



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

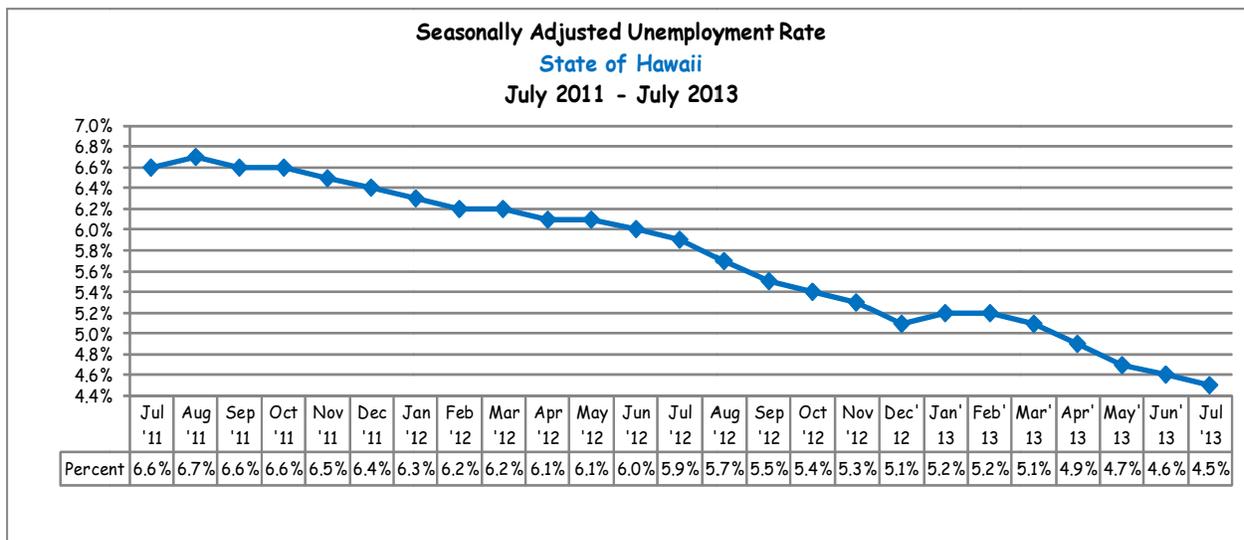
NEIL ABERCROMBIE
GOVERNOR

DWIGHT TAKAMINE, DIRECTOR
AUDREY HIDANO, DEPUTY DIRECTOR
Phone: (808) 586-8844
Fax: (808) 586-9099

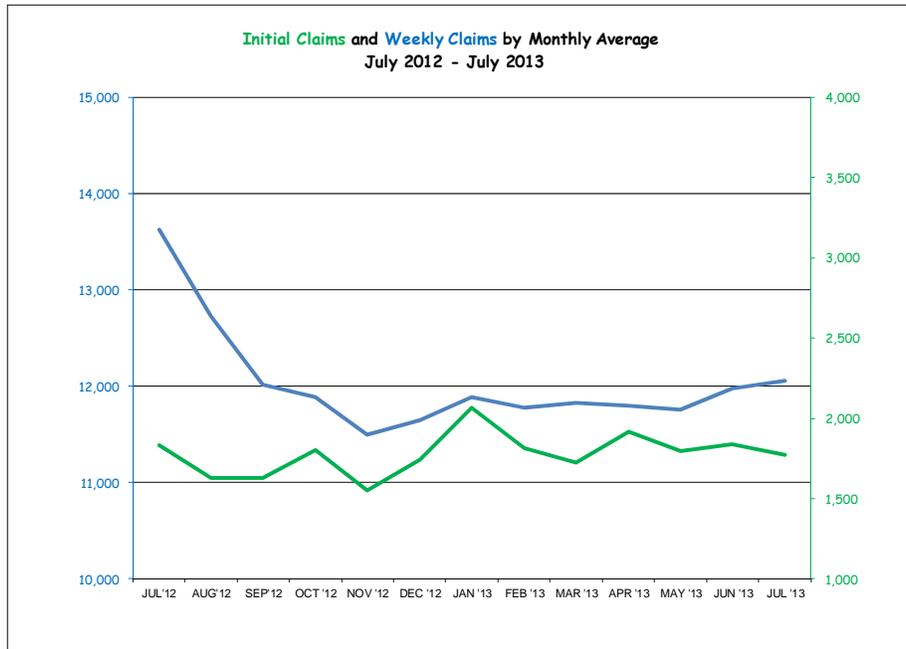
For Immediate Release: August 15, 2013

**HAWAII'S UNEMPLOYMENT RATE FALLS
TO 4.5% IN JULY**
Lowest Rate since August 2008

HONOLULU—The Hawaii State Department of Labor and Industrial Relations today announced that the seasonally adjusted unemployment rate for July declined to 4.5 percent, from 4.6 percent in June. The last time the unemployment rate was 4.5 percent or less was in August 2008. Statewide, there were 614,900 employed and 28,900 unemployed in July, for a total seasonally adjusted labor force of 643,800. Nationally, the seasonally adjusted unemployment rate was 7.4 percent in July, down from 7.6 percent in June.



Initial claims and weeks claims decreased by 60 or -3.3% and by 1,574 or -11.6% consecutively for unemployment benefits compared to one year ago. Over-the-month initial claims dropped by 3.7% while weeks claims increased by 0.7% in July 2013.



State of Hawaii Seasonally Adjusted Labor Force Data**			
	<u>Jul 2013</u>	<u>Jun 2013</u>	<u>Jul 2012*</u>
Labor Force	643,800	646,850	648,900
Employment	614,900	617,200	610,850
Unemployment	28,900	29,650	38,050

* 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 4.7 percent in July from 5.2 percent in June.

Industry Payroll Employment (Establishment Survey)

In a separate measure of employment, total seasonally adjusted nonagricultural jobs rose by

800 over-the-month. Job gains in the major industry sectors occurred in Construction (+1,100), Leisure & Hospitality (+700), Trade, Transportation, & Utilities (+500), and Manufacturing (+200). Within Construction, there were particularly strong job gains for contractors engaged in land subdivision, structural steel and precast concrete, and electrical installation. Employment in Professional & Business Services remained unchanged. Job losses were experienced in Financial Activities (-100), Other Services (-300), Educational & Health Services (-600) and in Government (-600). Within Educational & Health Services, the most notable decrease was in ambulatory health care. Over-the-year, job growth has been brisk in both Construction (+11.6%) and Leisure & Hospitality (+3.2%), which have expanded by 3,400 jobs each.

Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	Jul-13	Jun-13	Jul-12*
MINING, LOGGING & CONSTRUCTION	32,700	31,600	29,300
MANUFACTURING	13,100	12,900	13,300
Non-Durable Goods	9,500	9,500	9,700
TRADE, TRANSPORTATION & UTILITIES	114,700	114,200	114,700
Wholesale Trade	17,800	17,700	17,600
Retail Trade	67,900	67,600	68,600
FINANCIAL ACTIVITIES	27,200	27,300	27,000
Real Estate & Rental & Leasing	11,700	11,700	11,500
PROFESSIONAL & BUSINESS SERVICES	76,800	76,800	76,700
Professional, Scientific, Tech Svcs	24,400	24,400	24,300
Mgmt of Companies & Enterprises	7,300	7,300	7,500
Administrative & Support & Waste Mgmt	45,100	45,100	44,900
EDUCATIONAL & HEALTH SERVICES	76,000	76,600	76,700
Educational Services	14,300	14,100	14,800
Health Care & Social Assistance	61,700	62,500	61,900
LEISURE & HOSPITALITY	111,000	110,300	107,600
Arts, Entertainment & Recreation	11,900	11,700	11,400
Accommodation & Food Services	99,100	98,600	96,200
OTHER SERVICES	27,700	28,000	26,100
GOVERNMENT	123,900	124,500	125,400
Federal Government	33,600	33,900	34,900
State Government	71,700	71,600	72,000
Local Government	18,600	19,000	18,500
TOTAL: STATEWIDE	611,100	610,300	604,900

*Benchmarked Data

	JUL 2013	JUN 2013	JUL* 2012
<u>Seasonally Adjusted</u>			
STATE	4.5	4.6	5.9
U. S.	7.4	7.6	8.2
<u>Not Seasonally Adjusted</u>			
STATE	4.7	5.2	6.2
HONOLULU	4.2	4.7	5.5
HAWAII COUNTY	6.8	7.4	9.0
KAUAI	5.3	5.9	7.7
MAUI COUNTY	4.9	5.4	6.6
U. S.	7.7	7.8	8.6

county & island rates are not seasonally adjusted

* 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, Third Quarter of 2012 through Second Quarter of 2013 Averages.

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

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	4.2	4.2	7.8	8.3	9.2	14.3
Hawaii	2.7	2.5	5.0	5.6	6.6	11.4

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.

#####

For more information, contact:

Bill Kunstman
Department of Labor and Industrial Relations
Email: William.G.Kunstman@Hawaii.gov
Phone: (808) 586-8845
Fax: (808) 586-9099