



## DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

### News Release

**NEIL ABERCROMBIE**  
GOVERNOR

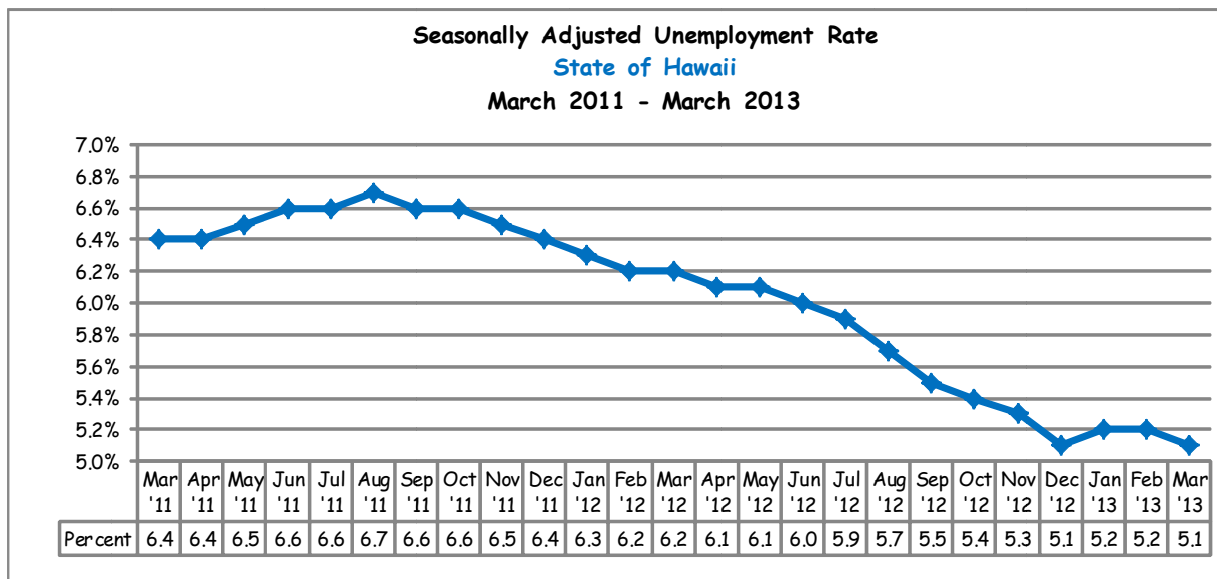
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For Immediate Release: April 18, 2013

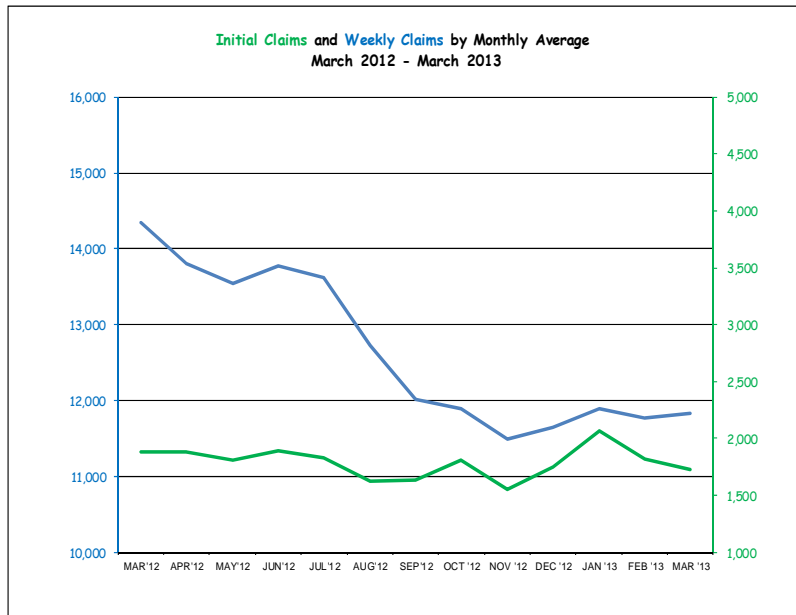
## HAWAII'S UNEMPLOYMENT RATE DOWN TO 5.1 PERCENT IN MARCH

**Jobs Expand by 9,400 Over the Year**

**HONOLULU**—The Hawaii State Department of Labor & Industrial Relations today announced that the seasonally adjusted unemployment rate for March declined to 5.1 percent, from 5.2 percent in February. Statewide, there were 614,100 employed and 33,300 unemployed in March, for a total seasonally adjusted labor force of 647,400. Nationally, the seasonally adjusted unemployment rate was 7.6 percent in March, compared to 7.7 percent in February.



Initial claims and weeks claims for unemployment benefits were both down by 157 claims or - 8.3% and 2,519 claims or -17.6%, respectively compared to one year ago. Between February and March 2013, initial claims dropped by 4.8% and weeks claims increased by 0.4%, respectively.



State of Hawaii Seasonally Adjusted Labor Force Data**			
	Mar 2013	Feb 2013	Mar 2012'
Labor Force	647,400	651,100	653,550
Employment	614,100	617,300	613,200
Unemployment	33,300	33,800	40,350

\* benchmarked data

\*\*totals may not add due to rounding

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 decreased to 5.0 percent in March from the 5.1 percent in February.

	MAR 2013	FEB 2013	MAR* 2012
<u>Seasonally Adjusted</u>			
STATE	5.1	5.2	6.2
U. S.	7.6	7.7	8.2
<u>Not Seasonally Adjusted</u>			
STATE	5.0	5.1	6.2
HONOLULU HAWAII COUNTY	4.6	4.9	5.4
KAUAI	7.6	7.9	8.8
MAUI COUNTY	6.4	6.9	7.9
Maui Island	5.7	6.0	6.8
Molokai	5.3	5.5	6.7
Lanai	11.0	10.9	13.1
U. S.	2.1	2.6	4.0
	7.6	8.1	8.4

county & island rates are not seasonally adjusted

\* benchmarked data

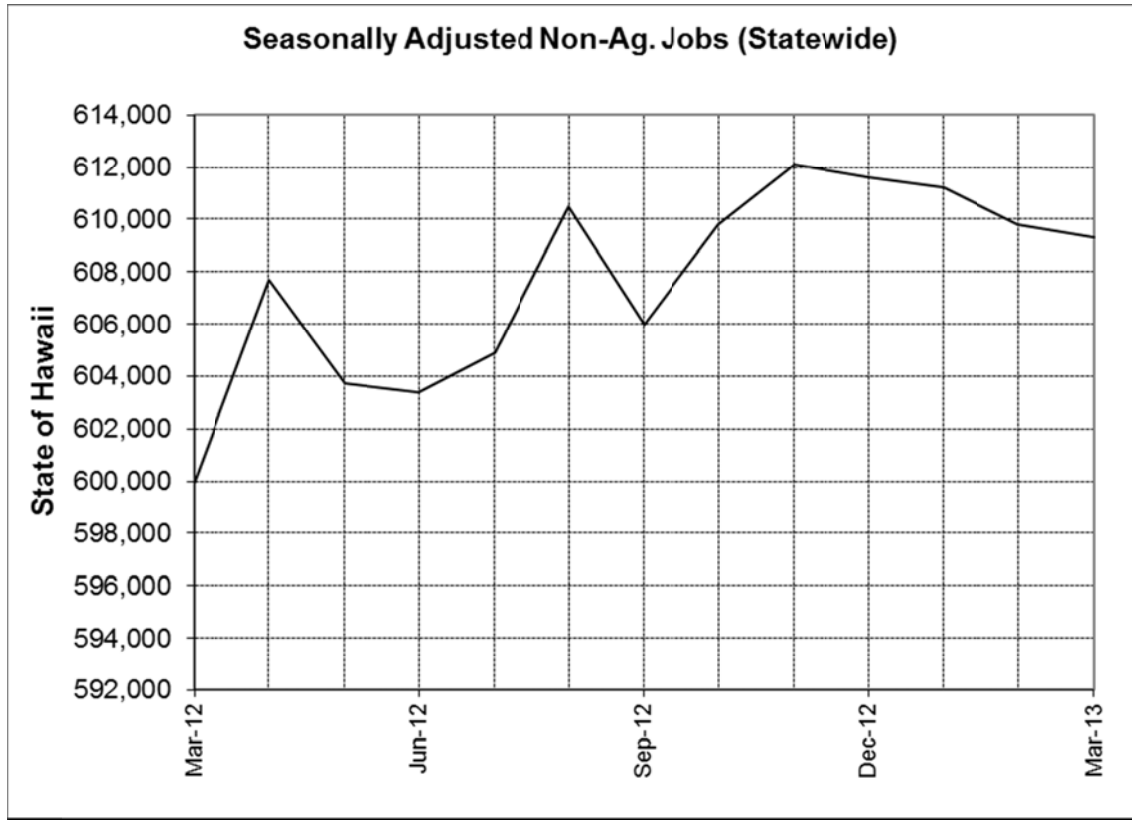
### **Industry Payroll Employment (Establishment Survey)**

In a separate measure of employment, total seasonally adjusted nonagricultural jobs declined by 500 over-the-month. In March over February, job gains occurred in Construction (+700), Leisure & Hospitality (+500), and Educational & Health Services (+100). Within Construction, Special Trade Construction, most notably electrical contractors, provided a considerable boost in employment. Job gains in Leisure & Hospitality were mostly concentrated in Food Services & Drinking Places. Over-the-month job contraction took place in Manufacturing (-100), Other Services (-200), Financial Activities (-200), Professional & Business Services (-200), and Trade, Transportation, & Utilities (-800). Decline in Retail Trade, spread over various retail sectors but most notably in Clothing and Clothing Accessories Stores, accounted for the drop in Trade, Transportation, & Utilities. Government employment went down by 200 jobs. In terms of major

industry job levels over-the-year, Construction has expanded by 3,100 jobs, or 10.7 percent, while Educational & Health Services (+1,800) and Professional & Business Services (+1,600) have also added a significant amount of jobs.

<b>Seasonally Adjusted Non-Ag. Jobs (Statewide)</b>			
<b>SELECTED SERIES:</b>	<b>Mar-13</b>	<b>Feb-13</b>	<b>Mar-12*</b>
MINING, LOGGING & CONSTRUCTION	32,000	31,300	28,900
MANUFACTURING	13,100	13,200	13,300
Non-Durable Goods			
TRADE, TRANSPORTATION & UTILITIES	114,600	115,400	113,800
Wholesale Trade	18,200	18,200	17,700
Retail Trade	67,700	68,500	68,200
FINANCIAL ACTIVITIES	26,900	27,100	26,800
Real Estate & Rental & Leasing	11,600	11,700	11,500
PROFESSIONAL & BUSINESS SERVICES	77,000	77,200	75,400
Professional, Scientific, Tech Svcs	24,300	24,000	24,100
Mgmt of Companies & Enterprises	7,400	7,300	7,400
Administrative & Support & Waste Mgmt	45,300	45,900	43,900
EDUCATIONAL & HEALTH SERVICES	77,600	77,500	75,800
Educational Services	14,700	14,700	14,900
Health Care & Social Assistance	62,900	62,800	60,900
LEISURE & HOSPITALITY	107,300	106,800	105,900
Arts, Entertainment & Recreation	11,500	11,400	11,000
Accommodation & Food Services	95,800	95,400	94,900
OTHER SERVICES	27,300	27,500	26,100
GOVERNMENT	125,000	125,200	125,400
Federal Government	34,000	34,300	34,800
State Government	72,400	72,400	72,100
Local Government	18,600	18,500	18,500
<b>TOTAL: STATEWIDE</b>	<b>609,300</b>	<b>609,800</b>	<b>599,900</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 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 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 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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