



**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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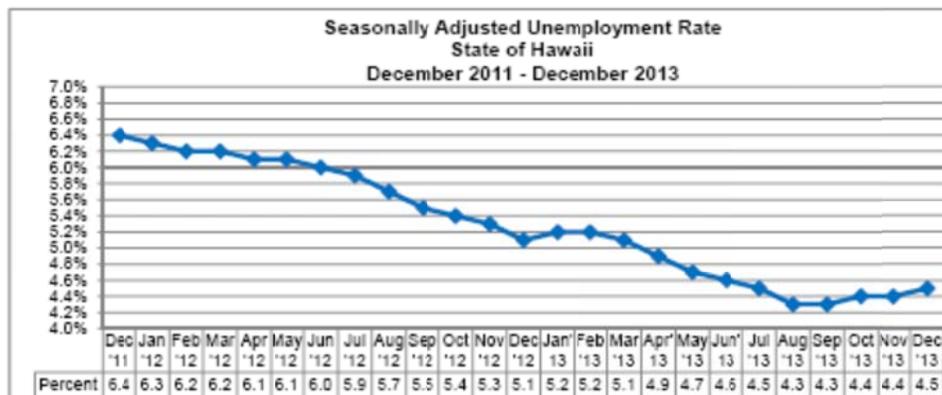
**FOR IMMEDIATE RELEASE**

Jan. 27, 2014

**HAWAII'S UNEMPLOYMENT RATE AT  
4.5 PERCENT IN DECEMBER**

**Leisure & Hospitality Leads All Sectors by Adding 4,700 Jobs**

HONOLULU — The Hawaii State Department of Labor & Industrial Relations today announced that the seasonally adjusted unemployment rate for December was 4.5 percent, up slightly from 4.4 percent in November. Statewide, employment increased by 3,400 to 625,800 and the total seasonally adjusted labor force grew by 4,200 to 655,550 in December. Unemployed declined by 3,850 to 29,750 over the year. Nationally, the seasonally adjusted unemployment rate was 6.7 percent in December, down from 7.0 percent in November.



Initial claims increased by 11 or 0.6% while weeks claimed decreased by 549 or -4.7% for unemployment benefits compared to one year ago. Over the month, while initial claims gained 8.7%, weeks claimed fell by 0.6% from November 2013.

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 4.2 percent in December down from 4.6 percent in November.

	DEC 2013	NOV 2013	DEC* 2012
<u>Seasonally Adjusted</u>			
STATE	4.5	4.4	5.1
U. S.	6.7	7.0	7.9
<u>Not Seasonally Adjusted</u>			
STATE	4.2	4.6	4.8
HONOLULU	3.8	4.2	4.2
HAWAII COUNTY	5.9	6.1	6.9
KAUAI	5.1	5.5	6.1
MAUI COUNTY	4.6	4.9	5.2
Maui Island	4.5	4.8	5.0
Molokai	7.7	7.5	13.3
Lanai	4.8	4.4	1.5
U. S.	6.5	6.6	7.6

county & island rates are not seasonally adjusted

State of Hawaii Seasonally Adjusted Labor Force Data**			
	Dec 2013	Nov 2013	Dec 2012*
Labor Force	655,550	651,350	652,850
Employment	625,800	622,400	619,300
Unemployment	29,750	28,900	33,600

\* benchmarked data

\*\*totals may not add due to rounding

### Industry Payroll Employment (Establishment Survey)

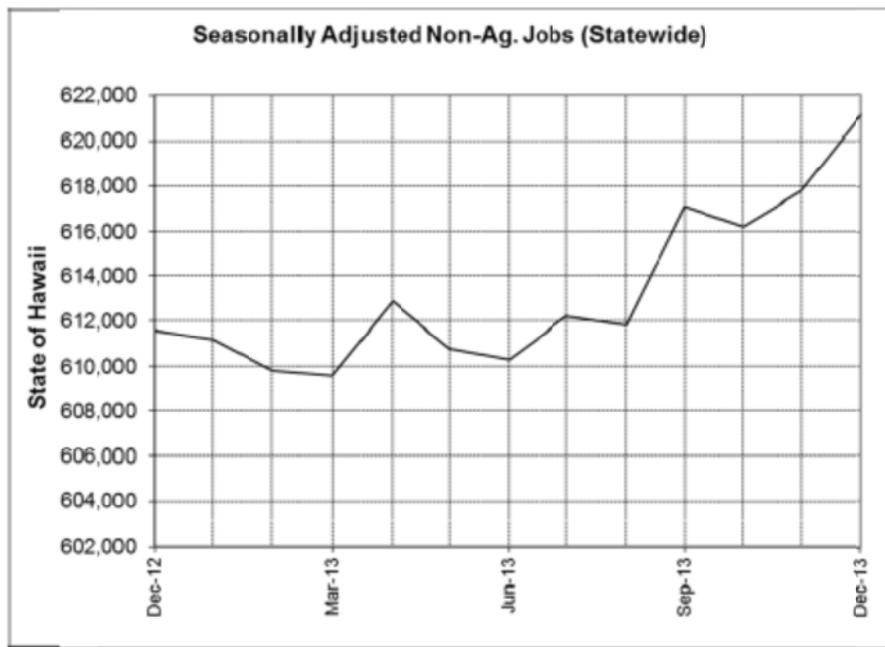
In a separate measure of employment, total seasonally adjusted nonagricultural jobs increased by 3,300 in December over November. Among major private industry sectors, job gains were experienced in Other Services (+900), Construction (+400), Leisure & Hospitality (+200), and Manufacturing (+100). Employment in Financial Activities remained stable. Hiring at the Department of Education somewhat inconsistent with past seasonal trends was largely responsible for Government increasing by 2,900.

Job contraction occurred in Trade, Transportation, & Utilities (-300), Professional & Business Services (-300), and Educational & Health Services (-600). The decline in Educational and Health Services was evenly split between the two subsectors, with lower employment in ambulatory health care the primary reason for the drop in Health Services.

In comparison with December 2012, Leisure & Hospitality has added the most jobs (+4,700) while Other Services has expanded by the largest percentage (+8.1 percent).

<b>Seasonally Adjusted Non-Ag. Jobs (Statewide)</b>			
<b>SELECTED SERIES:</b>	<b>Dec-13</b>	<b>Nov-13</b>	<b>Dec-12*</b>
MINING, LOGGING & CONSTRUCTION	32,100	31,700	30,600
MANUFACTURING	13,900	13,800	13,500
Non-Durable Goods	10,200	10,000	9,800
TRADE, TRANSPORTATION & UTILITIES	116,900	117,200	116,300
Wholesale Trade	18,100	18,100	18,100
Retail Trade	70,100	70,000	69,500
FINANCIAL ACTIVITIES	27,400	27,400	27,100
Real Estate & Rental & Leasing	12,000	11,900	11,600
PROFESSIONAL & BUSINESS SERVICES	77,400	77,700	76,500
Professional, Scientific, Tech Svcs	24,100	24,200	24,500
Mgmt of Companies & Enterprises	7,400	7,300	7,400
Administrative & Support & Waste Mgmt	45,900	46,200	44,600
EDUCATIONAL & HEALTH SERVICES	77,600	78,200	77,700
Educational Services	14,800	15,100	14,900
Health Care & Social Assistance	62,800	63,100	62,800
LEISURE & HOSPITALITY	113,000	112,800	108,300
Arts, Entertainment & Recreation	11,800	11,700	11,300
Accommodation & Food Services	101,200	101,100	97,000
OTHER SERVICES	29,200	28,300	27,000
GOVERNMENT	125,300	122,400	126,000
Federal Government	33,500	33,500	34,800
State Government	73,000	70,300	72,700
Local Government	18,800	18,600	18,500
<b>TOTAL: STATEWIDE</b>	<b>621,100</b>	<b>617,800</b>	<b>611,600</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 12th 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 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 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 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, Fourth Quarter of 2012 through Third Quarter of 2013 Averages.*

<b>Alternative measures of labor underutilization for US and Hawaii, Fourth Quarter of 2012 through Third Quarter of 2013 Averages</b>						
<i>(percent)</i>						
State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	4.1	4.0	7.6	8.1	9.0	14.1
Hawaii	2.5	2.1	4.8	5.4	6.4	11.3

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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