



## DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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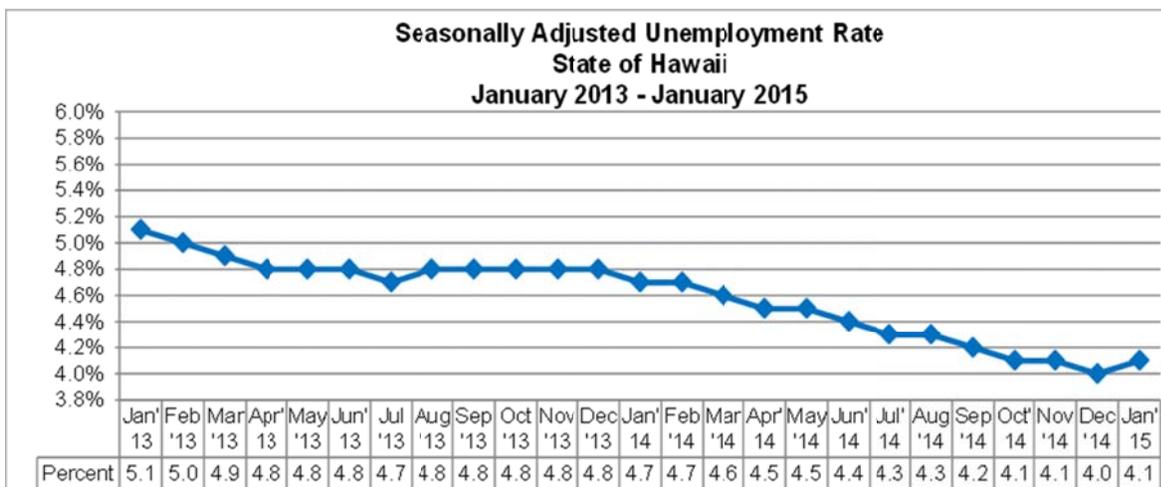
**FOR IMMEDIATE RELEASE**

March 16, 2015

### HAWAII'S UNEMPLOYMENT RATE AT 4.1 PERCENT IN JANUARY

**Record Civilian Labor Force at 673,550**

HONOLULU — The Hawaii State Department of Labor & Industrial Relations (DLIR) today announced that the seasonally adjusted unemployment rate for January was 4.1 percent, slightly up from 4.0 percent in December. Statewide, 646,100 were employed and 27,450 unemployed in January for a total seasonally adjusted labor force of 673,550. Nationally, the seasonally adjusted unemployment rate was 5.7 percent in January, up from 5.6 percent in December.



Both initial claims and weeks claims decreased by 350 or -16.4 percent and 1,682 or -14.4 percent respectively for unemployment benefits compared to one year ago. Over-the-month both initial claims and weeks claims increased by 13.1 percent and 8.5 percent from December 2014.

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 4.3 percent in January, up from 3.7 percent in December.

State of Hawaii Seasonally Adjusted Labor Force Data**			
	<u>Jan 2015</u>	<u>Dec 2014*</u>	<u>Jan 2014*</u>
Labor Force	673,550	670,800	663,100
Employment	646,100	643,750	631,850
Unemployment	27,450	27,100	31,250

\* benchmarked data

\*\*totals may not add due to rounding

	JAN 2015	DEC* 2014	JAN* 2014
<u>Seasonally Adjusted</u>			
STATE	4.1	4.0	4.7
U. S.	5.7	5.6	6.6
<u>Not Seasonally Adjusted</u>			
STATE	4.3	3.7	4.7
HONOLULU	4.0	3.5	4.4
HAWAII COUNTY	5.2	4.7	6.0
KAUAI	4.8	4.3	5.4
MAUI COUNTY	4.4	3.8	5.1
Maui Island	4.3	3.6	5.0
Molokai	8.3	10.5	7.5
Lanai	3.4	2.3	3.0
U. S.	6.1	5.4	7.0

county & island rates are not seasonally adjusted

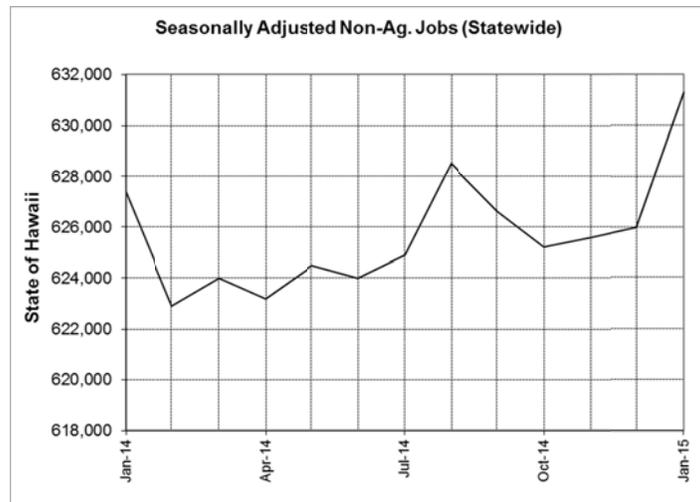
\* benchmarked data

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

In another measure of employment, total seasonally adjusted nonfarm jobs expanded by 5,300 in January over December. There were major industry job gains in Trade, Transportation, & Utilities (+1,900), Leisure & Hospitality (+1,200), Construction (+1,100), Professional & Business Services (+1,000), Other Services (+600), Educational & Health Services (+300), and Manufacturing (+300). The bulk of the rise in Trade, Transportation, & Utilities was in Retail Trade, as there was a smaller than typical drop off of holiday season workers. Within Leisure & Hospitality, job expansion was concentrated in Food Services & Drinking Places, while Construction industry work was most robust in Construction of Buildings. Similar to Retail Trade

in January, a significantly less seasonal release of workers in Temporary Help Services and Professional Employer Organizations boosted employment in Professional & Business Services. Jobs in Financial Activities remained unchanged. In Government, employment dipped by 400 jobs over-the-month. Compared with January 2014, total nonagricultural jobs have increased by 3,900.

<b>Seasonally Adjusted Non-Ag. Jobs (Statewide)</b>			
<b>SELECTED SERIES:</b>	<b>Jan-15</b>	<b>Dec-14</b>	<b>Jan-14*</b>
MINING, LOGGING & CONSTRUCTION	32,000	30,900	31,200
MANUFACTURING	13,700	13,400	13,600
Non-Durable Goods	10,100	10,000	10,100
TRADE, TRANSPORTATION & UTILITIES	119,900	118,000	117,000
Wholesale Trade	18,000	18,100	17,600
Retail Trade	71,500	70,200	69,400
FINANCIAL ACTIVITIES	27,600	27,600	27,300
Real Estate & Rental & Leasing	12,100	12,100	12,000
PROFESSIONAL & BUSINESS SERVICES	84,700	83,700	81,800
Professional, Scientific, Tech Svcs	24,100	24,100	24,400
Administrative & Support & Waste Mgmt	51,400	50,900	48,800
EDUCATIONAL & HEALTH SERVICES	79,800	79,500	78,700
Educational Services	14,200	13,900	14,500
Health Care & Social Assistance	65,600	65,600	64,200
LEISURE & HOSPITALITY	114,700	113,500	112,900
Arts, Entertainment & Recreation	12,400	12,300	12,000
Accommodation & Food Services	102,300	101,200	100,900
OTHER SERVICES	26,500	25,900	26,900
GOVERNMENT	124,400	124,800	129,700
Federal Government	33,000	33,100	33,300
State Government	72,300	72,700	77,600
Local Government	19,100	19,000	18,800
<b>TOTAL: STATEWIDE</b>	<b>631,300</b>	<b>626,000</b>	<b>627,400</b>



## Technical Notes

### **Seasonal Adjustment**

The seasonal fluctuations in the number of employed and unemployed persons reflect hiring and layoff 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. Therefore, the BLS uses a statistical technique called seasonal adjustment to address these issues. This technique uses the history of the labor force data and the job count data 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. Seasonally adjusted statistical series enable more meaningful data comparisons between months or with an annual average.

### **Current Population (Household) Survey (CPS)**

A survey conducted for employment status in the week that includes the 12<sup>th</sup> day of each month generates the unemployment rate statistics, which is a separate survey from the Establishment Survey that yields the industry job counts. The CPS survey contacts approximately 1,000 households in Hawaii to determine an individual's 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 considered unemployed are ones that do not have a job, have actively looked for work in the prior four weeks and are available for work. Temporarily laid off workers are counted as unemployed, whether 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**

Statewide data for 1976-2014 and substate data for 1990-2014 have been re-estimated using a new generation of time series models. See "Report on Revision to State and Area Time-Series Models" at [www.bls.gov/lauschanges2015.htm](http://www.bls.gov/lauschanges2015.htm).

### **Change to Monthly Employment Estimates**

This release incorporates revised job count figures from 1990 through 2014 for the seasonally adjusted series. The reconstructed data reflects data from historical corrections applied to unadjusted supersector or sector level series. For years, analysts with the State DLIR's Research & Statistics Office have developed monthly employment estimates for Hawaii and our metropolitan areas. 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 affect 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 BLS is publishing smoothed seasonally adjusted civilian labor force and unemployment estimates for all metropolitan areas, which includes the City and County of Honolulu. BLS releases this data each month in the *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, 2014 Annual Averages.*

#### **Alternative Measures of Labor Underutilization for US and Hawaii, 2014 Annual Averages (percent)**

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	3.0	3.1	6.2	6.6	7.5	12.0
Hawaii	1.9	1.8	4.4	4.7	5.6	10.2

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.

Equal Opportunity Employer/Program

Auxiliary aids and services are available upon request to individuals with disabilities.  
TTY/TDD (808) 586-8844

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View DLIR news releases:

<http://labor.hawaii.gov/blog/category/news/>

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