



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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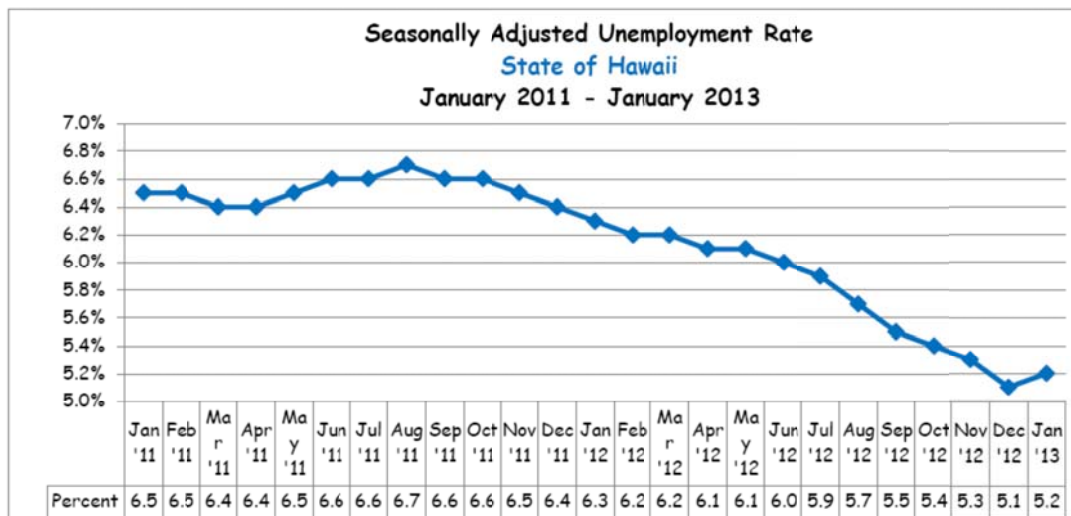
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For Immediate Release: March 15, 2013

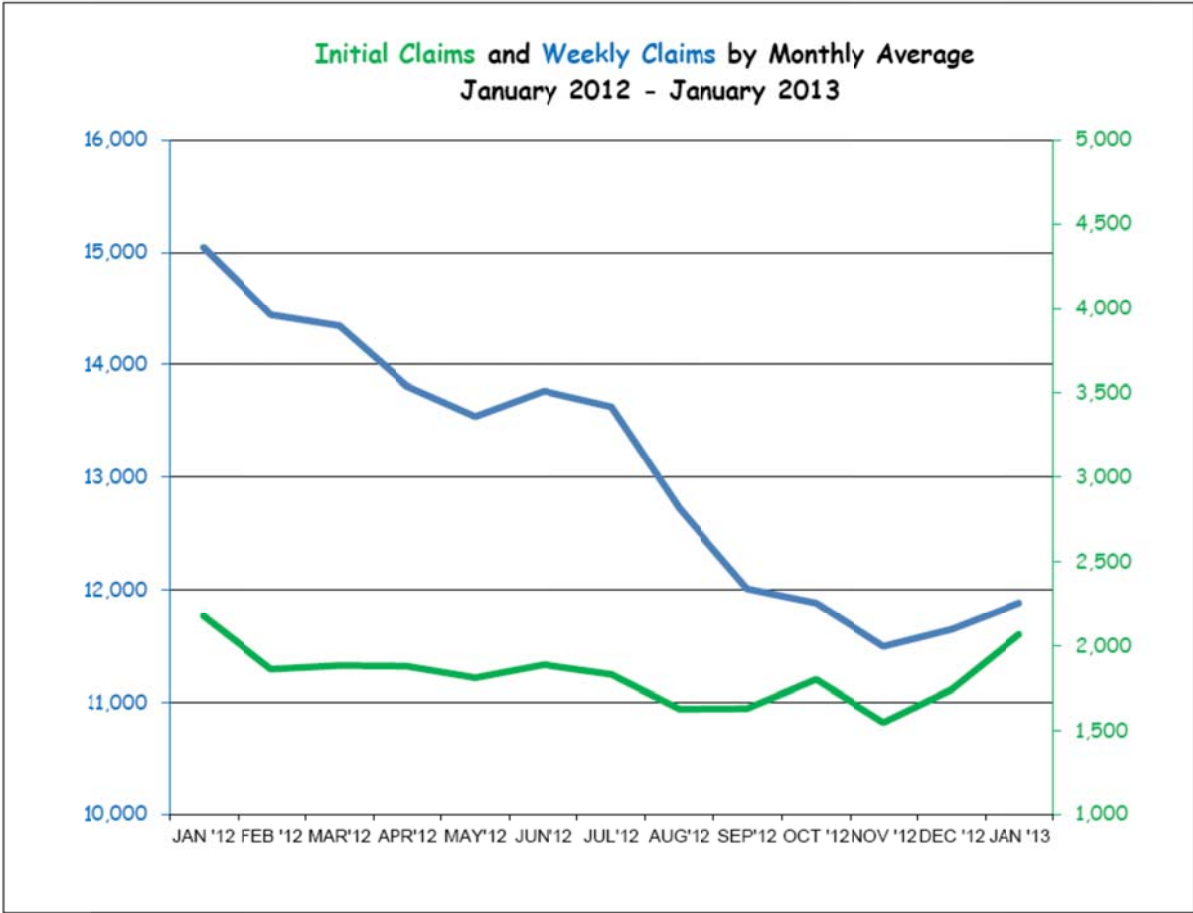
HAWAII'S UNEMPLOYMENT RATE AT 5.2 PERCENT IN JANUARY

Private Sector Jobs Expand by 12,200 Over-the-Year

HONOLULU—The Hawaii State Department of Labor & Industrial Relations today announced that the seasonally adjusted unemployment rate for January was 5.2 percent, compared to the revised rate of 5.1 percent in December. Statewide, there were 618,350 employed and 33,850 unemployed in January, for a total seasonally adjusted labor force of 652,200. Nationally, the seasonally adjusted unemployment rate was 7.9 percent, up from 7.8 percent in December.



Initial claims and weeks claims for unemployment benefits were both down by 110 claims or - 5.1% and 3,159 claims or -21.0%, respectively compared to one year ago. Between December 2012 and January 2013, initial claims and weeks claims increased by 18.6% and 2.0%, respectively.



State of Hawaii Seasonally Adjusted Labor Force Data**			
	<u>Jan 2013</u>	<u>Dec 2012*</u>	<u>Jan 2012*</u>
Labor Force	652,200	652,850	655,650
Employment	618,350	619,300	614,150
Unemployment	33,850	33,600	41,500

* benchmarked data

**totals may not add due to rounding

	JAN 2013	DEC* 2012	JAN* 2012
<u>Seasonally Adjusted</u>			
STATE	5.2	5.1	6.3
U. S.	7.9	7.8	8.3
<u>Not Seasonally Adjusted</u>			
STATE	5.4	4.8	6.3
HONOLULU	4.8	4.2	5.5
HAWAII COUNTY	7.6	6.9	9.2
KAUAI	6.5	6.1	8.2
MAUI COUNTY	5.7	5.2	7.0
Maui Island	5.6	5.0	6.8
Molokai	9.6	13.3	14.6
Lanai	4.9	1.5	3.8
U. S.	8.5	7.6	8.8

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 increased to 5.4 percent in January from 4.8 percent in December.

Industry Payroll Employment (Establishment Survey)

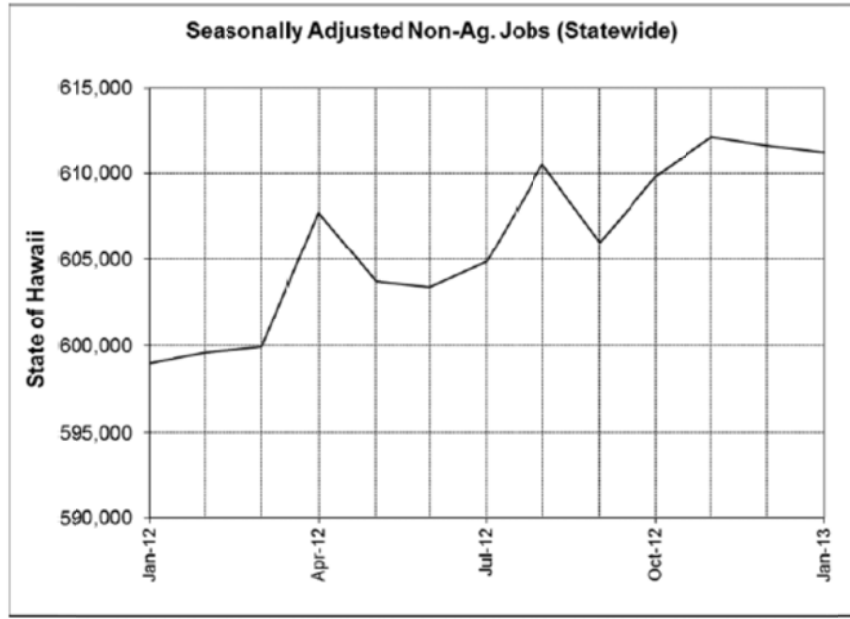
In a separate measure of employment, total seasonally adjusted nonagricultural jobs declined in January 2013 by 400 over-the-month. Within industry sectors, job gains were experienced in Construction (+600), Professional & Business Services (+600), and Other Services (+500). Since the 2nd quarter of 2012, construction employment has trended upward. According to the Department of Business, Economic Development, and Tourism, in the fourth quarter of 2012,

there was an over-the-year increase of 49.5 percent in the issuance of private building permits. Jobs in Professional & Business Services were boosted by expansion in Employment Services.

In January over December, job losses occurred in Trade, Transportation, & Utilities (-600), Leisure & Hospitality (-500), Manufacturing (-200), Financial Activities (-200), and Educational & Health Services (-200). The largest drop within Trade, Transportation, & Utilities took place in Retail Trade. Within Leisure & Hospitality, job losses were concentrated in Food Services & Drinking Places. In the public sector, employment remained stable over-the-month. Compared with January 2012, among major industry sectors, there has been prominent job expansion in Leisure & Hospitality (+2,700), Construction (+2,300), Trade, Transportation, & Utilities (+2,200), and Professional & Business Services (+1,900).

Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	Jan-13	Dec-12*	Jan-12*
MINING, LOGGING & CONSTRUCTION	31,200	30,600	28,900
MANUFACTURING	13,300	13,500	13,400
Non-Durable Goods			
TRADE, TRANSPORTATION & UTILITIES	115,700	116,300	113,500
Wholesale Trade	18,100	18,100	17,700
Retail Trade	69,200	69,500	68,200
FINANCIAL ACTIVITIES	26,900	27,100	26,800
Real Estate & Rental & Leasing	11,600	11,600	11,500
PROFESSIONAL & BUSINESS SERVICES	77,100	76,500	75,200
Professional, Scientific, Tech Svcs	24,000	24,500	24,000
Mgmt of Companies & Enterprises	7,300	7,400	7,300
Administrative & Support & Waste Mgmt	45,800	44,600	43,900
EDUCATIONAL & HEALTH SERVICES	77,500	77,700	76,200
Educational Services	14,600	14,900	14,700
Health Care & Social Assistance	62,900	62,800	61,500
LEISURE & HOSPITALITY	107,800	108,300	105,100
Arts, Entertainment & Recreation	11,300	11,300	10,800
Accommodation & Food Services	96,500	97,000	94,300
OTHER SERVICES	27,500	27,000	26,000
GOVERNMENT	126,000	126,000	125,600
Federal Government	34,200	34,800	34,900
State Government	73,200	72,700	72,400
Local Government	18,600	18,500	18,300
TOTAL: STATEWIDE	611,200	611,600	599,000

* 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 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 - 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 is available at <http://www.bls.gov/lau/lausched.htm>.

Alternative Measures of Labor Underutilization

Alternative Measures of Labor Underutilization for States, 2012 Annual Averages.

Alternative measures of labor underutilization for US and Hawaii, 2012 Annual Averages (percent)						
State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	4.5	4.4	8.1	8.6	9.5	14.7
Hawaii	3.3	3.2	6.0	6.4	7.5	12.8

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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