



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

**News Release**

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**HAWAI‘I’S SEASONALLY ADJUSTED UNEMPLOYMENT RATE  
REMAINS AT 6.4 PERCENT IN DECEMBER**

**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 December remains at 6.4 percent, unchanged for the sixth consecutive month. There were 593,350 employed and 40,250 unemployed in December, for a total seasonally adjusted labor force of 633,600. The preliminary annual average unemployment rate for 2010 is 6.6 percent compared to 6.8 percent in 2009. Nationally, the seasonally adjusted unemployment rate decreased to 9.4 percent in December from 9.8 percent in November.

<b>State of Hawai‘i Seasonally Adjusted Labor Force Data**</b>			
	<u>Dec 2010</u>	<u>Nov 2010</u>	<u>Dec 2009*</u>
Labor Force	633,600	632,850	633,600
Employment	593,350	592,150	590,250
Unemployment	40,250	40,700	43,300

\* benchmarked data

\*\*totals may not add due to rounding

	DEC 2010	NOV 2010	DEC* 2009
<b><u>Seasonally Adjusted</u></b>			
<b>STATE</b>	<b>6.4</b>	<b>6.4</b>	<b>6.8</b>
<b>U. S.</b>	<b>9.4</b>	<b>9.8</b>	<b>9.9</b>
<b><u>Not Seasonally Adjusted</u></b>			
<b>STATE</b>	<b>5.8</b>	<b>6.5</b>	<b>6.4</b>
HONOLULU	4.8	5.4	5.3
HAWAI‘I COUNTY	8.7	9.7	9.4
KAUA‘I	7.9	8.8	8.7
MAUI COUNTY	7.4	8.1	8.7
Maui Island	7.3	8.0	8.6
Moloka‘i	12.0	12.8	11.8
Lana‘i	5.8	6.0	8.6
<b>U. S.</b>	<b>9.1</b>	<b>9.3</b>	<b>9.7</b>

county & island rates are not seasonally adjusted

\* benchmarked data

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 dropped to 5.8 percent in December from 6.5 percent in November.

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

In another measure of employment, total seasonally adjusted nonagricultural jobs decreased by 3,900 or -0.7 percent to 589,800 in December. The industries recording job growth included Educational and Health Services (+400); and Professional and Business Services (+200). The sectors in the private sector reporting job declines were Construction; and Financial Activities (-200 each); Leisure and Hospitality; and Other Services (-400 each); and Trade, Transportation and Utilities (-1,000). Government registered job decreases predominantly in State Government mainly

due to releasing poll workers hired in the general election. Over-the-year, from December 2009, the seasonally adjusted job count grew by 3,300 jobs or +0.6 percent. The industry that composed the largest proportion of job growth in the private sector was in Leisure and Hospitality (+3,500). The preliminary average annual total nonagricultural job count is 589,600 in 2010, compared to 591,900 in 2009, a decrease of 2,300 jobs or -0.4 percent over-the-year.

<b>Seasonally Adjusted Non-Ag. Jobs (Statewide)</b>			
<b>SELECTED SERIES:</b>	<b>Dec-10</b>	<b>Nov-10</b>	<b>Dec-09*</b>
MINING, LOGGING AND AND CONSTRUCTION	30,100	30,300	29,700
TRADE, TRANSPORTATION & UTILITIES	108,300	109,300	109,400
Wholesale Trade	16,800	17,100	17,600
Retail Trade	65,400	66,000	65,700
FINANCIAL ACTIVITIES	27,200	27,400	28,000
Real Estate & Rental & Leasing	11,400	11,200	11,700
PROFESSIONAL & BUSINESS SERVICES	69,500	69,300	69,300
Professional, Scientific, Tech Svcs	23,100	23,700	23,500
EDUCATIONAL & HEALTH SERVICES	76,800	76,400	76,000
Educational Services	16,000	15,700	15,400
Health Care & Social Assistance	60,800	60,700	60,600
LEISURE & HOSPITALITY	104,300	104,700	100,800
Arts, Entertainment & Recreation	10,300	10,400	10,500
Accommodation & Food Services	94,000	94,300	90,300
OTHER SERVICES	26,300	26,700	26,500
GOVERNMENT	125,000	127,300	124,200
Federal Government	34,700	34,600	33,700
State Government	71,600	74,000	71,800
Local Government	18,700	18,700	18,700
<b>TOTAL: STATEWIDE</b>	<b>589,800</b>	<b>593,700</b>	<b>586,500</b>

\* Benchmarked Data

❖ **Educational and Health Services (+400)**

This major industrial group reported a 400-job increase after slipping a month earlier.

Educational Services trended up by 300 jobs in elementary and secondary schools; and colleges, universities, and professional schools. Health Care and Social Assistance composed the remaining 100-job gain in nursing and residential care facilities.

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

This series grew by 200 jobs, growing for the fourth consecutive month. Administrative and Support and Waste Management Services comprised the largest proportion of the job growth adding 800 jobs over-the-month. Majority of the increase was in employment services; and investigation and security services. Meanwhile, Professional, Scientific, and Technical Services shaved 600 jobs in architectural, engineering, and related services; as well as marketing research and public opinion polling.

❖ **Construction (-200)**

Construction trended down modestly after three straight months of job gain. Most of the decrease was attributed in special trade contractors in painting and wall covering contractors. Over-the-year, from December 2009, this volatile industry recorded a 400-job increase partly due to ongoing building activities.

❖ **Financial Activities (-200)**

Financial Activities edged down slightly by 200 jobs following a two-month job increase. Real Estate and Rental and Leasing rose by 200 jobs in commercial and industrial machinery and equipment rental and leasing. Finance and Insurance spiraled down trimming 400 jobs in both depository credit intermediation; and nondepository credit intermediation; and also in agencies, brokerages, and other insurance related activities.

❖ **Leisure and Hospitality (-400)**

Leisure and Hospitality recorded a 400-job loss after posting five consecutive months of job growth. Arts, Entertainment and Recreation edged down by 100 jobs in amusement and recreation industries. Accommodation and Food Services comprised the remaining 300-job decrease mainly in Food Services in full-service restaurants.

❖ **Other Services (-400)**

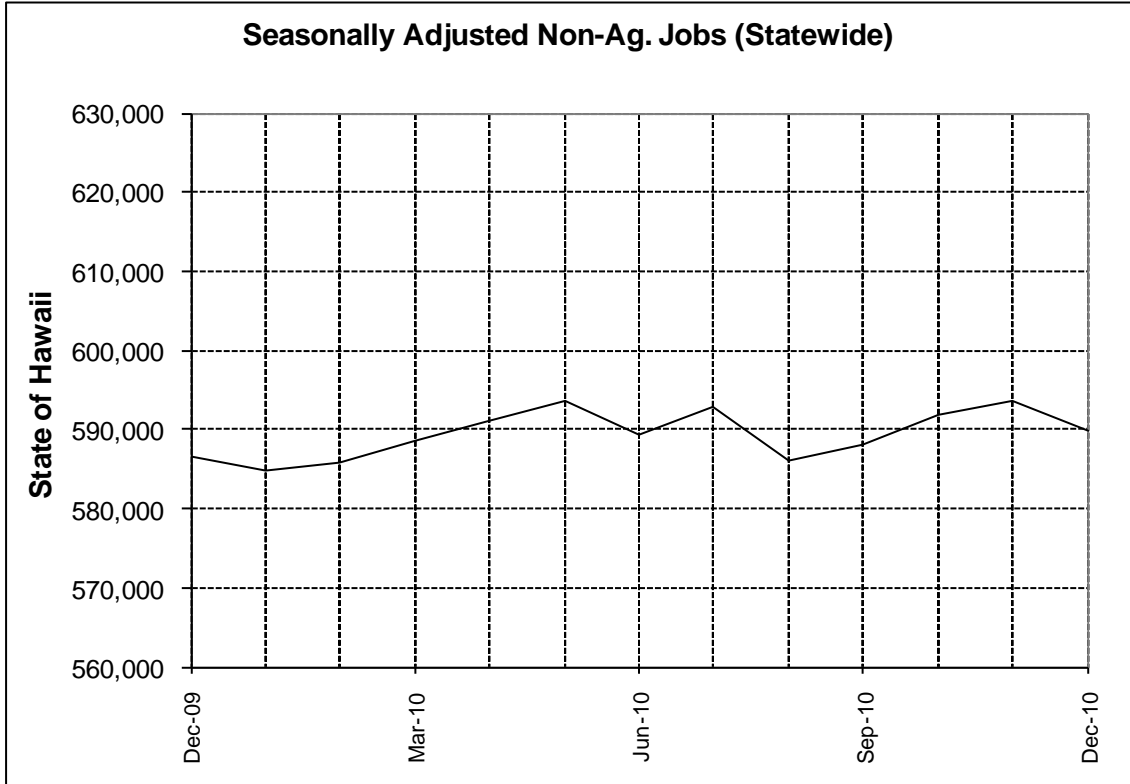
This miscellaneous sector dropped by 400 jobs after two straight months of job gain. Job losses were noted in business, professional, labor, political, and similar organizations; as well as in personal care services.

❖ **Trade, Transportation, & Utilities (-1,000)**

This major industrial group continued its downturn, contracting jobs for the fifth consecutive month. Wholesale Trade scaled back by 300 jobs in merchant wholesalers, nondurable goods. Retail Trade dipped by 600 jobs in different entities including building material and supplies dealers; gasoline stations; food and beverage stores; and motor vehicle and parts dealers. Transportation and Warehousing trended down by a mere 100 jobs in scenic and sightseeing transportation, land.

❖ **Government (-2,300)**

Government reported job losses in December. Federal Government trended up by a modest 100 jobs, while Local Government remained relatively unchanged for the second straight month. State Government fell by 2,400 jobs primarily due to the release of poll workers and election officials hired in the general election.



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 his or her 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 2009 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.

In addition, the Local Area Unemployment Statistics program has introduced a long-run trend smoothing procedure to its seasonally adjusted data series back to January 1976. The smoothing procedure reduces month-to-month volatility in the estimates and addresses long-standing disconnection issues related to end-of-year revisions that will enhance the analytical capability of

the estimates. For more information about this topic, please see the questions and answers on the Bureau of Labor Statistics website at [www.bls.gov/lau/lssaqa.htm](http://www.bls.gov/lau/lssaqa.htm).

### **Alternative Measures of Labor Underutilization**

*Alternative Measures of Labor Underutilization for States, Fourth Quarter of 2009 through Third Quarter of 2010 Averages.*

#### **Alternative measures of labor underutilization by state, fourth quarter of 2009 through third quarter of 2010 averages (percent)**

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	5.7	6.1	9.7	10.3	11.1	16.8
Hawaii	3.8	3.8	7.0	7.8	8.9	16.7

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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