



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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For Immediate Release: April 14, 2011

**HAWAI‘I’S SEASONALLY ADJUSTED UNEMPLOYMENT RATE
REMAINS AT 6.3 PERCENT IN MARCH**

National Unemployment Rate at 8.8 percent

HONOLULU- The Hawai‘i State Department of Labor and Industrial Relations announced today that the seasonally adjusted unemployment rate for March remains at 6.3 percent, unchanged from February. There were 594,000 employed and 39,950 unemployed in March, for a total seasonally adjusted labor force of 633,950. Nationally, the seasonally adjusted unemployment rate declined slightly to 8.8 percent in March from 8.9 percent in February.

State of Hawai‘i Seasonally Adjusted Labor Force Data**			
	<u>Mar 2011</u>	<u>Feb 2011</u>	<u>Mar 2010*</u>
Labor Force	633,950	631,900	629,200
Employment	594,000	591,950	586,650
Unemployment	39,950	39,950	42,550

* benchmarked data

**totals may not add due to rounding

	MAR 2011	FEB 2011	MAR* 2010
<u>Seasonally Adjusted</u>			
STATE	6.3	6.3	6.8
U. S.	8.8	8.9	9.7
<u>Not Seasonally Adjusted</u>			
STATE	6.1	6.3	6.7
HONOLULU	5.1	5.3	5.6
HAWAI'I COUNTY	9.5	9.5	10.0
KAUA'I	8.5	8.6	9.0
MAUI COUNTY	7.8	8.0	8.8
Maui Island	7.8	7.9	8.7
Moloka'i	10.8	11.1	12.6
Lana'i	5.4	5.8	6.8
U. S.	9.2	9.5	10.2

county & island rates are not seasonally adjusted

* benchmarked data

county/islands data not yet available

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 not seasonally adjusted rate for the State dipped to 6.1 percent in March from 6.3 percent in February.

Industry Payroll Employment (Establishment Survey)

In another measure of employment, total seasonally adjusted nonagricultural jobs decreased by 2,300 or -0.4 percent to 593,500 jobs from February to March. The sector recording job gain was Trade, Transportation, and Utilities (+900). Both Construction and Other Services remained essentially unchanged. The industries in the private industry reporting job decreases were Professional and Business Services (-200); Leisure and Hospitality (-300); Financial Activities (-700); and Educational and Health Services (-800). Government registered job losses. Over-the-year, from March 2010, the seasonally

adjusted job count increased by 7,800 jobs or +1.3 percent. The industries posting a large share of job growth in the private sector were Professional and Business Services (+3,700); and Leisure and Hospitality (+3,600).

Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	Mar-11	Feb-11	Mar-10*
MINING, LOGGING AND AND CONSTRUCTION	28,000	28,000	29,200
TRADE, TRANSPORTATION & UTILITIES	109,900	109,000	109,400
Wholesale Trade	17,500	17,400	17,700
Retail Trade	65,500	65,300	65,600
FINANCIAL ACTIVITIES	26,000	26,700	27,200
Real Estate & Rental & Leasing	11,100	11,400	11,500
PROFESSIONAL & BUSINESS SERVICES	74,500	74,700	70,800
Professional, Scientific, Tech Svcs	24,300	24,200	24,100
EDUCATIONAL & HEALTH SERVICES	77,400	78,200	75,300
Educational Services	16,400	16,900	14,600
Health Care & Social Assistance	61,000	61,300	60,700
LEISURE & HOSPITALITY	103,100	103,400	99,500
Arts, Entertainment & Recreation	10,300	10,100	10,400
Accommodation & Food Services	92,800	93,300	89,100
OTHER SERVICES	26,600	26,600	26,400
GOVERNMENT	124,300	125,400	124,900
Federal Government	34,400	34,500	34,700
State Government	71,300	72,200	71,500
Local Government	18,600	18,700	18,700
TOTAL: STATEWIDE	593,500	595,800	585,700

* Benchmarked Data

❖ **Trade, Transportation, & Utilities (+900)**

This major industrial series comprised the largest job growth in March, expanding by 900 jobs after falling a month earlier. Wholesale Trade inched up slightly by 100 jobs in machinery, equipment, and supplies merchant wholesalers. Retail Trade increased by 200 jobs in grocery stores.

Meanwhile, Transportation and Warehousing composed the bulk of the increase adding 600 jobs in scenic and sightseeing transportation, water; and taxi and limousine service.

❖ **Construction (No Change)**

Construction remained relatively stable for the second consecutive month. The increase in highway, street, and bridge construction in heavy and civil engineering construction was offset by the decrease in building finishing contractors in special trade contractors. Over-the-year, from March 2010, this volatile industry declined by 1,200 jobs or -4.1 percent in part due to slow and delayed construction activities resulting from the economic downturn.

❖ **Other Services (No Change)**

This miscellaneous series also remained steady for the second month in a row. The job gain in civic and social organizations; and labor unions and similar labor organizations countered the job losses in personal care services; and dry-cleaning and laundry services.

❖ **Professional and Business Services (-200)**

This major industry slipped by a modest 200-job after growing for two straight months. Professional, Scientific and Technical Services edged up by 100 jobs in accounting, tax preparation, bookkeeping, and payroll services. Administrative and Support and Waste Management and Remediation Services trended upward by 300 jobs in facilities support services; and employment services.

❖ **Leisure and Hospitality (-300)**

Leisure and Hospitality trimmed 300 jobs, sliding for the first time since experiencing job gain for eight consecutive months. Arts, Recreation, Entertainment and Recreation grew by 200 jobs in amusement parks and arcades. Accommodation and Food Services accounted for a 500-job drop mainly in food services in full-service restaurants; and drinking places (alcoholic beverages).

❖ **Financial Activities (-700)**

Financial Activities contracted by 700 jobs after holding steady the last two months. Finance and Insurance fell by 400 jobs in various entities including mortgage and nonmortgage loan brokers; insurance carriers; and depository credit intermediation. Real Estate and Rental and Leasing shredded 300 jobs in lessors of residential buildings and dwellings; and commercial and industrial machinery and equipment rental and leasing.

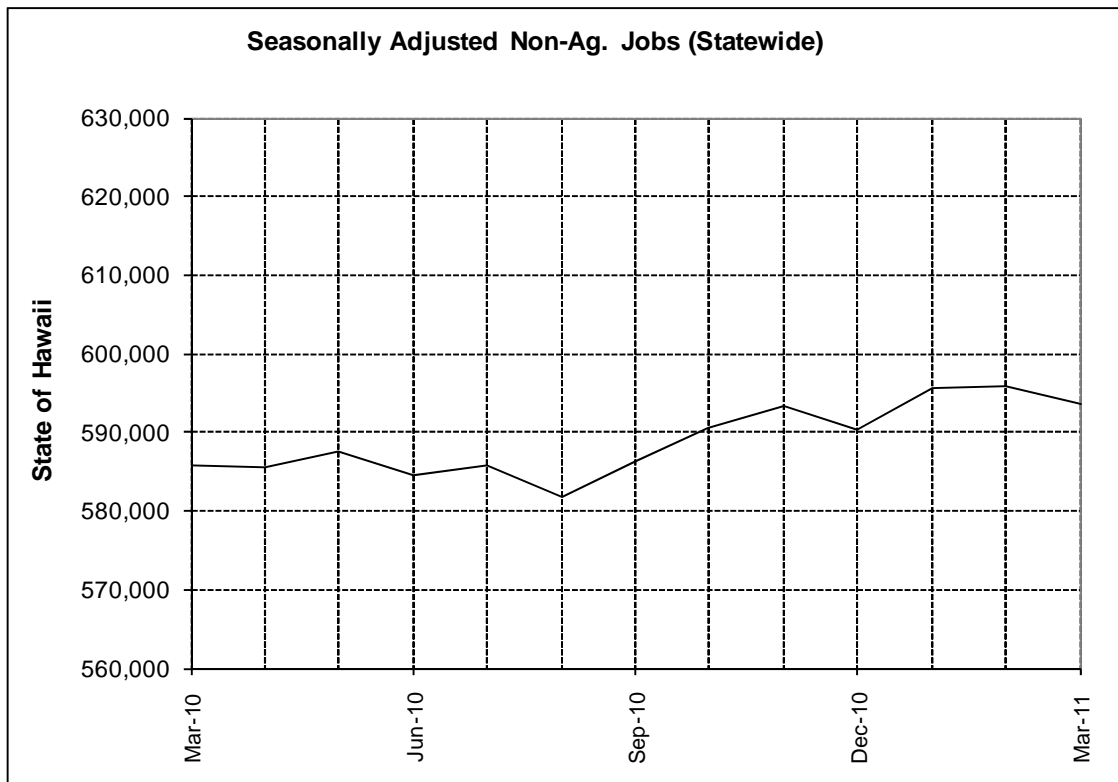
❖ **Educational & Health Services (-800)**

This industrial group declined by an 800-job loss after remaining constant a month earlier.

Educational Services fell by 500 jobs in technical and trade schools; computer training; sports and recreation instruction. Health Care and Social Assistance comprised the remaining decrease falling by 300 jobs in hospitals; and in nursing and residential care facilities.

❖ **Government (-1,100)**

Government trended down from February in all branches. Federal Government and Local Government both fell by a minimal 100 jobs. Meanwhile, State Government declined by 900 jobs mainly in the Department of Education.



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 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.

Changes to Local Area Unemployment Statistics Data

The 2010 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

For years, monthly employment estimates for Hawai‘i 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 Hawai‘i, 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 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.

Alternative Measures of Labor Underutilization

Alternative Measures of Labor Underutilization for States, 2010 Annual Averages.

Alternative measures of labor underutilization by state, 2010 annual averages (percent)						
State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	5.7	6.0	9.6	10.3	11.1	16.7
Hawaii	3.9	3.8	7.0	7.9	8.9	16.9

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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