



## DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

NEIL ABERCROMBIE  
GOVERNOR

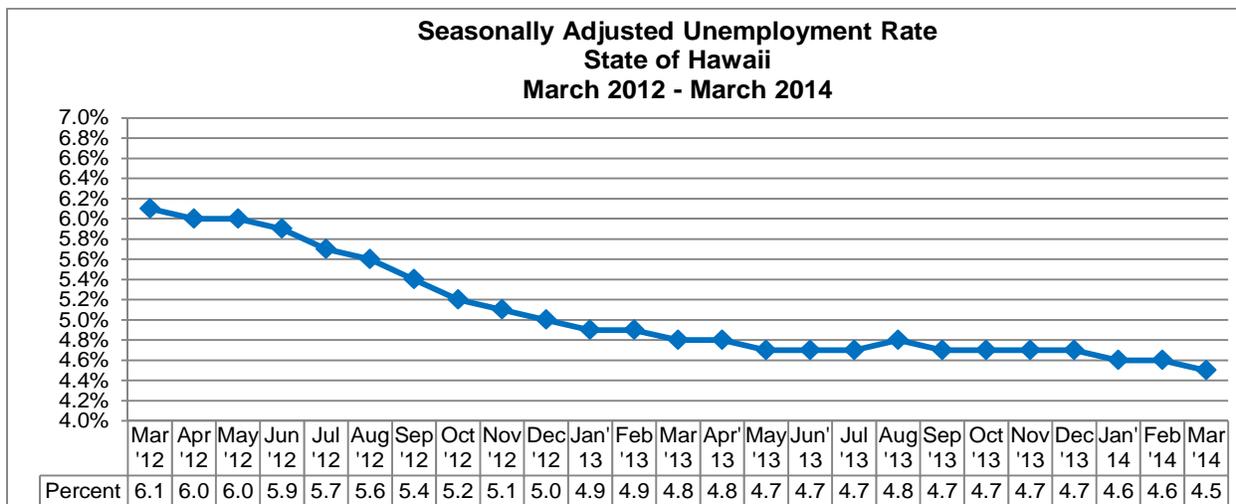
DWIGHT TAKAMINE  
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**FOR IMMEDIATE RELEASE**

April 17, 2014

### RECORD 658,450 IN HAWAII'S LABOR FORCE Unemployment Rate Falls to 4.5%, Lower Rate In all Counties and Islands in March

HONOLULU — The Hawaii State Department of Labor & Industrial Relations today announced that the seasonally adjusted unemployment rate for March was 4.5 percent, down from 4.6 percent in February. Statewide, there were 628,750 employed and 29,700 unemployed in March, for a total seasonally adjusted labor force of 658,450. Nationally, the seasonally adjusted unemployment rate was 6.7 percent in March, unchanged from February.



Both initial claims and weeks claimed decreased by 86 or -5.0% and 1,091 or -9.2% respectively for unemployment benefits compared to one year ago. Over the month, both initial claims and weeks claims also dropped by -7.3% and -5.8% respectively from February 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 4.4 percent in March, down from 4.5 percent in February.

State of Hawaii Seasonally Adjusted Labor Force Data**			
	Mar 2014	Feb 2014	Mar 2013*
Labor Force	658,450	656,500	647,050
Employment	628,750	626,450	615,900
Unemployment	29,700	30,050	31,150

\* benchmarked data

\*\*totals may not add due to rounding

	MAR 2014	FEB 2014	MAR* 2013
<u>Seasonally Adjusted</u>			
STATE	4.5	4.6	4.8
U. S.	6.7	6.7	7.5
<u>Not Seasonally Adjusted</u>			
STATE	4.4	4.5	4.7
HONOLULU	4.0	4.1	4.2
HAWAII COUNTY	5.9	6.1	6.8
KAUAI	5.3	5.6	5.8
MAUI COUNTY	4.9	5.1	5.2
Maui Island	4.8	5.0	5.1
Molokai	8.2	9.7	10.5
Lanai	2.8	2.9	2.1
U. S.	6.8	7.0	7.6

county & island rates are not seasonally adjusted

\* benchmarked data

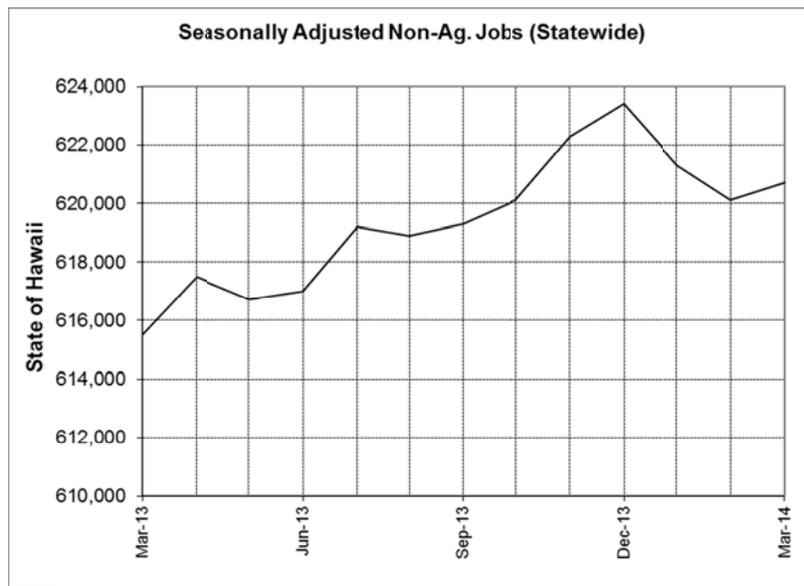
### **Industry Payroll Employment (Establishment Survey)**

In another measure of employment, total seasonally adjusted nonagricultural jobs increased by 600 in March over February. Over the month major industry sector job gains occurred in Leisure & Hospitality (+900), Professional & Business Services (+500), Other Services (+400), Educational & Health Services (+200), and Financial Activities (+100). Within Leisure & Hospitality, the rise in employment was concentrated in Food Services & Drinking Places. Over the month job contraction took place in Manufacturing (-100), Construction (-200), and Trade, Transportation, & Utilities (-300). Government declined by 800 jobs, mostly due to shifts in seasonal hiring at the Department of Education. In comparison with one year ago, there has been an expansion of 5,200 total nonfarm jobs.

### Seasonally Adjusted Non-Ag. Jobs (Statewide)

<b>SELECTED SERIES:</b>	<b>Mar-14</b>	<b>Feb-14</b>	<b>Mar-13*</b>
MINING, LOGGING & CONSTRUCTION	30,700	30,900	30,900
MANUFACTURING	13,400	13,500	13,500
Non-Durable Goods	9,900	9,900	9,900
TRADE, TRANSPORTATION & UTILITIES	116,100	116,400	116,600
Wholesale Trade	18,000	17,900	17,900
Retail Trade	69,200	68,900	69,500
FINANCIAL ACTIVITIES	27,500	27,400	27,000
Real Estate & Rental & Leasing	12,200	12,100	11,800
PROFESSIONAL & BUSINESS SERVICES	79,300	78,800	79,000
Professional, Scientific, Tech Svcs	24,200	24,200	24,400
Mgmt of Companies & Enterprises	8,600	8,500	8,200
Administrative & Support & Waste Mgmt	46,500	46,100	46,400
EDUCATIONAL & HEALTH SERVICES	79,200	79,000	78,600
Educational Services	15,100	15,100	14,800
Health Care & Social Assistance	64,100	63,900	63,800
LEISURE & HOSPITALITY	112,100	111,200	109,800
Arts, Entertainment & Recreation	12,000	11,900	11,700
Accommodation & Food Services	100,100	99,300	98,100
OTHER SERVICES	27,900	27,500	26,500
GOVERNMENT	126,000	126,800	125,100
Federal Government	33,200	33,300	34,200
State Government	74,100	74,900	72,300
Local Government	18,700	18,600	18,600
<b>TOTAL: STATEWIDE</b>	<b>620,700</b>	<b>620,100</b>	<b>615,500</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 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 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 2013 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 2013 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 affect 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, 2013 Annual Averages.*

**Alternative measures of labor underutilization for US and Hawaii, 2013 Annual Averages (percent)**

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	3.9	3.9	7.4	7.9	8.8	13.8
Hawaii	2.4	2.1	4.8	5.5	6.6	11.5

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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