Social Assistance	62,800	62,500	61,900
LEISURE & HOSPITALITY	108,600	107,800	106,700
Arts, Entertainment & Recreation	11,500	11,600	11,200
Accommodation & Food Services	97,100	96,200	95,500
OTHER SERVICES	27,500	27,500	26,100
GOVERNMENT	124,900	127,700	125,500
Federal Government	34,000	34,300	34,800
State Government	72,500	75,000	72,200
Local Government	18,400	18,400	18,500
TOTAL: STATEWIDE	610,900	612,900	603,700

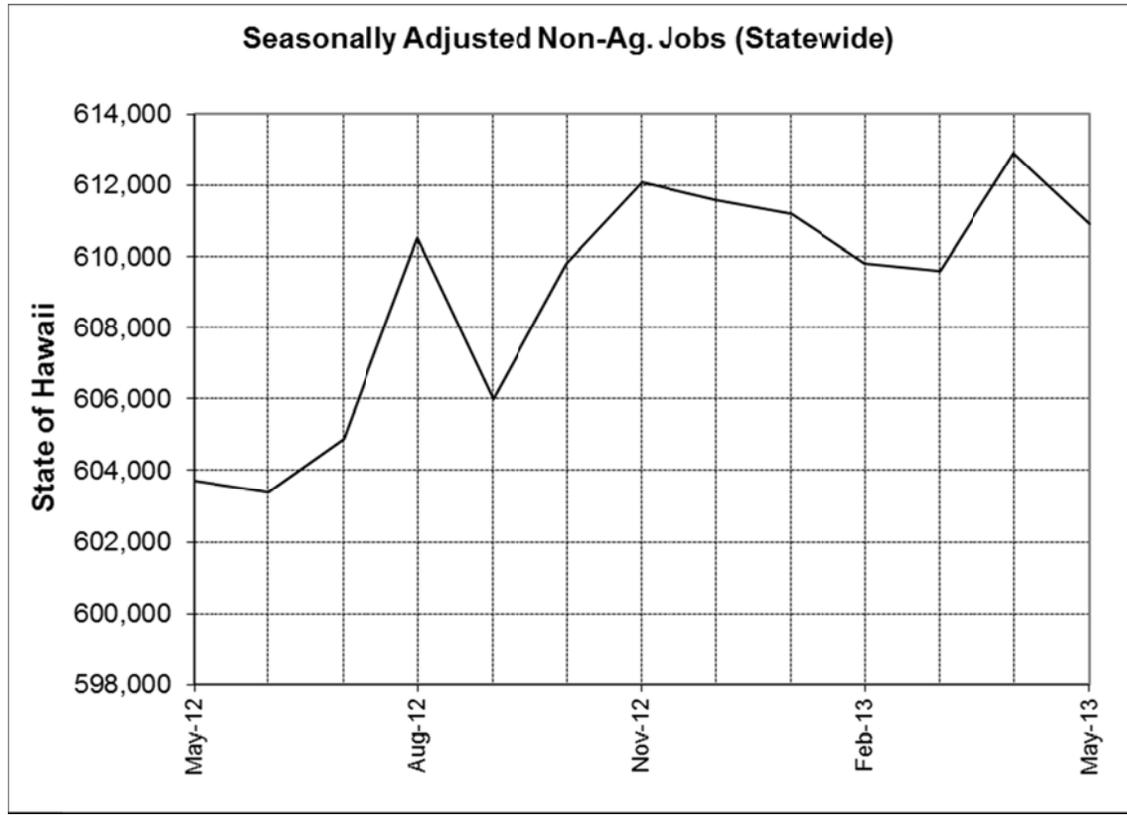
*Benchmarked Data

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 and Industrial Relations - 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 Current Employment Statistics (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, Second Quarter of 2012 through First Quarter of 2013 Averages.

Alternative measures of labor underutilization for US and Hawaii, Second Quarter of 2012 through First Quarter of 2013 Averages (percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	4.4	4.3	7.9	8.4	9.4	14.5
Hawaii	3.1	2.8	5.7	6.1	7.1	12.0

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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