



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

NEIL ABERCROMBIE
GOVERNOR

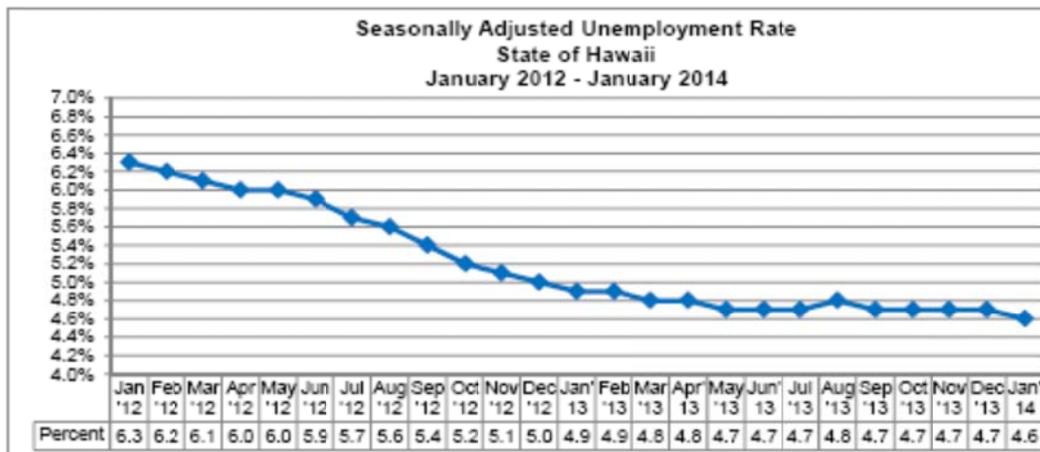
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FOR IMMEDIATE RELEASE

March 17, 2014

HAWAII'S UNEMPLOYMENT RATE DROPS TO 4.6 PERCENT IN JANUARY Non-farm Jobs Up by 12,500 Over the Year

HONOLULU — The Hawaii State Department of Labor & Industrial Relations today announced that the seasonally adjusted unemployment rate for January was 4.6 percent, down from the revised rate of 4.7 percent in December. Statewide, there were 625,650 employed and 30,250 unemployed in January, for a total seasonally adjusted labor force of 655,900. Nationally, the seasonally adjusted unemployment rate was 6.6 percent in January, down from 6.7 percent in December.



Initial claims increased by 64 or 3.1% while weeks claims decreased by 237 or -2.0% for unemployment benefits compared to one year ago. Over-the-month both initial claims and weeks claims grew by 21.6% and 4.9% respectively from December 2013.

State of Hawaii Seasonally Adjusted Labor Force Data**			
	Jan 2014	Dec 2013*	Jan 2013*
Labor Force	655,900	653,700	647,400
Employment	625,650	623,100	615,350
Unemployment	30,250	30,550	32,050

* benchmarked data

**totals may not add due to rounding

	JAN 2014	DEC* 2013	JAN* 2013
<u>Seasonally Adjusted</u>			
STATE	4.6	4.7	4.9
U. S.	6.6	6.7	7.9
<u>Not Seasonally Adjusted</u>			
STATE	4.6	4.2	5.1
HONOLULU	4.2	3.8	4.6
HAWAII COUNTY	6.1	5.9	7.2
KAUAI	5.4	5.2	6.1
MAUI COUNTY	5.0	4.7	5.4
Maui Island	5.0	4.5	5.3
Molokai	6.9	7.8	8.7
Lanai	3.0	4.8	4.6
U. S.	7.0	6.5	8.5

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 was 4.6 percent in January up from 4.2 percent in December.

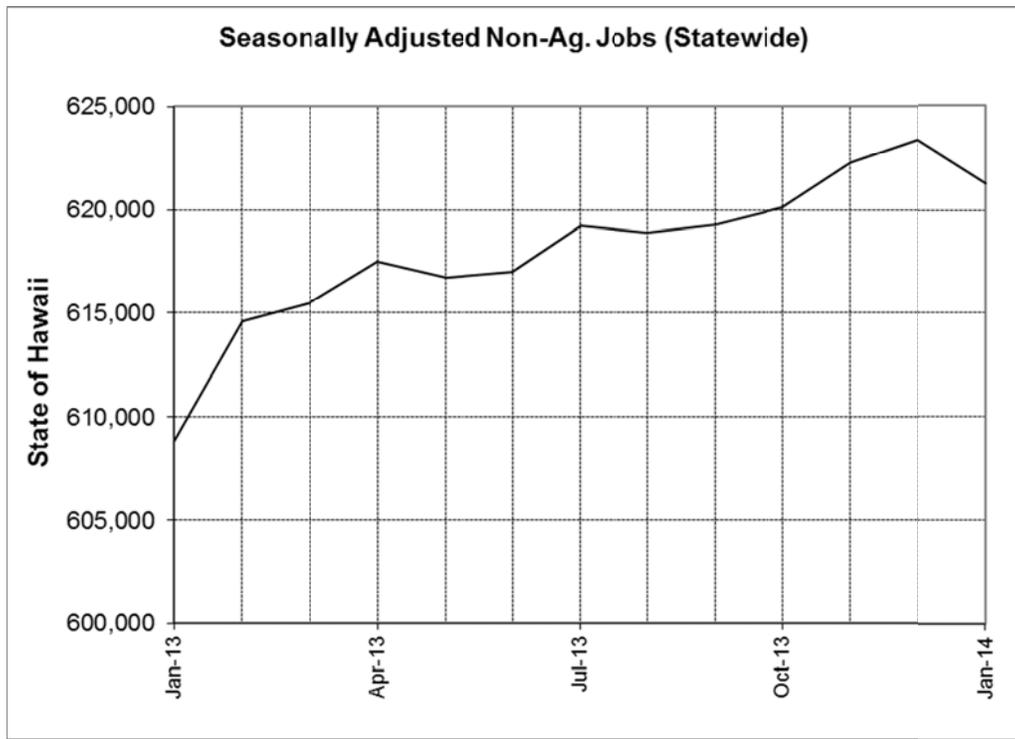
Industry Payroll Employment (Establishment Survey)

In another measure of employment, total seasonally adjusted nonagricultural jobs declined by 2,100 over-the-month. In January over December, major industry sector job gains were

experienced in Other Services (+900), Leisure & Hospitality (+700), and Educational & Health Services (+200). Within Other Services, job expansion occurred in a wide variety of sectors. In Leisure & Hospitality, job gains were primarily in Food Services and Drinking Places. Employment in Financial Activities remained unchanged. Job losses took place in Manufacturing (-200), Construction (-500), Professional & Business Services (-800), and Trade, Transportation, & Utilities (-1,800). Within Professional & Business Services, job contraction was relatively evenly split between Professional, Scientific, and Technical Services, and Administrative & Support & Waste Management & Remediation Services. In Trade, Transportation, & Utilities, the drop in employment was concentrated in Retail Trade, after the release of seasonal workers following stronger than normal hiring in October and November. Public sector employment went down by 300 jobs, with Local Government accounting for the decline. Over-the-year, total nonfarm jobs have increased by 12,500, or 2.1 percent.

Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	Jan-14	Dec-13	Jan-13*
MINING, LOGGING & CONSTRUCTION	30,500	31,000	30,400
MANUFACTURING	13,500	13,700	13,500
Non-Durable Goods	9,900	10,100	9,800
TRADE, TRANSPORTATION & UTILITIES	116,500	118,300	116,000
Wholesale Trade	17,700	17,800	17,800
Retail Trade	68,900	70,600	69,300
FINANCIAL ACTIVITIES	27,200	27,200	27,000
Real Estate & Rental & Leasing	11,900	12,100	11,700
PROFESSIONAL & BUSINESS SERVICES	79,300	80,100	78,500
Professional, Scientific, Tech Svcs	23,600	24,000	24,300
Mgmt of Companies & Enterprises	8,600	8,500	8,100
Administrative & Support & Waste Mgmt	47,100	47,600	46,100
EDUCATIONAL & HEALTH SERVICES	79,100	78,900	78,800
Educational Services	15,200	15,300	14,900
Health Care & Social Assistance	63,900	63,600	63,900
LEISURE & HOSPITALITY	112,600	111,900	109,400
Arts, Entertainment & Recreation	12,000	11,800	11,600
Accommodation & Food Services	100,600	100,100	97,800
OTHER SERVICES	28,500	27,600	26,800
GOVERNMENT	125,600	125,900	120,100
Federal Government	33,600	33,600	34,300
State Government	73,400	73,400	67,300
Local Government	18,600	18,900	18,500
TOTAL: STATEWIDE	621,300	623,400	608,800

*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 2013 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 2013 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 Hawai'i 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, 2013 Annual Averages.

Alternative measures of labor underutilization for US and Hawaii, 2013 Annual Averages (percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	3.9	3.9	7.4	7.9	8.8	13.8
Hawaii	2.4	2.1	4.8	5.5	6.6	11.5

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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