



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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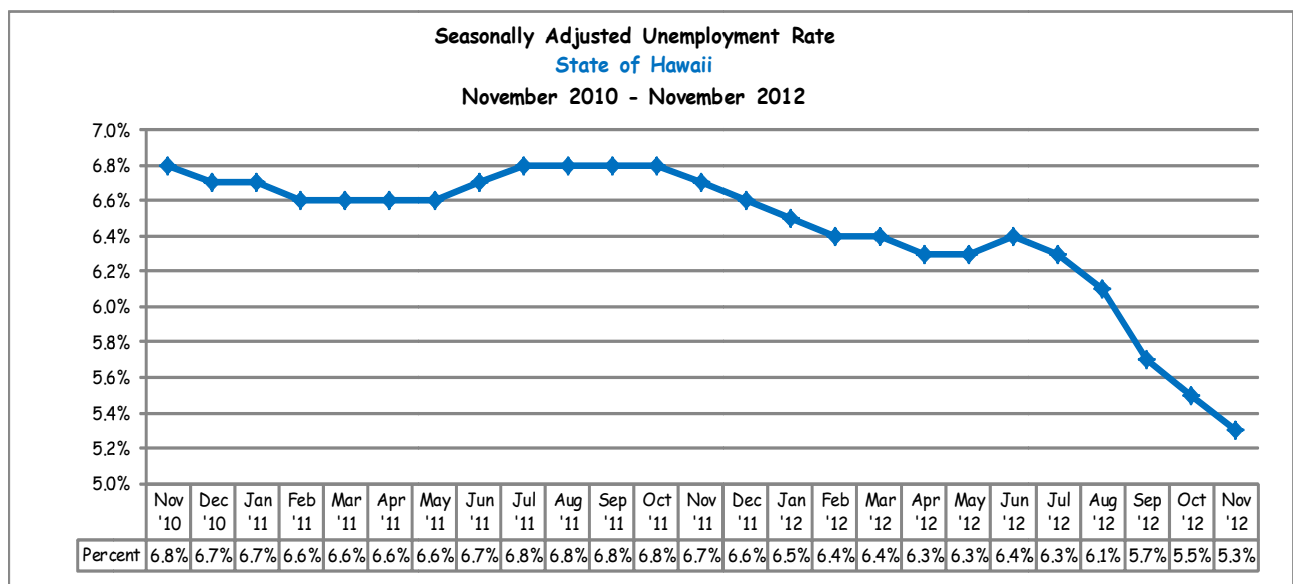
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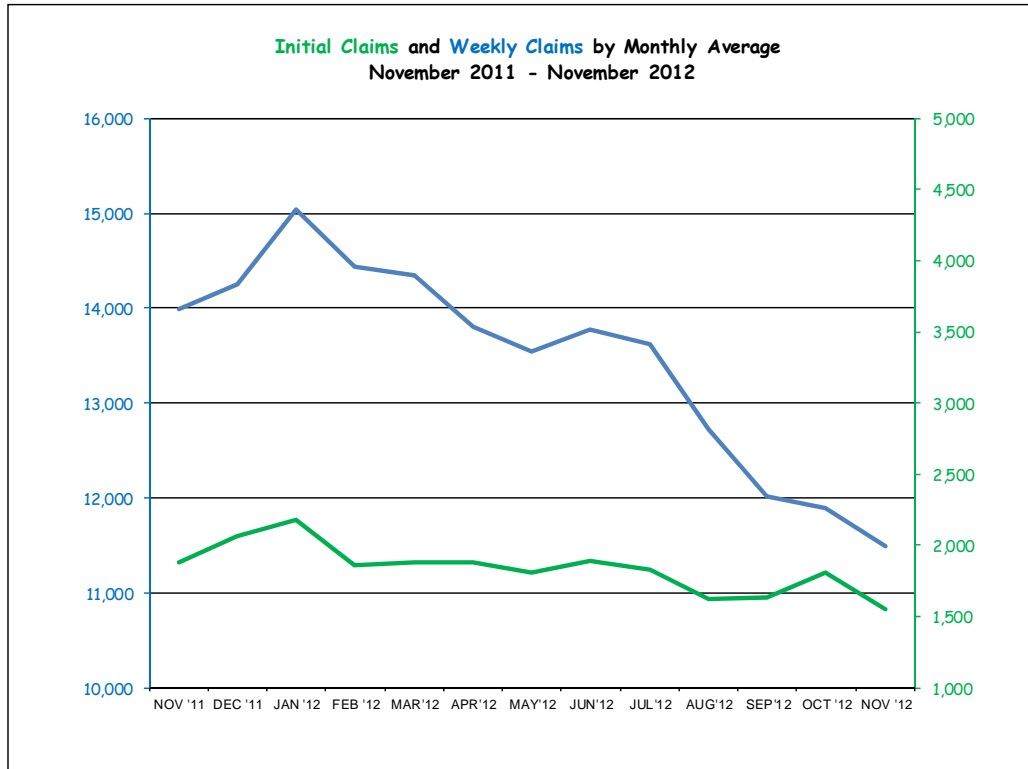
HAWAII'S UNEMPLOYMENT RATE DROPS TO 5.3 PERCENT IN NOVEMBER

Employers Added 4,600 Jobs in November

HONOLULU—The Hawaii State Department of Labor & Industrial Relations today announced that the seasonally adjusted unemployment rate for November was 5.3 percent, down from 5.5 percent in October. The last time Hawaii had an unemployment rate of 5.3 percent was in November 2008. Statewide, there were 609,600 employed and 34,050 unemployed in November, for a total seasonally adjusted labor force of 643,650. Nationally, the seasonally adjusted unemployment rate was 7.7 percent, down from 7.9 percent in October.



Initial claims and weeks claims for unemployment benefits were both down 17.8% compared to one year ago. Between October and November, initial claims and weeks claims also decreased by 256 claims or -14.2% and by 388 claims or 3.3% respectively.



	<u>Nov 2012</u>	<u>Oct 2012</u>	<u>Nov 2011*</u>
Labor Force	643,650	642,450	662,100
Employment	609,600	607,000	617,700
Unemployment	34,050	35,450	44,400

* benchmarked data

**totals may not add due to rounding

	NOV 2012	OCT 2012	NOV* 2011
<u>Seasonally Adjusted</u>			
STATE	5.3	5.5	6.7
U. S.	7.7	7.9	8.7
<u>Not Seasonally Adjusted</u>			
STATE	5.3	5.4	6.7
HONOLULU	4.8	5.0	5.8
HAWAII COUNTY	7.4	7.4	9.5
KAUAI	6.4	6.5	8.5
MAUI COUNTY	5.7	5.7	7.6
Maui Island	5.5	5.5	7.4
Molokai	14.0	13.9	15.7
Lanai	1.4	1.3	4.2
U. S.	7.4	7.5	8.2

county & island rates are not seasonally adjusted

* benchmarked data

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 declined to 5.3 percent in November from the revised rate of 5.4 percent in October.

Industry Payroll Employment (Establishment Survey)

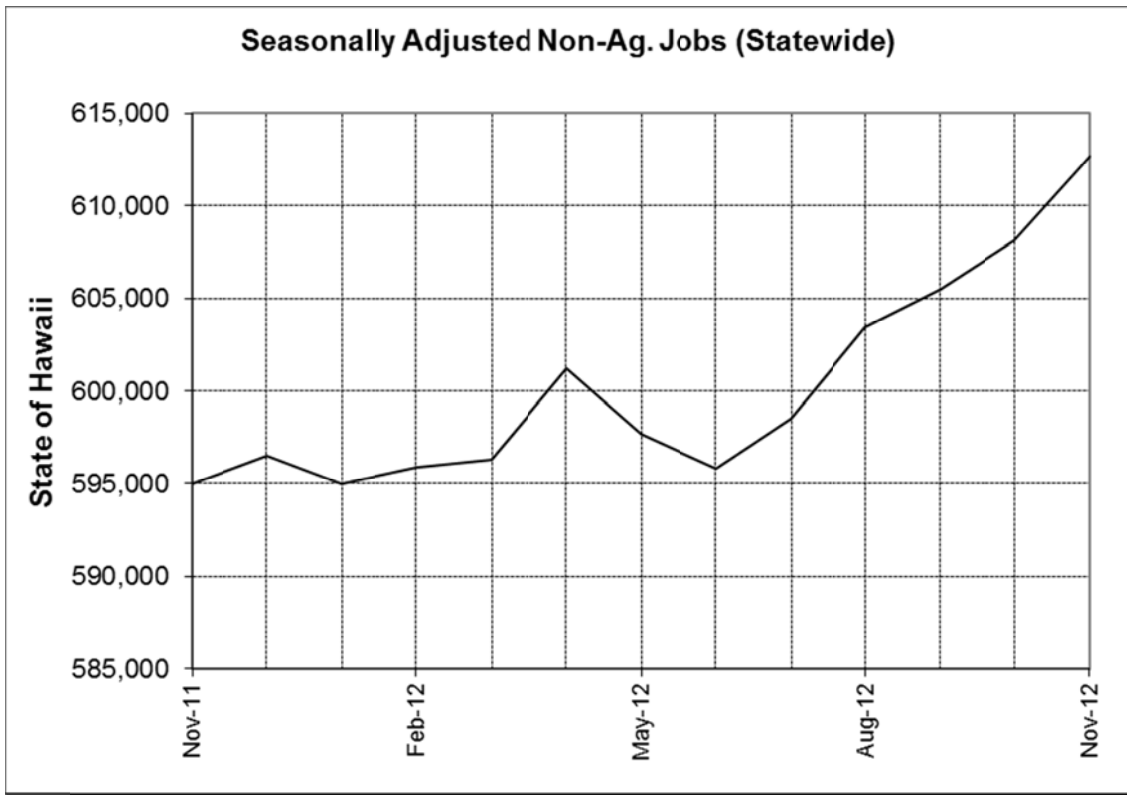
In another measure of employment, total seasonally adjusted nonagricultural jobs grew by 4,600 over-the-month. Since the beginning of the year, employment has expanded by 17,700 jobs.

Within private industry sectors, employment gains were experienced in Trade, Transportation, & Utilities (+1,400), Construction (+700), Educational & Health Services (+700), Professional & Business Services (+300), and Other Services (+300). Within Trade, Transportation, & Utilities, strong job gains occurred in Retail Trade, aided by an improving economy and the opening of a West Oahu shopping center. Employment in Construction has grown over the last several

months due to an uptick in contracts for a variety of commercial and government projects. In Educational & Health Services, job gains were concentrated in Health Services, particularly in Ambulatory Health Care, Hospitals, and Social Assistance. Over-the-month job losses occurred in Manufacturing (-200) and Leisure & Hospitality (-1,100). Within Leisure & Hospitality, the bulk of the job losses were in Food Services & Drinking Places. However, significant employer data that was delayed until after the preliminary estimation deadline is expected to markedly raise the Leisure & Hospitality job estimates when the November revisions are calculated. Government employment went up by 2,200 jobs, in large part due to temporary staffing for the general election. Compared with November 2011, total seasonally adjusted nonfarm jobs have risen by 17,700, with major industry increases in Trade, Transportation, & Utilities (+4,800), Leisure & Hospitality (+4,000), and Construction (+2,300).

Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	Nov-12	Oct-12	Nov-11*
MINING, LOGGING & CONSTRUCTION	29,700	29,000	27,400
MANUFACTURING	13,500	13,700	13,300
TRADE, TRANSPORTATION & UTILITIES	116,200	114,800	111,400
Wholesale Trade	17,700	17,500	17,100
Retail Trade	69,900	69,200	67,100
FINANCIAL ACTIVITIES	28,400	28,200	27,600
Real Estate & Rental & Leasing	12,100	12,000	11,700
PROFESSIONAL & BUSINESS SERVICES	76,200	75,900	75,400
Professional, Scientific, Tech Svcs	23,400	23,200	24,300
Mgmt of Companies & Enterprises	6,600	6,700	6,800
EDUCATIONAL & HEALTH SERVICES	77,900	77,200	76,500
Educational Services	14,900	14,900	14,800
Health Care & Social Assistance	63,000	62,300	61,700
LEISURE & HOSPITALITY	109,800	110,900	105,800
Arts, Entertainment & Recreation	10,700	10,700	10,500
Accommodation & Food Services	99,100	100,200	95,300
OTHER SERVICES	26,100	25,800	25,900
GOVERNMENT	126,600	124,400	124,000
Federal Government	34,300	34,700	34,900
State Government	73,800	71,300	70,700
Local Government	18,500	18,400	18,400
TOTAL: STATEWIDE	612,700	608,100	595,000

* 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 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 2011 and 2010 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 2011 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 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 for 2011 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 2011 through Third Quarter of 2012 Averages.

Alternative measures of labor underutilization for US and Hawaii, Fourth Quarter of 2011 through Third Quarter of 2012 Averages
(percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	4.7	4.6	8.3	8.8	9.7	15.0
Hawaii	3.6	3.5	6.7	7.0	8.2	13.7

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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