



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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**HAWAII'S SEASONALLY ADJUSTED UNEMPLOYMENT RATE
DECLINES TO 7.0 PERCENT IN JULY**

National Unemployment Rate at 9.4 percent

HONOLULU – The Hawai'i State Department of Labor and Industrial Relations announced today that the seasonally adjusted unemployment rate for July was 7.0 percent, which was 0.3 percentage point below June's revised rate of 7.3 percent. In comparison, the U.S. seasonally adjusted unemployment rate declined slightly, going from 9.5 percent in June to 9.4 percent in July. For the past four months, Hawai'i's monthly seasonally adjusted unemployment rates have been at least 2.0 percentage points lower than the national monthly rates. In July, there were 600,150 employed and 45,300 unemployed, for a seasonally adjusted labor force totaling 645,450.

State of Hawai'i Seasonally Adjusted Labor Force Data			
	<u>Jul 2009</u>	<u>Jun 2009</u>	<u>Jul 2008</u>
Labor Force	645,450	645,300	654,850
Employment	600,150	597,900	628,750
Unemployment	45,300	47,400	26,100

	JUL 2009	JUN 2009	JUL 2008
STATE	7.0	7.3	4.0
HONOLULU	6.1	6.8	3.9
HAWAII COUNTY	10.4	11.4	6.0
KAUAI	9.8	11.0	4.4
MAUI COUNTY	9.2	10.0	4.5
Maui Island	8.9	9.7	4.2
Moloka'i	16.3	17.8	12.0
Lana'i	10.1	11.3	5.3
U. S.	9.4	9.5	5.8

county & island rates are non-seasonally adjusted

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.

The unemployment rate figures for the State of Hawai'i and the U.S. in this release are seasonally adjusted, in accordance with the U.S. Bureau of Labor Statistics (BLS) methodology.

The figures for the counties and islands are not seasonally adjusted as the BLS currently does not utilize a model for these smaller areas.

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 Hawai'i 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.

Current CPS data indicate that for July 2009, the number of employed was augmented by an increase in self-employed workers, which are not counted in the establishment survey. Also not included in the business establishment survey but accounted for in the CPS are domestic and unpaid family workers. Data from the July 2009 CPS also revealed that a higher number of young persons, ages 16-19, were not part of the labor force, likely indicating increased enrollment in higher education, a common trend during economic downturns.

Industry Payroll Employment (Establishment Survey)

In another measure of employment, total seasonally adjusted nonagricultural jobs decreased by 200 to 600,700 in July. The industries posting job gains were Trade, Transportation and Utilities (+500) and Professional and Business Services (+400). The sectors in the private sector

recording job losses included Construction, Educational & Health Services, Leisure and Hospitality, Financial Activities and Other Services (-300 each). Government rose mainly in Local Government. Over-the-year, from July 2008, the seasonally adjusted job count declined by 17,500 jobs, predominantly in the private sector. The industries experiencing job declines were Leisure and Hospitality (-5,900); Construction (5,000); and Trade, Transportation and Utilities (-4,400).

Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	Jul-09	Jun-09	Jul-08*
MINING, LOGGING AND AND CONSTRUCTION	32,800	33,100	37,800
TRADE, TRANSPORTATION & UTILITIES	113,200	112,700	117,600
Wholesale Trade	18,100	18,200	18,800
Retail Trade	67,800	66,900	70,200
FINANCIAL ACTIVITIES **	28,200	28,500	29,300
Real Estate & Rental & Leasing **	11,500	11,800	12,700
PROFESSIONAL & BUSINESS SERVICES **	73,100	72,700	75,100
Professional, Scientific, Tech Svcs **	25,100	24,900	24,900
EDUCATIONAL & HEALTH SERVICES	75,100	75,400	74,300
Educational Services	15,100	15,100	14,900
Health Care & Social Assistance	60,000	60,300	59,400
LEISURE & HOSPITALITY	101,100	101,400	107,000
Arts, Entertainment & Recreation	10,900	11,000	11,700
Accommodation & Food Services	90,200	90,400	95,300
OTHER SERVICES	26,200	26,500	26,900
GOVERNMENT	127,200	126,700	125,000
Federal Government	33,200	33,200	32,400
State Government	74,900	74,800	74,000
Local Government	19,100	18,700	18,600
TOTAL: STATEWIDE	600,700	600,900	618,200

* Benchmarked Data

** New Series (started publishing in 2009)

❖ **Trade, Transportation & Utilities (+500)**

This major industry expanded by 500 jobs after exhibiting job declines for three consecutive months. Retail Trade added 900 jobs in various sectors such as grocery stores, clothing and clothing accessories stores, department stores and gasoline stores. Wholesale Trade fell by a minimal 100 jobs in merchant wholesalers, nondurable goods. Transportation and

Warehousing contracted by the remaining 300 jobs in scenic and sightseeing transportation and air transportation.

❖ **Professional & Business Services (+400)**

This category grew by 400 jobs after dropping a month earlier. Professional, Scientific and Technical Services edged upward by 200 jobs in legal services, architectural, engineering and related services. Administrative and Support Services also rose by 200 jobs in employment services and services to buildings and dwellings.

❖ **Construction (-300)**

Construction trended downward after two consecutive months of growth. Construction in Buildings fell in residential building construction as did special trade construction in foundation, structure, and building exterior contractors and building finishing contractors.

From July 2008, this industry lost 5,000 jobs partly attributed to the weak economy and the delay in development of new projects.

❖ **Educational & Health Services (-300)**

This industrial group trended downward following two straight months of job increases.

Educational Services remained constant. Health Care and Social Assistance accounted for the entire 300 job drop in various sectors. In Health Care, job losses were noted in offices of physicians and dentists; and nursing care facilities. In Social Assistance, child day care services were curtailed.

❖ **Leisure and Hospitality (-300)**

Leisure and Hospitality trimmed 300 jobs after recording a slight increase a month ago.

Arts, Entertainment trended down by a mere 100 jobs in amusement and recreation industries. Accommodation and Food Services descended by the remaining 200 jobs split among hotels and full-service establishments. The job loss in hotels was partially due to lower occupancy rates and less international visitor arrivals.

❖ **Financial Activities (-300)**

This new industrial group continued its downswing for the fourth month in a row losing 300 jobs in July. Finance and Insurance remained unchanged. The rise in agencies and

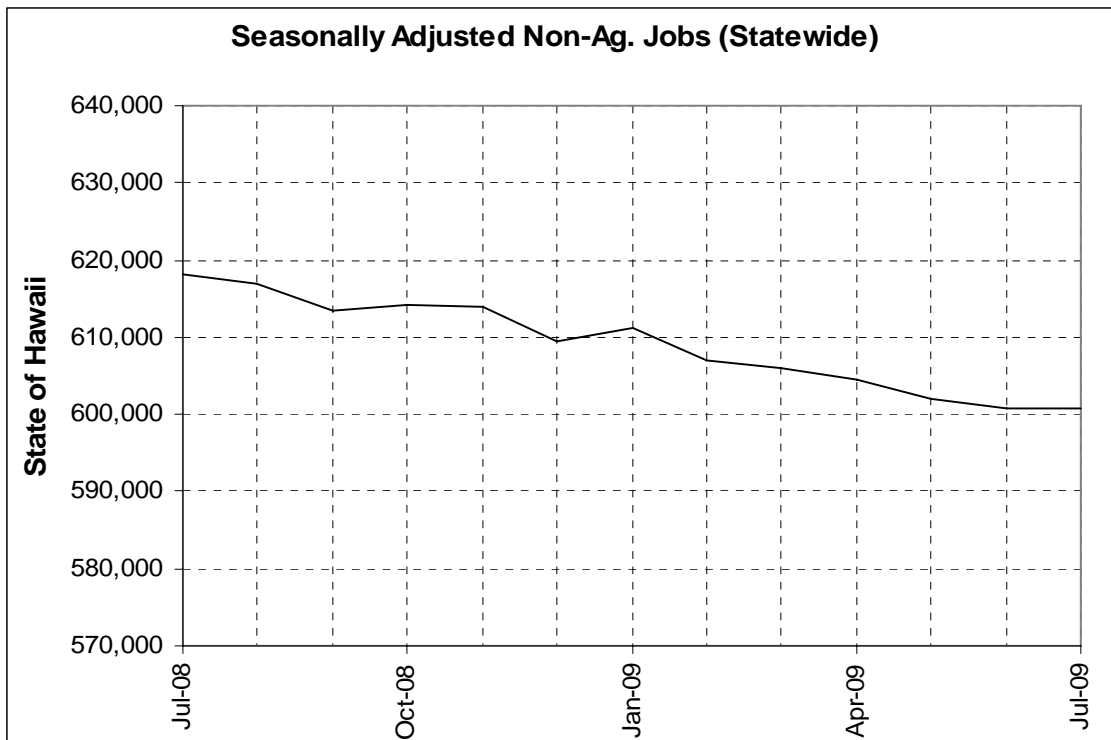
brokerages was offset by the fall in depository credit intermediation. Real Estate and Rental and Leasing comprised the entire 200 job drop concentrated mainly in lessors of real estate.

❖ **Other Services (-300)**

This miscellaneous sector contracted for the fifth consecutive month, slipping by 300 jobs from June in civic and social organizations and grant-making and giving services.

❖ **Government (+500)**

Government increased modestly from June. Federal Government remained relatively stable. State Government added a minimal 100 jobs predominately in state education due to the year-round school schedule. Local Government accounted for the bulk of the growth partly due to federal stimulus monies appropriated to fund a summer youth employment training program.



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