



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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**HAWAII'S SEASONALLY ADJUSTED UNEMPLOYMENT RATE
REMAINS AT 6.3 PERCENT IN JANUARY**

National Unemployment Rate at 9.0 percent

HONOLULU – The Hawai'i State Department of Labor and Industrial Relations announced today that the seasonally adjusted unemployment rate for January remains at 6.3 percent, unchanged from the revised rate for December of 6.3 percent. There were 590,800 employed and 39,650 unemployed in January, for a total seasonally adjusted labor force of 630,450. The annual average unemployment rate for 2010 was 6.6 percent compared to 6.8 percent in 2009. Nationally, the seasonally adjusted unemployment rate decreased to 9.0 percent in January from 9.4 percent in December.

State of Hawai'i Seasonally Adjusted Labor Force Data**			
	<u>Jan 2011</u>	<u>Dec 2010</u>	<u>Jan 2010*</u>
Labor Force	630,450	630,700	628,650
Employment	590,800	590,700	585,250
Unemployment	39,650	40,000	43,400

* benchmarked data

**totals may not add due to rounding

	JAN 2011	DEC 2010	JAN* 2010
<u>Seasonally Adjusted</u>			
STATE	6.3	6.3	6.9
U. S.	9.0	9.4	9.7
<u>Not Seasonally Adjusted</u>			
STATE	6.4	5.8	7.0
HONOLULU	5.4	4.8	6.0
HAWAI'I COUNTY	9.3	8.6	9.9
KAUA'I	8.5	7.8	9.0
MAUI COUNTY	7.9	7.4	8.9
Maui Island	7.9	7.3	8.6
Moloka'i	12.0	12.7	15.5
Lana'i	5.3	6.0	8.7
U. S.	9.8	9.1	10.6

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 increased to 6.4 percent in January from 5.8 percent in December.

Industry Payroll Employment (Establishment Survey)

In another measure of employment, total seasonally adjusted nonagricultural jobs, which reflects the annual benchmarked revision increased by 3,700 or +0.6 percent to 594,000 in January. The industries registering job gains in the private sector included Trade, Transportation, and Utilities (+2,100); Leisure and Hospitality (+1,300); Professional and Business Services (+600); Other Services (+300); and Educational and Health Services (+100). The sectors reporting job decreases were Financial Activities

(-400) and Construction (-1,000). Government registered job growth primarily in State Government. Over-the-year, from January 2010, the seasonally adjusted job count grew by 9,000 jobs or + 1.5 percent. The industries that comprised the large proportion of job growth in the private sector were Leisure and Hospitality (+2,800); Professional and Business Services (+2,400); and Educational and Health Services (+2,000). The revised annual average total nonagricultural jobs for 2010 were 586,800 compared to 591,600 for 2009, a decrease of 4,800 jobs or -0.8 percent.

BLS will reconstruct historical data back to 1990 as time and resources allow. This release incorporates revised job count figures from 1990 through 2010 for the seasonally adjusted series. The reconstructed data reflects data from historical corrections applied to unadjusted supersector or sector level series.

Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	Jan-11	Dec-10*	Jan-10*
MINING, LOGGING AND AND CONSTRUCTION	27,900	28,900	29,600
TRADE, TRANSPORTATION & UTILITIES	110,000	107,900	109,500
Wholesale Trade	17,400	17,400	17,600
Retail Trade	66,700	64,400	65,800
FINANCIAL ACTIVITIES	26,600	27,000	27,400
Real Estate & Rental & Leasing	11,300	11,500	11,400
PROFESSIONAL & BUSINESS SERVICES	73,300	72,700	70,900
Professional, Scientific, Tech Svcs	24,100	23,700	24,100
EDUCATIONAL & HEALTH SERVICES	77,300	77,200	75,300
Educational Services	16,000	15,800	14,600
Health Care & Social Assistance	61,300	61,400	60,700
LEISURE & HOSPITALITY	102,900	101,600	100,100
Arts, Entertainment & Recreation	10,400	10,400	10,500
Accommodation & Food Services	92,500	91,200	89,600
OTHER SERVICES	26,700	26,400	26,400
GOVERNMENT	125,800	124,300	123,600
Federal Government	34,600	34,500	33,900
State Government	72,700	71,200	71,100
Local Government	18,500	18,600	18,600
TOTAL: STATEWIDE	594,000	590,300	584,900

* Benchmarked Data

❖ **Trade, Transportation, & Utilities (+2,100)**

This major industrial series reported the largest proportion of job increases over-the-month after falling for two consecutive months. Wholesale Trade remained relatively stable. The increase in machinery, equipment, and supplies merchant wholesalers; and lumber and other construction materials merchant wholesalers was offset by the decrease in miscellaneous durable goods merchant wholesalers; and miscellaneous nondurable goods merchant wholesalers. Retail Trade accounted for a 2,300-job gain in January. The growth was partly due to the opening of a new clothing store in Waikiki in December last year hiring several hundred employees, as well as job gains in sporting goods, hobby and musical instrument stores. The industry also did not release as many staff as expected in January. Job losses will be reflected in February. Transportation and Warehousing comprised a 200-job loss mainly in scenic and sightseeing transportation, water.

❖ **Leisure and Hospitality (+1,300)**

Leisure and Hospitality expanded by 1,300 jobs rising for the seventh month in a row. Arts, Entertainment, and Recreation remained essentially unchanged as the gain in golf courses; and fitness and recreational industries was countered by job losses in series in other amusement and recreation industries. Accommodation and Food Services composed the entire job growth in this major sector industry in January. The continual reported increases in hotel occupancy rates and visitor arrivals assisted by major sporting events such as the Sony Open and the NFL Pro Bowl contributed to job gains experienced by the hotel operators and food service establishments.

❖ **Professional and Business Services (+600)**

This industrial series registered a 600-job increase after remaining constant a month earlier. Professional, Scientific, and Technical Services trended up by 400 jobs in engineering services; and management, scientific, and technical consulting services. Administrative and Support and Waste Management and Remediation Services composed the remaining 200-job gain mainly in business support services.

❖ **Other Services (+300)**

This miscellaneous group rose by 300 jobs after edging down the previous month. The increase was noted in various entities including personal and laundry services; social advocacy organizations; and parking lots and garages.

❖ **Educational and Health Services (+100)**

Educational and Health Services trended up modestly by 100 jobs, increasing for the second straight month. Educational Services added 200 jobs in educational support services. Health Care and Social Assistance edged down by 100 jobs in individual and family services.

❖ **Financial Activities (-400)**

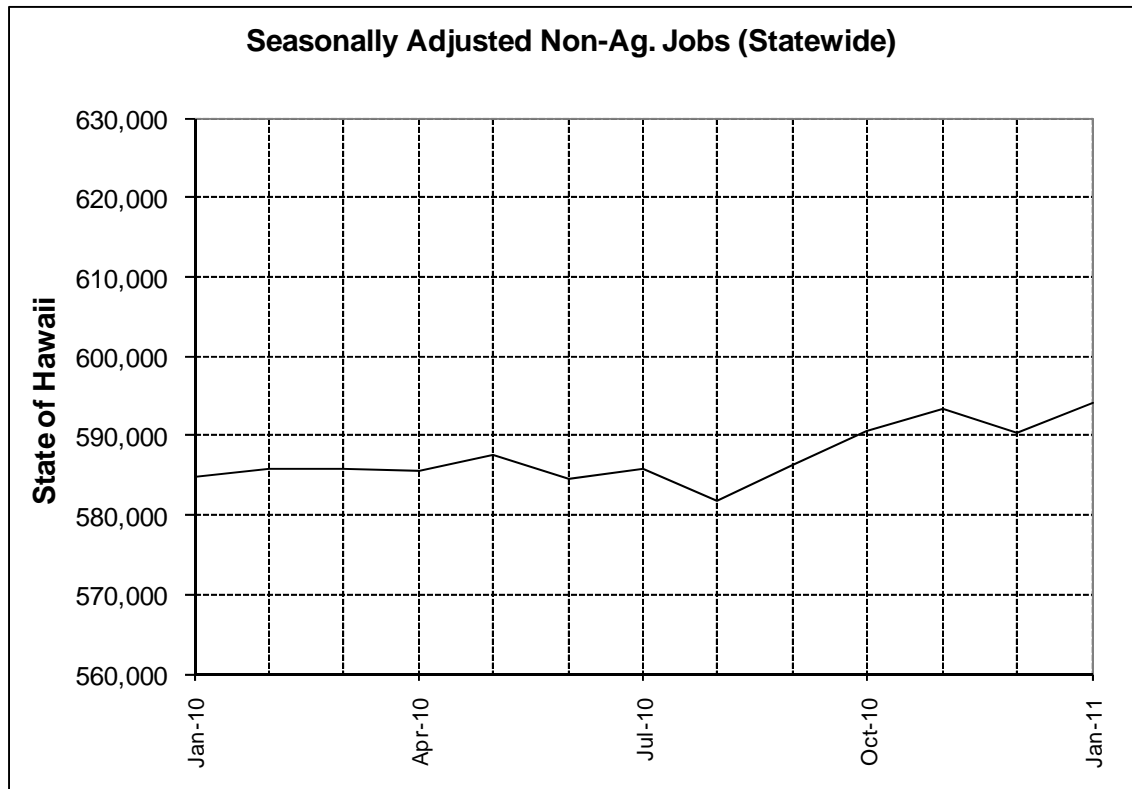
Financial Activities posted a 400-job drop after reporting no changes in December. Finance and Insurance slipped by 200 jobs in activities related to credit intermediation. Real Estate and Rental and Leasing accounted for the remaining 200-job loss in commercial and industrial machinery and equipment rental and leasing; as well as lessors of real estate.

❖ **Construction (-1,000)**

Construction declined by 1,000 jobs in all series after experiencing three months of consecutive growth. Construction of Buildings dropped in residential building construction. Special Trade Contractors scaled back in roofing contractors; glass and glazing contractors; and framing contractors. Meanwhile, Heavy and Civil Engineering Construction lost jobs in utility system construction; and highway, street, and bridge construction. Over-the-year, from January 2010, this industry shredded 1,700 jobs in part due to completion of various projects and delay in building activities.

❖ **Government (+1,500)**

Government recorded job growth from December. Federal Government rose by a minimal 100 jobs while Local Government trended down by the same amount. State Government accounted for the total 1,500 job gain predominantly in the Department of Education as it continues its calendar year school session.



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.

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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