



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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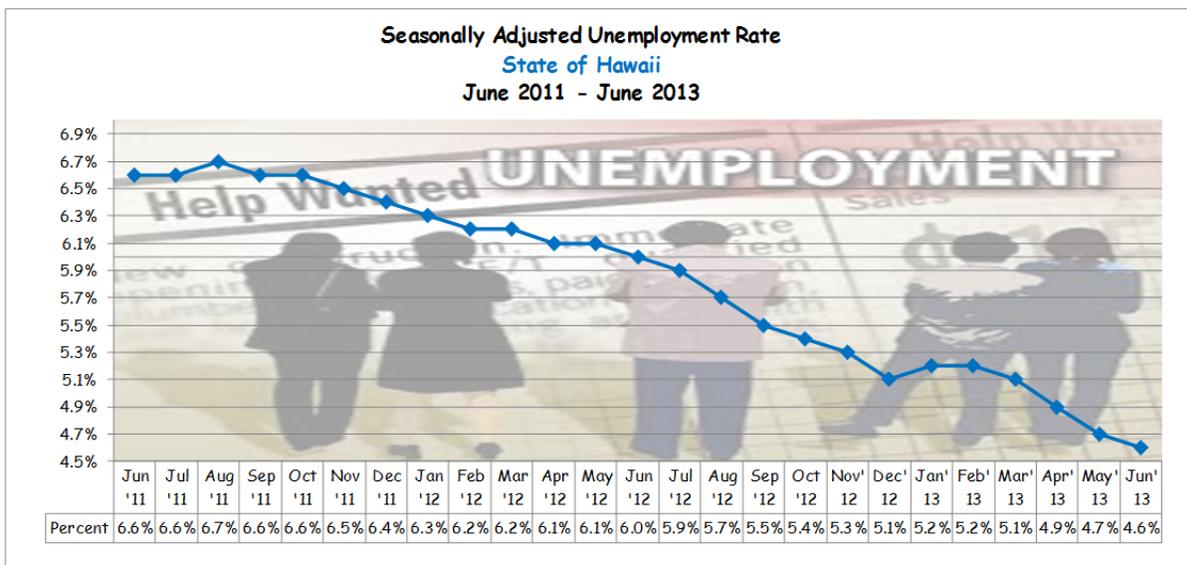
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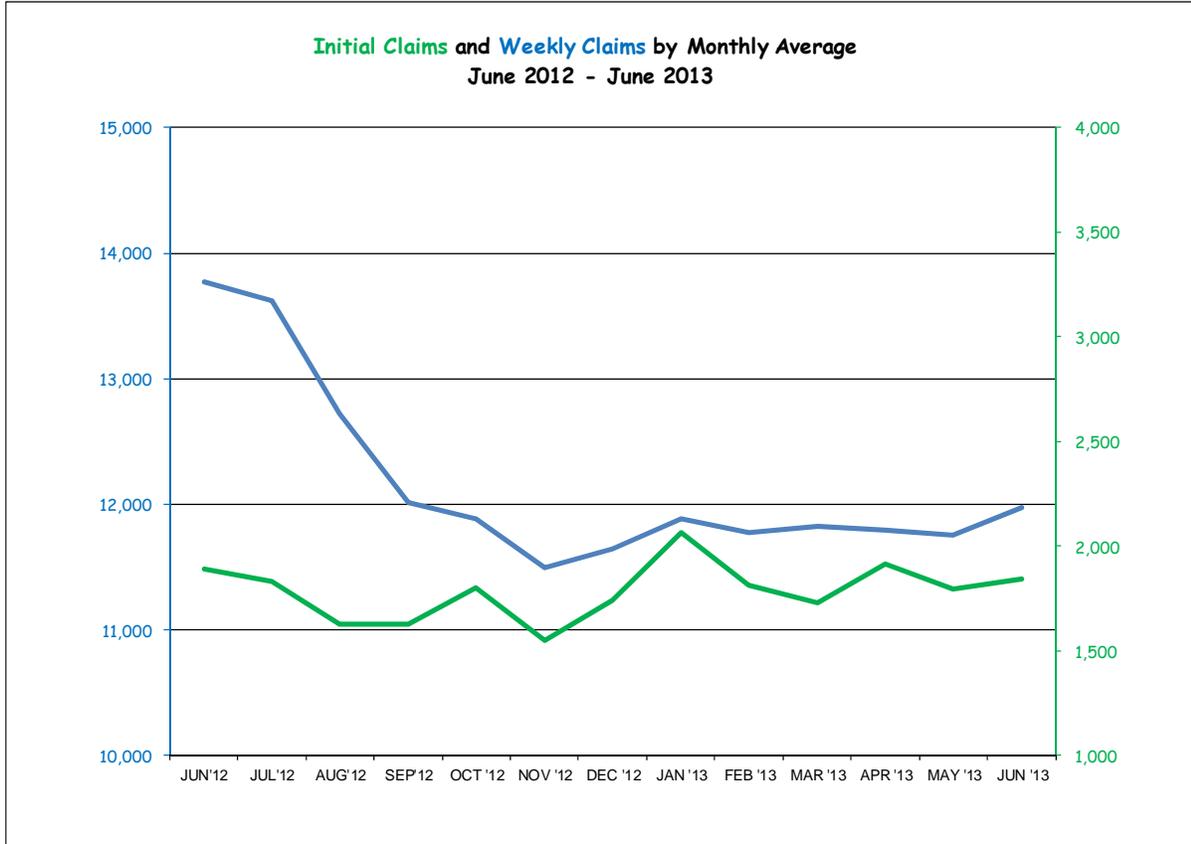
HAWAII'S SEASONALLY ADJUSTED UNEMPLOYMENT RATE
FALLS TO 4.6 PERCENT IN JUNE

Jobs Increase by 7,600 Over-the-Year

HONOLULU—The Hawai'i State Department of Labor and Industrial Relations today announced that the seasonally adjusted unemployment rate for June declined to 4.6 percent, from 4.7 percent in May. The last time the unemployment rate was 4.6 percent was in September 2008. Statewide, there were 617,250 employed and 29,700 unemployed in June, for a total seasonally adjusted labor force of 646,950. Nationally, the seasonally adjusted unemployment rate was 7.6 percent in June, unchanged from May.



Initial claims and weeks claims decreased by 48 or -2.5% and by 1,796 or -13.0% consecutively for unemployment benefits compared to one year ago. Over-the-month both initial claims and weeks claims increased by 2.6% and 1.9% consecutively in May 2013.



State of Hawaii Seasonally Adjusted Labor Force Data**			
	<u>Jun 2013</u>	<u>May 2013</u>	<u>Jun 2012*</u>
Labor Force	646,950	646,350	649,400
Employment	617,250	615,750	610,550
Unemployment	29,700	30,600	38,850

\* benchmarked data

\*\*totals may not add due to rounding

	JUN 2013	MAY 2013	JUN* 2012
<u>Seasonally Adjusted</u>			
STATE	4.6	4.7	6.0
U. S.	7.6	7.6	8.2
<u>Not Seasonally Adjusted</u>			
STATE	5.2	4.5	6.7
HONOLULU	4.7	4.0	6.0
HAWAII COUNTY	7.5	6.5	9.6
KAUAI	5.9	5.3	8.4
MAUI COUNTY	5.4	4.7	7.2
U. S.	7.8	7.3	8.4

county & island rates are not seasonally adjusted

\* benchmarked data

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 increased to 5.2 percent in June from 4.5 percent in May.

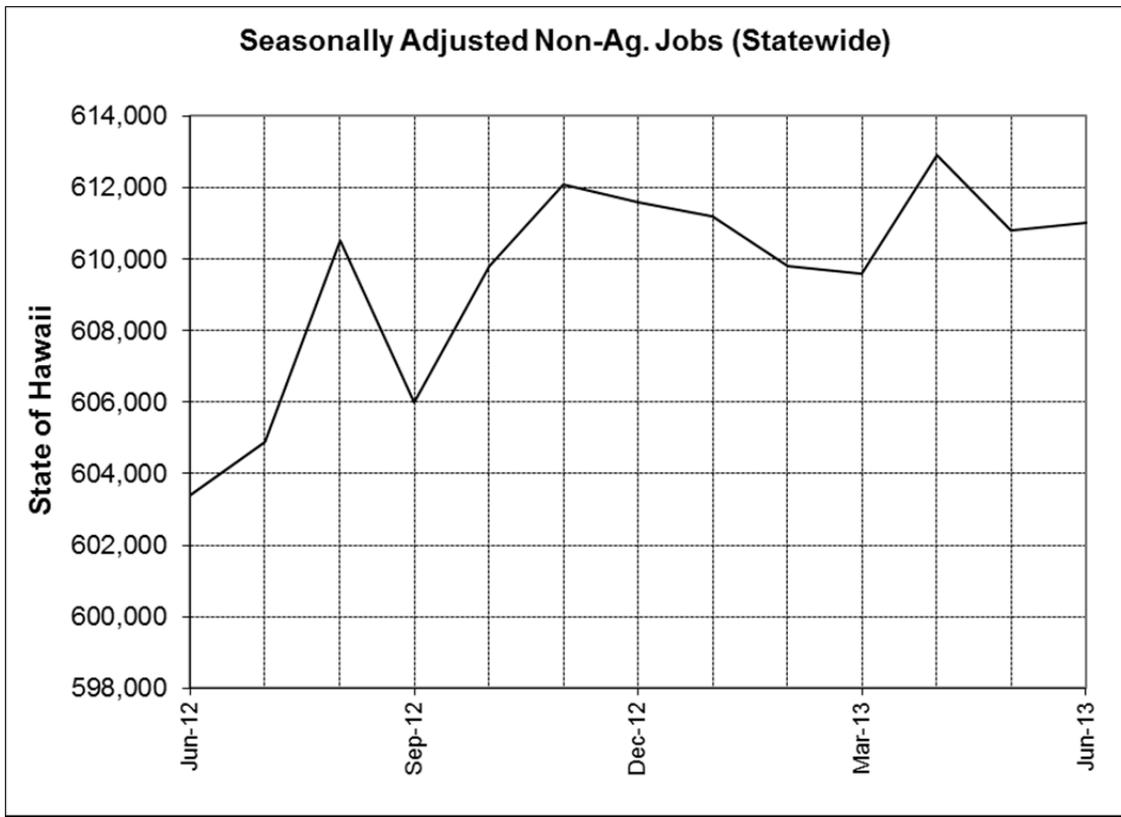
### **Industry Payroll Employment (Establishment Survey)**

In another measure of employment, total seasonally adjusted nonagricultural jobs increased by 200 in June over May. Among major industry sectors, there were job gains in Leisure & Hospitality (+1,700), Other Services (+500), Professional & Business Services (+300), and Financial Activities (+200). Most of the rise in employment in Leisure & Hospitality occurred in Food & Drinking Places. Job losses were experienced in Manufacturing (-100), Construction (-200) Educational & Health Services (-700), and Trade, Transportation, & Utilities (-900). Educational & Health Services were affected by more pronounced seasonal staffing declines in private Elementary & Secondary Schools and in Social Assistance. Regarding Trade,

Transportation, & Utilities, it is anticipated there will be a strong upward revision when delayed Air Transportation employer data becomes available. Government dipped by 300 jobs. Over-the-year, Leisure & Hospitality has added the most jobs (+3,600), while Construction has grown by the highest percentage (+8.2 percent).

<b>Seasonally Adjusted Non-Ag. Jobs (Statewide)</b>			
<b>SELECTED SERIES:</b>	<b>Jun-13</b>	<b>May-13</b>	<b>Jun-12*</b>
MINING, LOGGING & CONSTRUCTION	31,600	31,800	29,200
MANUFACTURING	12,900	13,000	13,300
Non-Durable Goods	9,500	9,600	9,700
TRADE, TRANSPORTATION & UTILITIES	114,100	115,000	114,500
Wholesale Trade	17,700	18,000	17,600
Retail Trade	67,600	67,300	68,700
FINANCIAL ACTIVITIES	27,500	27,300	27,000
Real Estate & Rental & Leasing	11,800	11,800	11,600
PROFESSIONAL & BUSINESS SERVICES	77,000	76,700	76,800
Professional, Scientific, Tech Svcs	24,500	24,200	24,100
Mgmt of Companies & Enterprises	7,300	7,300	7,500
Administrative & Support & Waste Mgmt	45,200	45,200	45,200
EDUCATIONAL & HEALTH SERVICES	76,500	77,200	76,600
Educational Services	14,200	14,500	14,900
Health Care & Social Assistance	62,300	62,700	61,700
LEISURE & HOSPITALITY	110,600	108,900	107,000
Arts, Entertainment & Recreation	11,700	11,500	11,300
Accommodation & Food Services	98,900	97,400	95,700
OTHER SERVICES	28,100	27,600	26,100
GOVERNMENT	124,600	124,900	125,200
Federal Government	34,000	34,000	34,900
State Government	71,600	72,500	71,800
Local Government	19,000	18,400	18,500
<b>TOTAL: STATEWIDE</b>	<b>611,000</b>	<b>610,800</b>	<b>603,400</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 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 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 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 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
Hawai'i	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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