



## U-1 through U-6 In Nevada

August 18, 2013

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### Alternative Measures of Labor Underutilization (12 Months Ending in June 2013)

Measure	Underutilization Concept	Level
Official Rate	jobless persons available to take a job who have actively sought work in the past four weeks	10.1%
U-1	jobless 15 weeks or longer	6.1%
U-2	job losers and persons losing a temporary job	5.9%
U-3	similar to official rate	10.4%
U-4	U-3 plus discouraged workers	11.3%
U-5	U-4 plus others marginally attached to the labor force	12.5%
U-6	U-5 plus those employed part-time for economic reasons	19.0%

- U-3, at 10.4% in the 12 months ending in June, is the total of unemployed workers as a percentage of the civilian labor force. This is most similar to the official rate, which measures 10.1% over the same period.<sup>1</sup> This translates into a difference of just 0.3 percentage point.
- U-4 adds discouraged workers to U-3, bringing the underutilization level to 11.3%. Discouraged workers are those people who would like to work, but have stopped looking for work because they believe there are no jobs to be filled. This adds less than one percentage point to the U-3 rate.
- Marginally attached workers, the addition to U-5, have not searched for work for reasons other than the belief that there are no jobs to fill, totaling 12.5%.
- Finally, U-6 adds part-time workers (working less than 35 hours per week) who would rather be working full-time, but cannot due to economic reasons including having their hours cut or being unable to find full-time work. This leads to an underutilization rate of 19.0%.

<sup>1</sup> Note that, in the table and in the comparisons below, the unemployment rate (U-3) that is shown is derived directly from the CPS, because this is the only source of data for the various components of the other five measures. As a result, the U-3 measure differs from the official state unemployment rate. The official rate is developed from statistical models that greatly improve the reliability of the top-side labor force and unemployment estimates.