



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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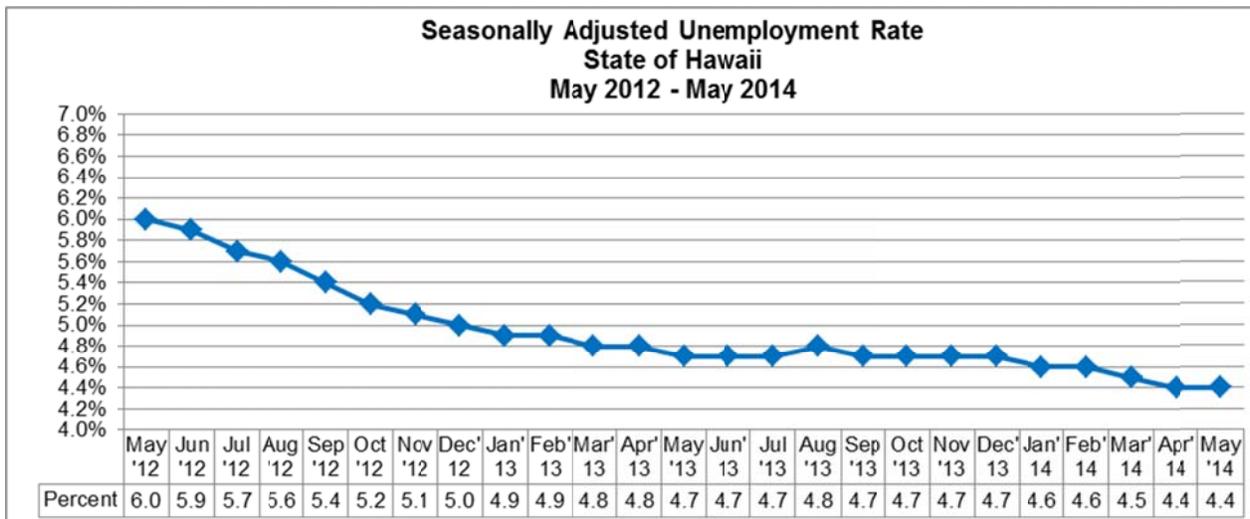
FOR IMMEDIATE RELEASE

June 19, 2014

HAWAII'S UNEMPLOYMENT RATE REMAINS AT 4.4 PERCENT IN MAY

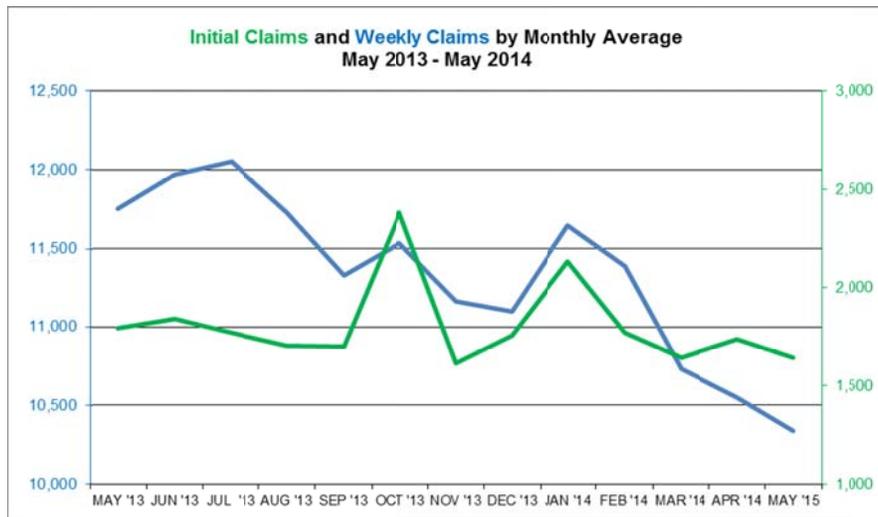
7,200 Increase in Non-Farm Jobs Over the Year, Record 661,900 in Labor Force

HONOLULU — The Hawaii State Department of Labor & Industrial Relations today announced that the seasonally adjusted unemployment rate for May was 4.4 percent, the same as in April. Statewide, there were 632,500 employed and 29,450 unemployed in May, for a total seasonally adjusted labor force of 661,900. Nationally, the seasonally adjusted unemployment rate was 6.3 percent in May, also unchanged from April.



Both initial claims and weeks claims decreased by 150 or -8.4% and 1,414 or -12.0% respectively for unemployment benefits compared to one year ago. Over-the-month both initial claims and weeks claims also fell by -5.4% and -2.0% respectively from April 2014.

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 was 4.4 percent in May, up from 4.2 percent in April.



State of Hawaii Seasonally Adjusted Labor Force Data**

	<u>May 2014</u>	<u>Apr 2014</u>	<u>May 2013*</u>
Labor Force	661,900	660,250	647,050
Employment	632,500	631,250	616,500
Unemployment	29,450	29,050	30,550

* benchmarked data

**totals may not add due to rounding

	MAY 2014	APR 2014	MAY* 2013
<u>Seasonally Adjusted</u>			
STATE	4.4	4.4	4.7
U. S.	6.3	6.3	7.5
<u>Not Seasonally Adjusted</u>			
STATE	4.4	4.2	4.6
HONOLULU	4.1	3.8	4.1
HAWAII COUNTY	5.8	5.6	6.7
KAUAI	5.0	4.9	5.4
MAUI COUNTY	4.7	4.6	4.9
Maui Island	4.6	4.5	4.8
Molokai	8.6	8.8	8.5
Lanai	3.4	2.1	2.0
U. S.	6.1	5.9	7.3

county & island rates are not seasonally adjusted

* benchmarked data

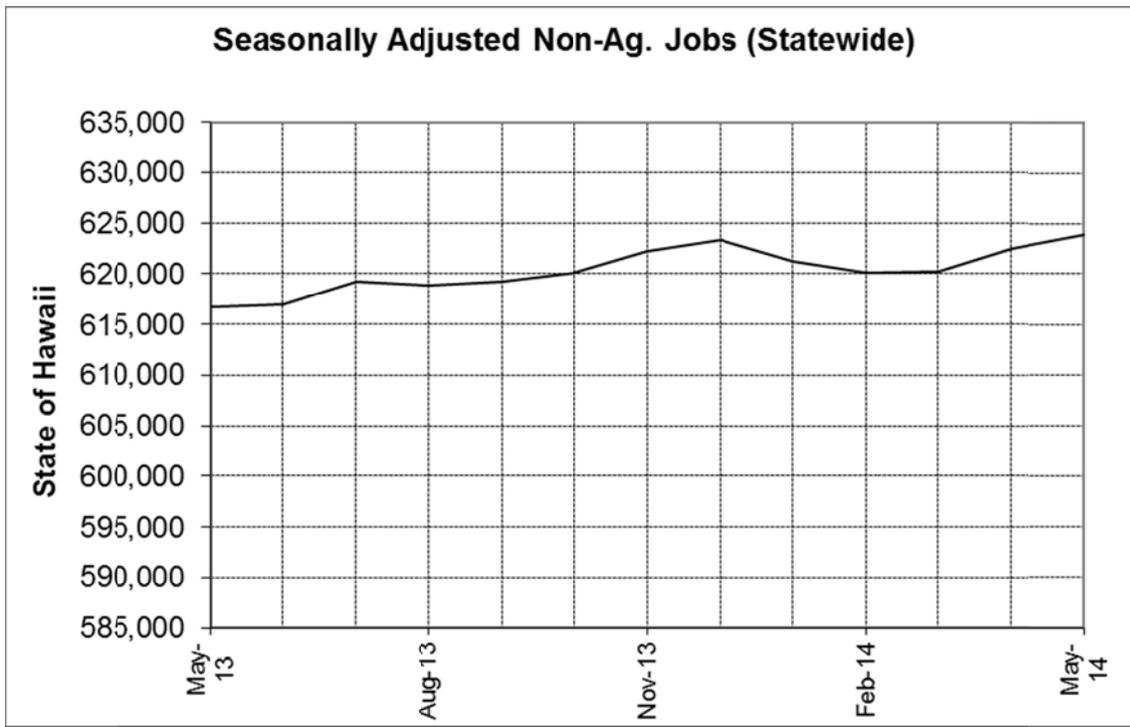
Industry Payroll Employment (Establishment Survey)

In another measure of employment, total seasonally adjusted nonagricultural jobs increased by 1,400 in May over April. Major industry employment gains occurred in Professional & Business Services (+1,800), Trade, Transportation, & Utilities (+700), Construction (+500), Manufacturing (+200), and Financial Activities (+100). A significant portion of the rise in Professional & Business Services was due to job growth in Professional Employment Organizations and Temporary Help Services, while expansion in Trade, Transportation, & Utilities was concentrated in Retail Trade.

Major industry job contraction took place in Educational & Health Services (-300), Leisure & Hospitality (-400), and Other Services (-400). Government decreased by 800 jobs, mostly as a result of shifting seasonal hiring at the Department of Education. Compared with May 2013, there has been an increase of 7,200 nonfarm jobs.

SELECTED SERIES:	May-14	Apr-14	May-13*
MINING, LOGGING & CONSTRUCTION	31,200	30,700	31,100
MANUFACTURING	13,900	13,700	13,500
Non-Durable Goods	10,300	10,100	9,900
TRADE, TRANSPORTATION & UTILITIES	117,000	116,300	116,600
Wholesale Trade	17,800	17,800	17,800
Retail Trade	69,800	69,100	69,600
FINANCIAL ACTIVITIES	27,600	27,500	27,000
Real Estate & Rental & Leasing	12,200	12,200	11,700
PROFESSIONAL & BUSINESS SERVICES	81,500	79,700	79,200
Professional, Scientific, Tech Svcs	24,500	24,000	24,300
Mgmt of Companies & Enterprises	8,600	8,600	8,300
Administrative & Support & Waste Mgmt	48,400	47,100	46,600
EDUCATIONAL & HEALTH SERVICES	79,400	79,700	78,900
Educational Services	15,300	15,200	14,900
Health Care & Social Assistance	64,100	64,500	64,000
LEISURE & HOSPITALITY	112,500	112,900	110,600
Arts, Entertainment & Recreation	11,900	12,000	11,900
Accommodation & Food Services	100,600	100,900	98,700
OTHER SERVICES	26,300	26,700	26,500
GOVERNMENT	126,000	126,800	125,300
Federal Government	33,200	33,300	34,200
State Government	74,200	74,800	72,500
Local Government	18,600	18,700	18,600
TOTAL: STATEWIDE	623,900	622,500	616,700

*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 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 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, Second Quarter of 2013 through First Quarter of 2014 Averages.

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

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	3.8	3.7	7.1	7.6	8.5	13.4
Hawaii	2.3	2.0	4.7	5.3	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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