



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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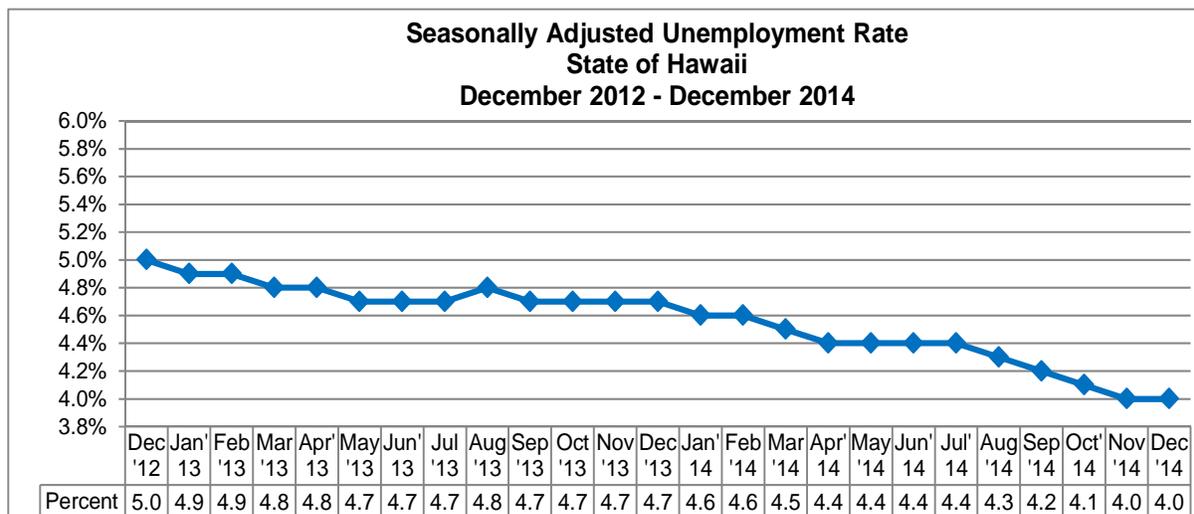
FOR IMMEDIATE RELEASE

Jan. 23, 2015

**HAWAII'S UNEMPLOYMENT RATE REMAINS
AT 4.0 PERCENT IN DECEMBER**

Hawaii Achieves Record Civilian Labor Force (671,600) for Sixth Consecutive Month

HONOLULU — the Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for December was 4.0 percent, the same as in November. Statewide, 644,750 were employed and 26,850 unemployed in December for a total seasonally adjusted labor force of 671,600. Nationally, the seasonally adjusted unemployment rate was 5.6 percent in December, down from 5.8 percent in November.



Both initial claims and weeks claims decreased by 178 or -10.1% and 1,914 or -17.2% respectively for unemployment benefits compared to one year ago. Over-the-month, both initial claims and weeks claims increased by 13.6% and 2.6% from November 2014.

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 was 3.7 percent in December, down from 4.0 percent in November.

State of Hawaii Seasonally Adjusted Labor Force Data**			
	Dec 2014	Nov 2014	Dec 2013*
Labor Force	671,600	669,850	653,700
Employment	644,750	642,900	623,100
Unemployment	26,850	26,950	30,550

* benchmarked data

**totals may not add due to rounding

	DEC 2014	NOV 2014	DEC* 2013
<u>Seasonally Adjusted</u>			
STATE	4.0	4.0	4.7
U. S.	5.6	5.8	6.7
<u>Not Seasonally Adjusted</u>			
STATE	3.7	4.0	4.2
HONOLULU	3.4	3.8	3.8
HAWAII COUNTY	4.7	5.1	5.9
KAUAI	4.3	4.5	5.2
MAUI COUNTY	3.8	4.2	4.7
Maui Island	3.6	3.9	4.5
Molokai	11.1	14.1	7.8
Lanai	2.3	1.9	4.8
U. S.	5.4	5.5	6.5

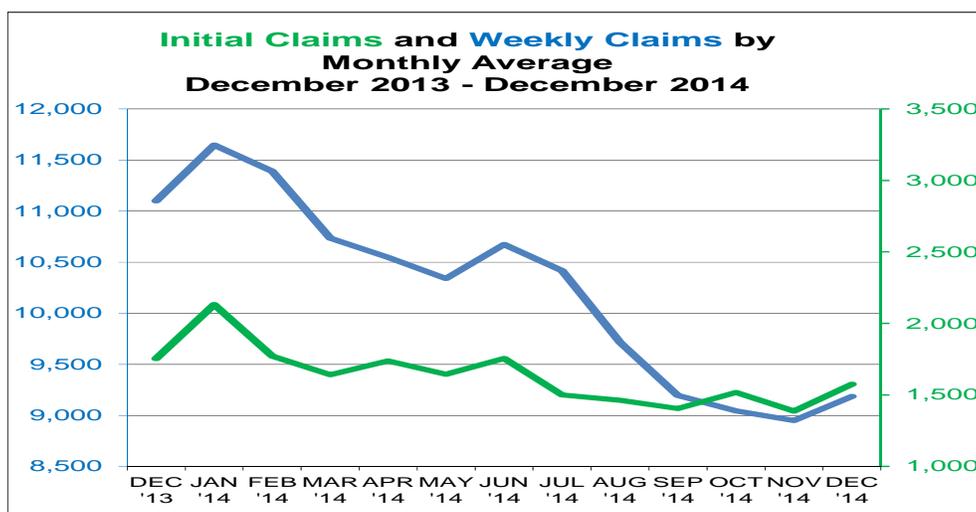
county & island rates are not seasonally adjusted

* benchmarked data

Industry Payroll Employment (Establishment Survey)

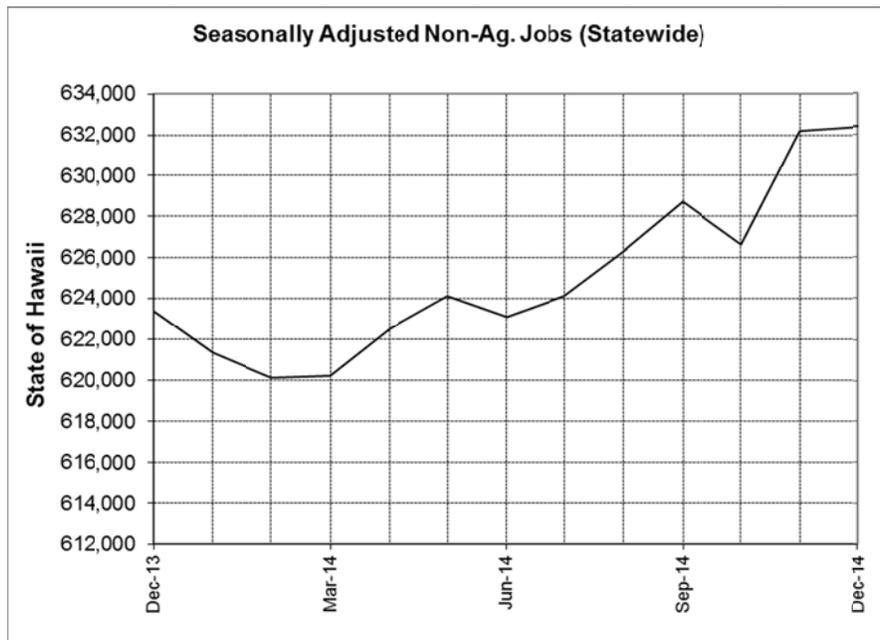
In a separate measure of employment, total seasonally adjusted nonfarm jobs increased by 200 over-the-month. Among major industry sectors, job gains occurred in Trade, Transportation, & Utilities (+600), Leisure & Hospitality (+100), and Other Services (+100). Job losses were experienced in Financial Activities (-100), Manufacturing (-200), Professional & Business Services (-300), Educational & Health Services (-300), and Construction (-600). Employment in Government rose by 800 jobs, mostly due to variation in seasonal hiring at the Department of

Education and the University of Hawaii system. Compared with one year ago, there has been an expansion of 9,000 nonagricultural jobs.



Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	Dec-14	Nov-14	Dec-13*
MINING, LOGGING & CONSTRUCTION	29,600	30,200	31,000
MANUFACTURING	13,300	13,500	13,700
Non-Durable Goods	9,500	9,500	10,100
TRADE, TRANSPORTATION & UTILITIES	118,800	118,200	118,300
Wholesale Trade	18,700	18,600	17,800
Retail Trade	69,500	69,300	70,600
FINANCIAL ACTIVITIES	28,000	28,100	27,200
Real Estate & Rental & Leasing	12,600	12,400	12,100
PROFESSIONAL & BUSINESS SERVICES	83,900	84,200	80,100
Professional, Scientific, Tech Svcs	25,000	25,000	24,000
Mgmt of Companies & Enterprises	8,800	8,800	8,500
Administrative & Support & Waste Mgmt	50,100	50,400	47,600
EDUCATIONAL & HEALTH SERVICES	80,400	80,700	78,900
Educational Services	15,300	15,400	15,300
Health Care & Social Assistance	65,100	65,300	63,600
LEISURE & HOSPITALITY	115,000	114,900	111,900
Arts, Entertainment & Recreation	12,200	12,200	11,800
Accommodation & Food Services	102,800	102,700	100,100
OTHER SERVICES	26,300	26,200	27,600
GOVERNMENT	128,600	127,800	125,900
Federal Government	33,400	33,200	33,600
State Government	76,400	75,900	73,400
Local Government	18,800	18,700	18,900
TOTAL: STATEWIDE	632,400	632,200	623,400

*Benchmarked Data



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. Therefore, the BLS uses a statistical technique called seasonal adjustment to address these issues. This technique uses the history of the labor force data and the job count data 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. Seasonally adjusted statistical series enable more meaningful data comparisons between months or with an annual average.

Current Population (Household) Survey (CPS)

A survey conducted for employment status in the week that includes the 12th day of each month generates the unemployment rate statistics, which is a separate survey from the Establishment Survey that yields the industry job counts. The CPS survey contacts approximately 1,000 households in Hawaii to determine an individual's 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 considered unemployed are ones that do not have a job, have actively looked for work in the prior four weeks and are available for work. Temporarily laid off workers are counted as unemployed, whether 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

Revisions to the 2013 labor force estimates included incorporating 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 2013 for the seasonally adjusted series. The reconstructed data reflects data from historical corrections applied to unadjusted supersector or sector level series. For years, analysts with the State DLIR's Research and Statistics Office have developed monthly employment estimates for Hawaii and our metropolitan areas. 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 affect 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 BLS is publishing smoothed seasonally adjusted civilian labor force and unemployment estimates for all metropolitan areas, which includes the City and County of Honolulu. BLS releases this data each month in the *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, Fourth Quarter of 2013 through Third Quarter of 2014 Averages.

Alternative Measures of Labor Underutilization for US and Hawaii, Fourth Quarter of 2013 through Third Quarter of 2014 Averages (percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	3.3	3.3	6.5	6.9	7.8	12.5
Hawaii	2.2	1.9	4.7	5.2	6.0	10.8

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.

Equal Opportunity Employer/Program

Auxiliary aids and services are available upon request to individuals with disabilities.

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