



## DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

### News Release

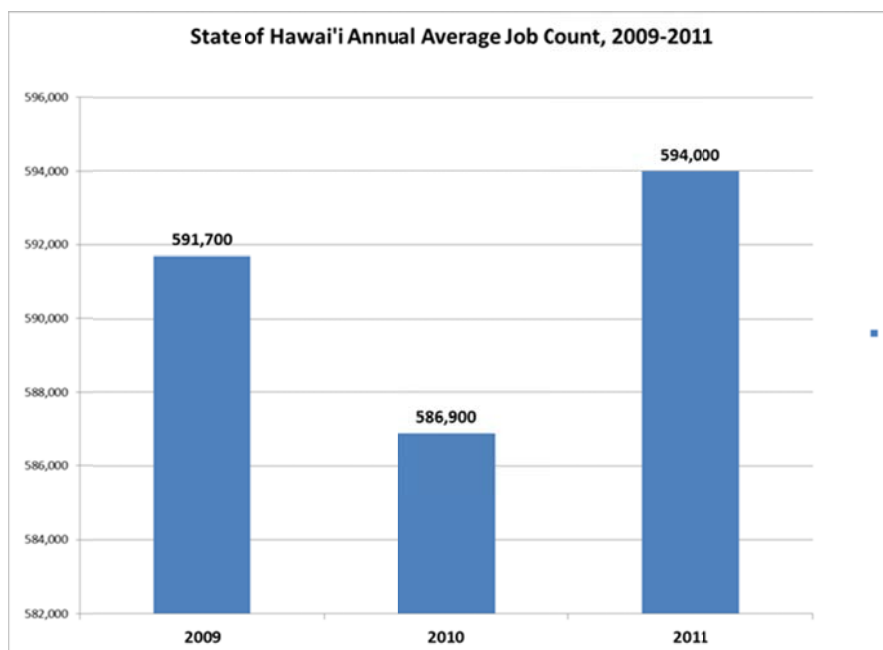
**NEIL ABERCROMBIE**  
GOVERNOR

DWIGHT TAKAMINE, DIRECTOR  
AUDREY HIDANO, DEPUTY DIRECTOR  
Phone: (808) 586-8844  
Fax: (808) 586-9099

For Immediate Release: January 24, 2012

### **HAWAII'S SEASONALLY ADJUSTED UNEMPLOYMENT RATE WAS 6.3 PERCENT FOR 2011** Annual Average Job Count Expands by 7,100

**HONOLULU**—The Hawai'i State Department of Labor & Industrial Relations announced today that the seasonally adjusted annual unemployment rate for 2011 was 6.3 percent, down from 6.6 percent in 2010. In a separate measure of employment, in 2011 over 2010, the annual average statewide job count increased by 7,100, or 1.2 percent, to 594,000, with notable job gains in Professional & Business Services (+3,000), Educational & Health Services (+2,900), and Leisure & Hospitality (+2,500).



The seasonally adjusted unemployment rate for December was 6.6 percent, a 0.1 percentage point increase from 6.5 percent in November. There were 591,700 employed and 41,900 unemployed in December, for a total seasonally adjusted labor force of 633,600. Nationally, the seasonally adjusted unemployment rate declined to 8.5 percent from the revised rate of 8.7 percent in November.

State of Hawai'i Seasonally Adjusted Labor Force Data**			
	<u>Dec 2011</u>	<u>Nov 2011</u>	<u>Dec 2010*</u>
Labor Force	633,600	634,600	630,700
Employment	591,700	593,100	589,700
Unemployment	41,900	41,500	40,000

\* benchmarked data

\*\*totals may not add due to rounding

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 declined to 6.2 percent in December from 6.6 percent in November.

	<u>DEC</u> 2011	<u>NOV</u> 2011	<u>DEC*</u> 2010
<u>Seasonally Adjusted</u>			
<b>STATE</b>	<b>6.6</b>	<b>6.5</b>	<b>6.3</b>
<b>U. S.</b>	<b>8.5</b>	<b>8.7</b>	<b>9.4</b>
<u>Not Seasonally Adjusted</u>			
<b>STATE</b>	<b>6.2</b>	<b>6.6</b>	<b>5.8</b>
HONOLULU	5.3	5.7	4.8
HAWAI'I COUNTY	9.2	9.6	8.6
KAUA'I	8.3	8.8	7.8
MAUI COUNTY	7.3	7.7	7.4
Maui Island	7.2	7.5	7.3
Moloka'i	13.9	15.8	12.7
Lana'i	5.2	4.2	6.0
<b>U. S.</b>	<b>8.3</b>	<b>8.2</b>	<b>9.1</b>

county & island rates are not seasonally adjusted

\* benchmarked data

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

Total seasonally adjusted nonagricultural jobs decreased by 1,100 jobs or -0.2 percent to 596,400 jobs from November to December. Among major industry groups, job gains were experienced in Construction (+800), Leisure & Hospitality (+100), and Other Services (+100). Job losses occurred in Education & Health Services (-300), Financial Activities (-300), Trade, Transportation, & Utilities (-600), and Professional & Business Services (-800). Government employment declined by 200 jobs over-the-month.

In comparison with one year ago, total seasonally adjusted nonagricultural jobs have gone up by 6,100, or +1.0 percent, with the largest job expansion in Leisure & Hospitality (+2,300, +2.3%), Educational & Health Services (+1,900, +2.5%), and Professional & Business Services (+1,700, +2.3%)

<b>Seasonally Adjusted Non-Ag. Jobs (Statewide)</b>			
<b>SELECTED SERIES:</b>	<b>Dec-11</b>	<b>Nov-11</b>	<b>Dec-10*</b>
MINING, LOGGING AND AND CONSTRUCTION	28,600	27,800	28,900
TRADE, TRANSPORTATION & UTILITIES	108,000	108,600	107,900
Wholesale Trade	16,500	16,500	17,400
Retail Trade	66,400	67,500	64,400
FINANCIAL ACTIVITIES	27,200	27,500	27,000
Real Estate & Rental & Leasing	11,600	11,800	11,500
PROFESSIONAL & BUSINESS SERVICES	74,400	75,200	72,700
Professional, Scientific, Tech Svcs	22,900	23,700	23,700
EDUCATIONAL & HEALTH SERVICES	79,100	79,400	77,200
Educational Services	17,400	17,600	15,800
Health Care & Social Assistance	61,700	61,800	61,400
LEISURE & HOSPITALITY	103,900	103,800	101,600
Arts, Entertainment & Recreation	10,100	10,100	10,400
Accommodation & Food Services	93,800	93,700	91,200
OTHER SERVICES	26,700	26,600	26,400
GOVERNMENT	124,500	124,700	124,300
Federal Government	34,500	34,500	34,500
State Government	71,500	71,800	71,200
Local Government	18,500	18,400	18,600
<b>TOTAL: STATEWIDE</b>	<b>596,400</b>	<b>597,500</b>	<b>590,300</b>

\* Benchmarked Data

❖ **Construction (+800)**

After a decline in November, employment picked up in this industry, in particular among commercial project special trade contractors.

❖ **Leisure & Hospitality (+100)**

For the third consecutive month, employment in this sector has remained quite stable at the 104,000-level.

❖ **Other Services (+100)**

This miscellaneous grouping has shown little change throughout 2011, hovering around the 26,500-level.

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

A majority of the decrease in this industry grouping occurred in Educational Services.

❖ **Financial Activities (-300)**

Most of the over-the-month drop in this sector was in Real Estate & Rental & Leasing. However, since May, the number of jobs in Financial Activities has expanded by 1,200, with the bulk of the increase attributed to job gains in Finance & Insurance

❖ **Trade, Transportation, & Utilities (-600)**

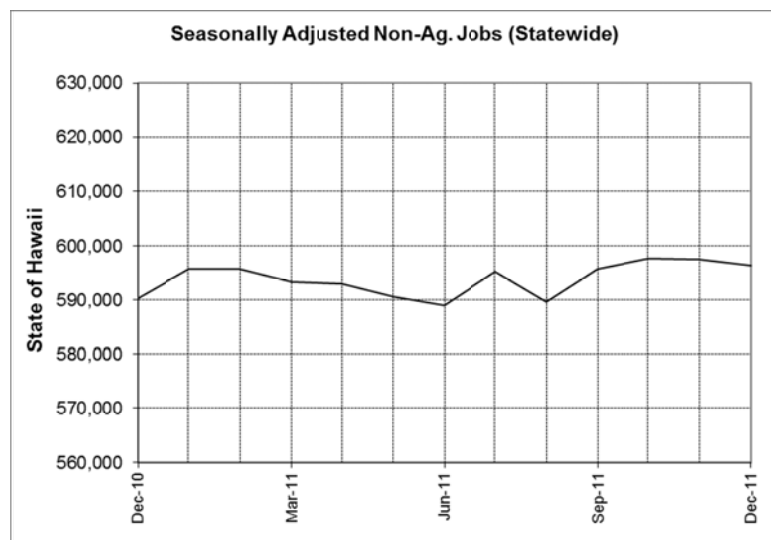
After Retail Trade rose for the most part since June, job contraction in that sector was the primary cause for the employment decline in this industry grouping.

❖ **Professional & Business Services (-800)**

Moderate job losses in a wide spectrum of Professional, Scientific, & Technical Services contributed the most heavily to the decrease of this sector.

❖ **Government (-200)**

Slightly less hiring at the Department of Education resulted in the small decline in Government.



## 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 12<sup>th</sup> 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 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 Hawai'i'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 Bureau of Labor Statistics is publishing smoothed seasonally adjusted civilian labor force and unemployment estimates for all metropolitan areas. This includes estimates for Honolulu County. The data will be available on the day of each Metropolitan Area Employment and Unemployment news release. The schedule for 2011 is available at <http://www.bls.gov/lau/lausched.htm>.

**Alternative Measures of Labor Underutilization**

*Alternative Measures of Labor Underutilization for States, Fourth Quarter of 2010 through Third Quarter of 2011 Averages.*

**Alternative measures of labor underutilization by state, Fourth Quarter of 2010 through Third Quarter of 2011 Averages (percent)**

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	5.4	5.5	9.2	9.8	10.7	16.2
Hawai'i	4.3	4.2	7.1	7.8	8.9	15.4

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.

#####

For more information, contact:

William Kunstman  
Department of Labor and Industrial Relations  
Email: [William.G.Kunstman@Hawaii.gov](mailto:William.G.Kunstman@Hawaii.gov)  
Phone: (808) 586-8845  
Fax: (808) 586-9099