

RESEARCH NOTES



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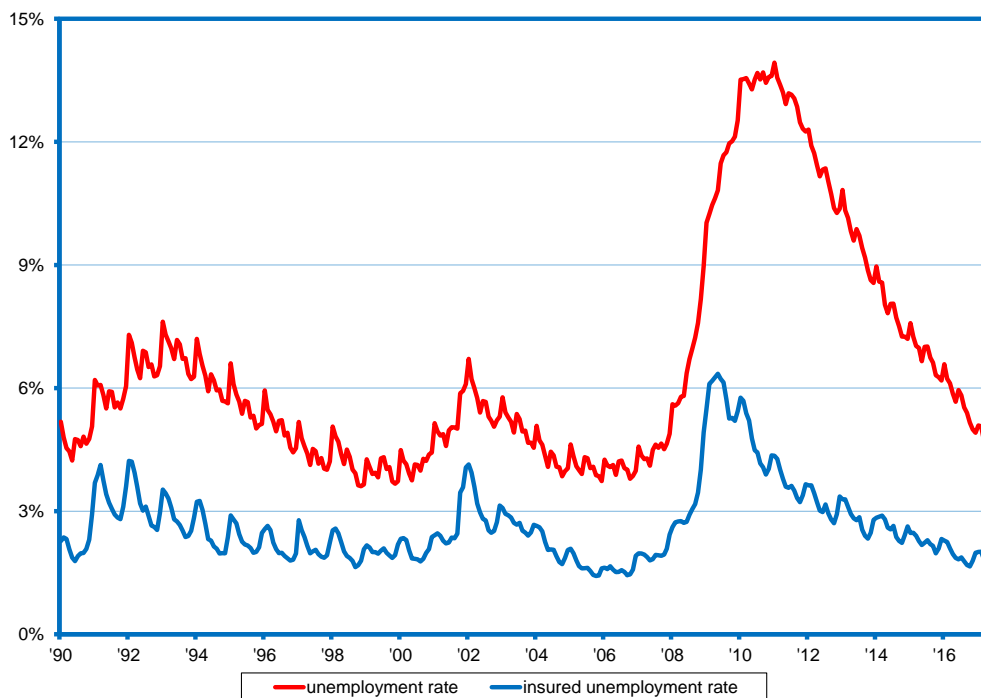
Nevada's Premier Source of Workforce & Economic Information and Analysis



Insured Unemployment Rate
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Nevada's Insured Unemployment Rate at Post-Recession Low; Difference between Unemployment Rate Still Larger than in Past



- The State's "official" unemployment rate is the focus of much attention. It is designed to estimate the share of the labor force accounted for by those without a job, but actively searching for work, regardless of whether they are receiving unemployment insurance (UI) benefits.
- The insured unemployment rate (IUR) is more focused. It measures the share of individuals receiving UI benefits relative to the number of employees covered by UI. Hence, it deals with a smaller "population" than does the official rate.
- Nevada's IUR has historically tracked the State's unemployment rate, but at a lower level. This is due to differences in who is included in each measure. The IUR excludes persons not eligible for benefits, individuals who have exhausted their benefits, and those that were eligible but did not file for benefits. The unemployment rate measure includes these individuals, as long as they are actively searching for employment opportunities.
- The IUR in Nevada peaked at 6.4% in mid-2009 as employers in Nevada made significant layoffs. Many of these employees were initially captured in the IUR, however, when these claimants exhausted their benefits, they dropped out of the insured unemployed measure. This led to a widening gap between Nevada's unemployment rate and its insured unemployment rate.
- With Nevada's unemployment rate nearly 14 percent at peak, the difference between the two rates was over nine percentage points for a period of time. As Nevada has moved further along in its recovery, the difference between the two rates has shrunk.
- In May, Nevada's insured unemployment rate was 1.7%. This is three percentage points lower than the unemployment rate, the lowest "gap" during the post-recession period.