



**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

**News Release**

**NEIL ABERCROMBIE**  
GOVERNOR

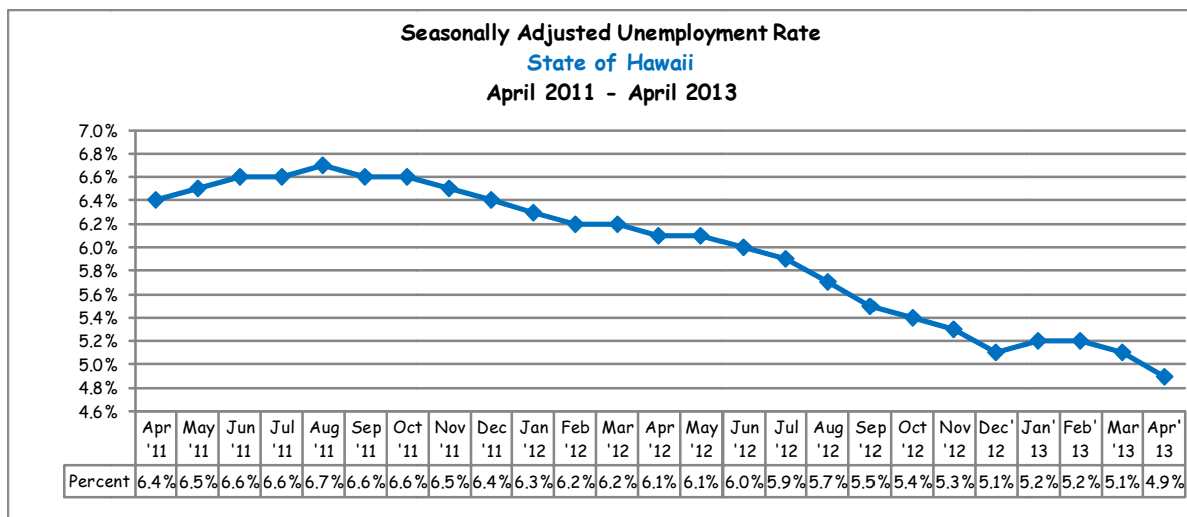
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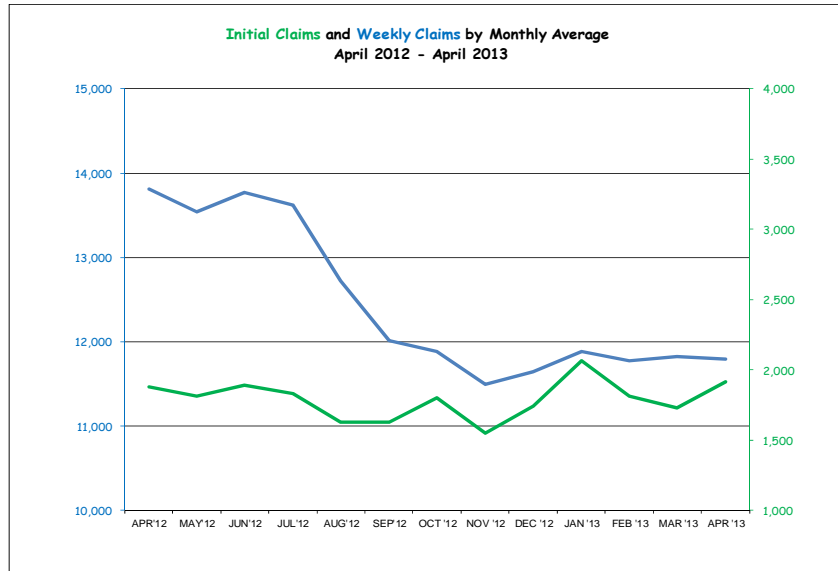
**HAWAII'S UNEMPLOYMENT RATE DROPS  
TO 4.9 PERCENT IN APRIL**

**20 Percent Reduction Compared to a Year Ago**

**HONOLULU**—The Hawaii State Department of Labor and Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for April declined to 4.9 percent from 5.1 percent in March. The last time the unemployment rate was 4.9 percent was in October 2008. Statewide, there were 614,000 employed and 31,850 unemployed in April, for a total seasonally adjusted labor force of 645,850. Nationally, the seasonally adjusted unemployment rate was 7.5 percent in April, compared to 7.6 percent in March.



Initial claims increased by 36 or 1.9%, while weeks claims decreased by 2,016 or -14.6% for unemployment benefits compared to one year ago. Between March and April 2013, initial claims rose by 10.9% and weeks claims dropped by 0.3%.



State of Hawaii Seasonally Adjusted Labor Force Data**			
	<u>Apr 2013</u>	<u>Mar 2013</u>	<u>Apr 2012*</u>
Labor Force	645,850	647,400	652,150
Employment	614,000	614,100	612,200
Unemployment	31,850	33,300	39,900

\* 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 4.5 percent in April from 5.0 percent in March.

	APR 2013	MAR 2013	FEB 2013	APR* 2012
<u>Seasonally Adjusted</u>				
STATE	4.9	5.1	5.2	6.1
U. S.	7.5	7.6	7.7	8.1
<u>Not Seasonally Adjusted</u>				
STATE	4.5	5.0	5.1	5.7
HONOLULU HAWAII COUNTY	3.9	4.4	4.5 +	5.1
KAUAI	6.6	7.2	7.3 +	8.3
MAUI COUNTY	5.7	6.2	6.4 +	7.5
Maui Island	4.8	5.4	5.6 +	6.2
Molokai	4.8	5.3	5.5	6.1
Lanai	8.5	11.0	10.9	12.2
U. S.	2.4	2.1	2.6	2.8
	7.1	7.6	8.1	7.7

county & island rates are not seasonally adjusted

+ corrected county rates for February

\* benchmarked data

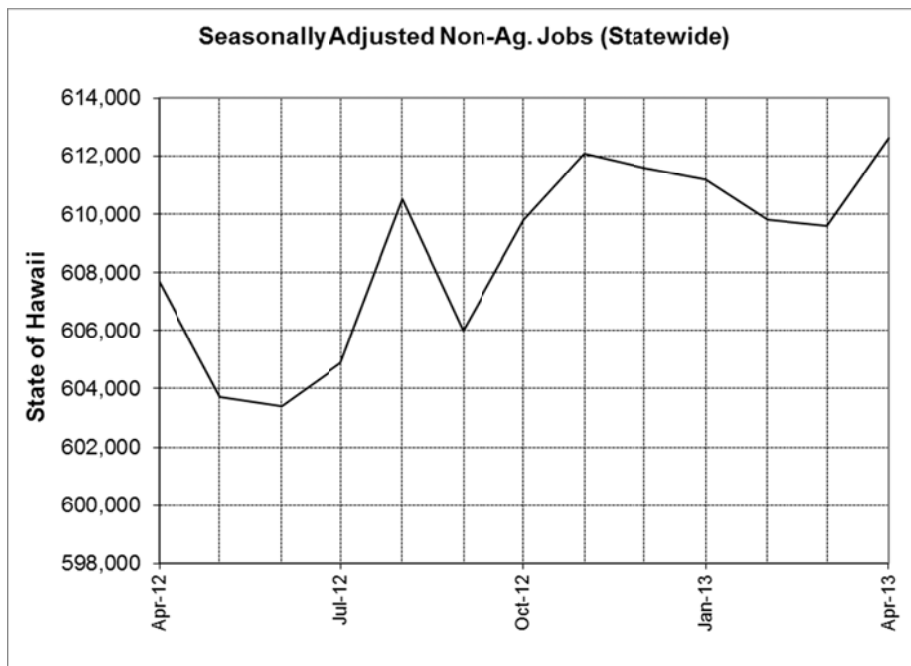
### **Industry Payroll Employment (Establishment Survey)**

In another measure of employment, total seasonally adjusted nonagricultural jobs rose by 3,000 in April over March. There were over-the-month job gains in Leisure & Hospitality (+700), Trade, Transportation, & Utilities (+400), Financial Activities (+300), Other Services (+300), and Construction (+200). Within Leisure & Hospitality, job increases were evenly split between Accommodations and Food Services & Drinking Places. Employment in Manufacturing remained unchanged. Over-the-month job losses occurred in Professional & Business Services (-400) and Education & Health Services (-800). Job declines in Ambulatory Health Care Services contributed to a significant portion of the drop in Education & Health Services. Government employment went up by 2,600 jobs, with shifting seasonal staffing patterns at the Department of Education responsible for the vast majority of the increase. Among major industry sectors, there has been notable over-the-year job expansion in Construction (+3,300), Leisure & Hospitality (+1,500) and Other Services (+1,500).

**Seasonally Adjusted Non-Ag. Jobs (Statewide)**

<b>SELECTED SERIES:</b>	<b>Apr-13</b>	<b>Mar-13</b>	<b>Apr-12*</b>
MINING, LOGGING & CONSTRUCTION	32,100	31,900	28,800
MANUFACTURING	13,100	13,100	13,200
Non-Durable Goods	9,700	9,700	9,700
TRADE, TRANSPORTATION & UTILITIES	114,900	114,500	114,200
Wholesale Trade	18,100	18,200	17,700
Retail Trade	67,500	67,800	68,500
FINANCIAL ACTIVITIES	27,200	26,900	27,000
Real Estate & Rental & Leasing	11,700	11,600	11,500
PROFESSIONAL & BUSINESS SERVICES	76,800	77,200	76,600
Professional, Scientific, Tech Svcs	23,500	24,300	24,100
Mgmt of Companies & Enterprises	7,400	7,400	7,500
Administrative & Support & Waste Mgmt	45,900	45,500	45,000
EDUCATIONAL & HEALTH SERVICES	76,800	77,600	76,300
Educational Services	14,400	14,600	14,700
Health Care & Social Assistance	62,400	63,000	61,600
LEISURE & HOSPITALITY	108,000	107,300	106,500
Arts, Entertainment & Recreation	11,600	11,500	11,200
Accommodation & Food Services	96,400	95,800	95,300
OTHER SERVICES	27,600	27,300	26,100
GOVERNMENT	127,800	125,200	130,600
Federal Government	34,400	34,200	34,900
State Government	75,000	72,400	77,300
Local Government	18,400	18,600	18,400
<b>TOTAL: STATEWIDE</b>	<b>612,600</b>	<b>609,600</b>	<b>607,700</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  
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Hawaii and our metropolitan areas have been developed by analysts with the State Department of Labor and Industrial Relations - 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 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 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 2012 through First Quarter of 2013 Averages.*

**Alternative measures of labor underutilization for US and Hawaii, Second Quarter of 2012 through First Quarter of 2013 Averages**  
(percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	4.4	4.3	7.9	8.4	9.4	14.5

## Alternative measures of labor underutilization for US and Hawaii, Second Quarter of 2012 through First Quarter of 2013 Averages

(percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
Hawaii	3.1	2.8	5.7	6.1	7.1	12.0

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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