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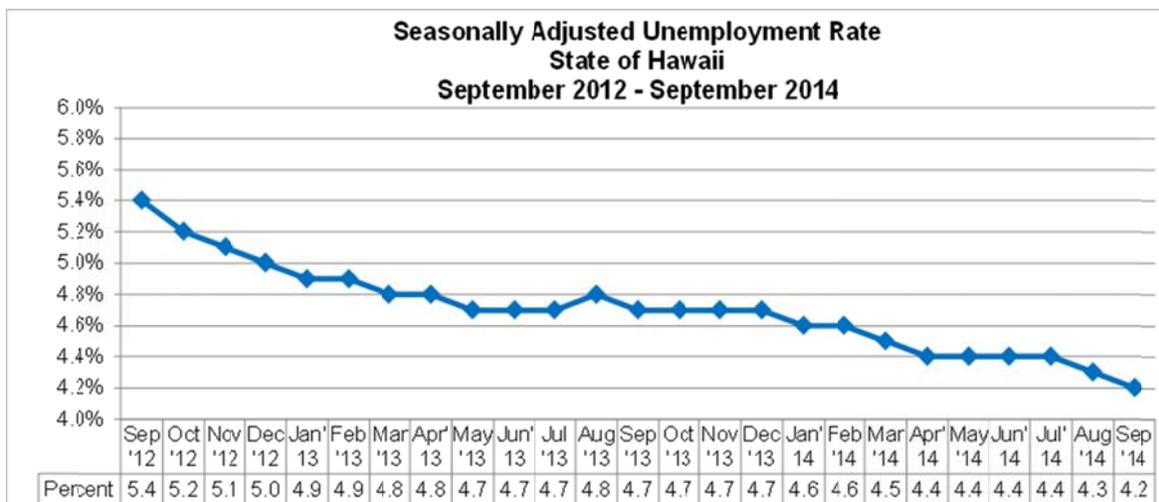
FOR IMMEDIATE RELEASE

Oct. 20, 2014

HAWAII'S UNEMPLOYMENT RATE DROPS TO 4.2 PERCENT IN SEPTEMBER

Record Civilian Labor Force at 665,950

HONOLULU — The Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for September was 4.2 percent, down from 4.3 percent in August. Statewide, 638,050 were employed and 27,900 unemployed in September for a total seasonally adjusted labor force of 665,950. Nationally, the seasonally adjusted unemployment rate declined to 5.9 percent in September from 6.1 percent in August.



Both initial claims and weeks claims decreased by 295 or -17.4% and 2,133 or -18.8% respectively for unemployment benefits compared to one year ago. Over-the-month both initial claims and weeks claims also decreased by - 4.0% and - 5.4% respectively from August 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 4.3 percent in September, up from 4.1 percent in August.

State of Hawaii Seasonally Adjusted Labor Force Data**			
	<u>Sep 2014</u>	<u>Aug 2014</u>	<u>Sep 2013*</u>
Labor Force	665,950	662,700	649,700
Employment	638,050	634,150	618,850
Unemployment	27,900	28,550	30,850

* benchmarked data

**totals may not add due to rounding

	SEP 2014	AUG 2014	SEP* 2013
<u>Seasonally Adjusted</u>			
STATE	4.2	4.3	4.7
U. S.	5.9	6.1	7.2
<u>Not Seasonally Adjusted</u>			
STATE	4.3	4.1	4.9
HONOLULU	4.0	3.8	4.5
HAWAII COUNTY	5.4	5.2	6.7
KAUAI	4.8	4.7	5.7
MAUI COUNTY	4.3	4.2	5.3
Maui Island	4.0	3.9	5.2
Molokai	15.6	14.1	10.8
Lanai	2.5	2.3	4.6
U. S.	5.7	6.3	7.0

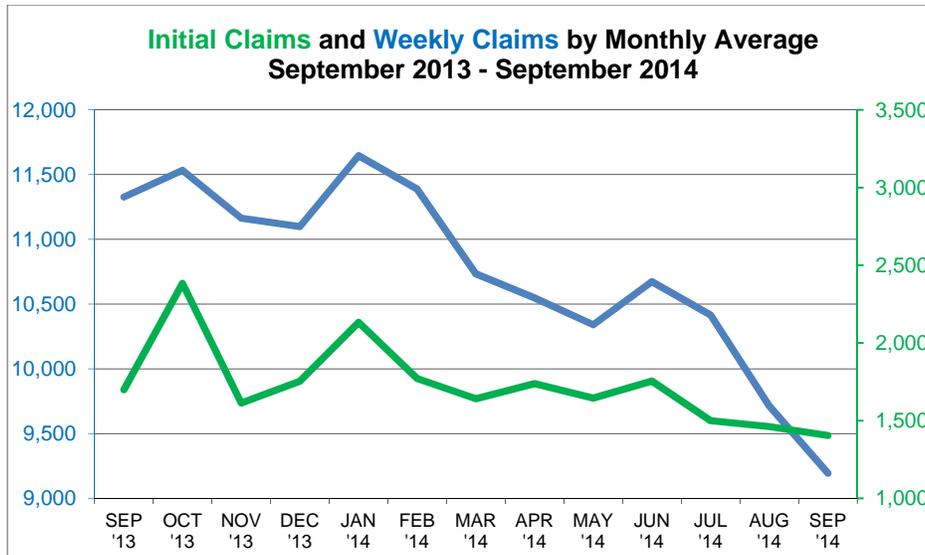
county & island rates are not seasonally adjusted

* benchmarked data

Industry Payroll Employment (Establishment Survey)

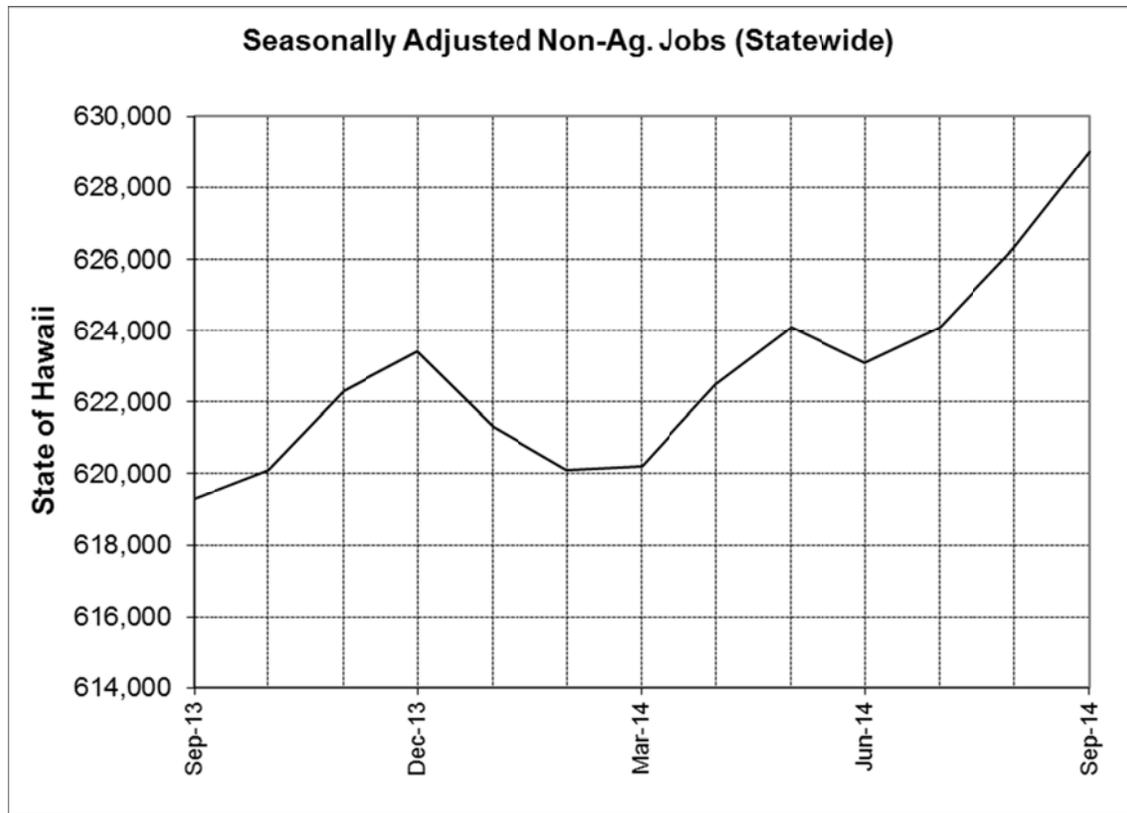
In another measure of employment, there was an over-the-month increase of 2,700 jobs. Major industries that experienced job gains were Educational & Health Services (+1,500), Trade, Transportation, & Utilities (+1,100), Construction (+1,000), Professional & Business Services (+700), and Financial Activities (+300). Within Educational & Health Services, the larger portion of the rise was in Health Services, most principally in Ambulatory Health Care. The growth in Trade, Transportation, and Utilities is attributable to expansion in both Retail and Wholesale Trade. In contrast, job losses among sector groupings occurred in Manufacturing (-300) and Leisure & Hospitality (-700). Employment in Other Services remained unchanged. In Government, the

release of primary election workers was the dominant factor in an over-the-month decline of 1,000 jobs. Compared with one year ago, there has been an expansion of 9,700 nonfarm jobs.



Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	Sep-14	Aug-14	Sep-13*
MINING, LOGGING & CONSTRUCTION	31,500	30,500	30,800
MANUFACTURING	13,700	14,000	13,600
Non-Durable Goods	9,900	10,200	10,000
TRADE, TRANSPORTATION & UTILITIES	118,800	117,700	117,000
Wholesale Trade	18,300	17,800	17,600
Retail Trade	69,700	69,200	69,600
FINANCIAL ACTIVITIES	27,800	27,500	27,000
Real Estate & Rental & Leasing	12,400	12,100	11,800
PROFESSIONAL & BUSINESS SERVICES	81,900	81,200	80,000
Professional, Scientific, Tech Svcs	25,200	25,000	24,300
Mgmt of Companies & Enterprises	8,600	8,400	8,300
Administrative & Support & Waste Mgmt	48,100	47,800	47,400
EDUCATIONAL & HEALTH SERVICES	81,200	79,700	79,300
Educational Services	16,100	15,500	15,100
Health Care & Social Assistance	65,100	64,200	64,200
LEISURE & HOSPITALITY	112,600	113,300	111,200
Arts, Entertainment & Recreation	11,700	11,800	12,000
Accommodation & Food Services	100,900	101,500	99,200
OTHER SERVICES	26,800	26,800	26,500
GOVERNMENT	126,300	127,300	125,200
Federal Government	33,100	33,200	33,800
State Government	74,600	75,600	72,700
Local Government	18,600	18,500	18,700
TOTAL: STATEWIDE	629,000	626,300	619,300

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

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

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	3.5	3.5	6.8	7.2	8.1	12.9
Hawaii	2.2	2.0	4.8	5.3	6.2	11.1

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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