

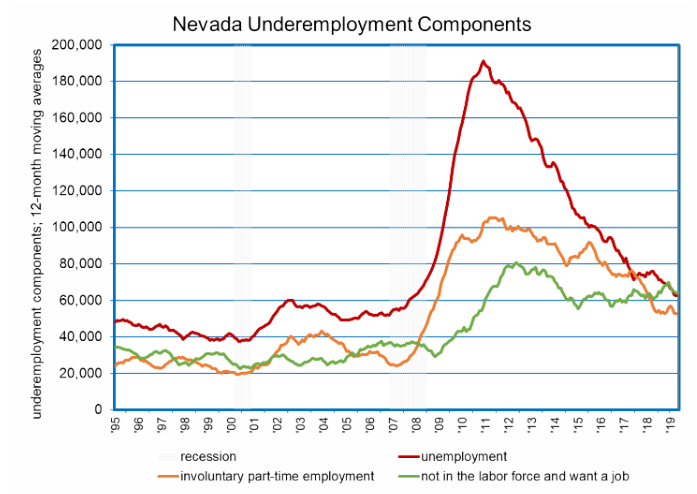
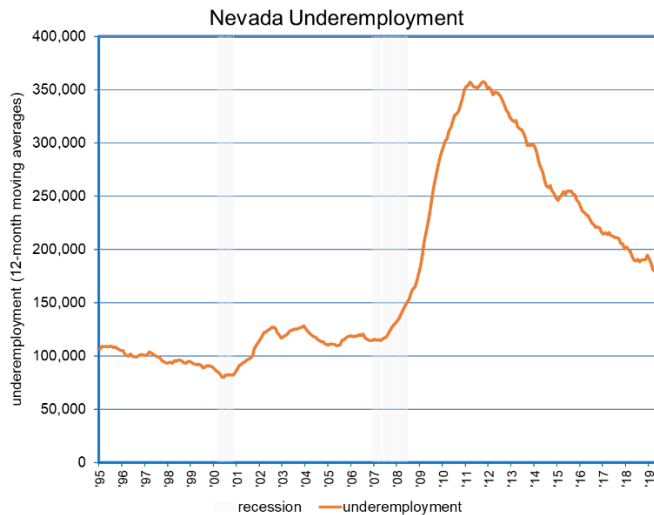
# Research Notes



Underemployment in the Silver State  
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## Nevada's Underemployment Trending Down; Still Higher Than Historical Levels



- The monthly Current Population Survey (CPS), sponsored by the Census Bureau and the Bureau of Labor Statistics, collects information about reasons for being underemployed. This research note analyses underemployment levels in the Silver State. Nevada's CPS sample is very small (around 1,000 households), therefore there is a lot of volatility in the estimates. To remove some of this volatility, a 12-month moving average was used in the calculations.
- A couple of studies<sup>1</sup> prepared by the BLS utilized the CPS figures to address the definition of underemployment. In this research note underemployment is defined as unutilized and underutilized labor force. The underemployed includes three components: (1) individuals who are unemployed. These individuals are considered unutilized labor force. (2) those who work part-time for economic reasons (involuntary part-time workers). These people are called underutilized labor force. (3) people who are not in the labor force but want a job. These individuals are classified as labor force reserve, because they want a job.

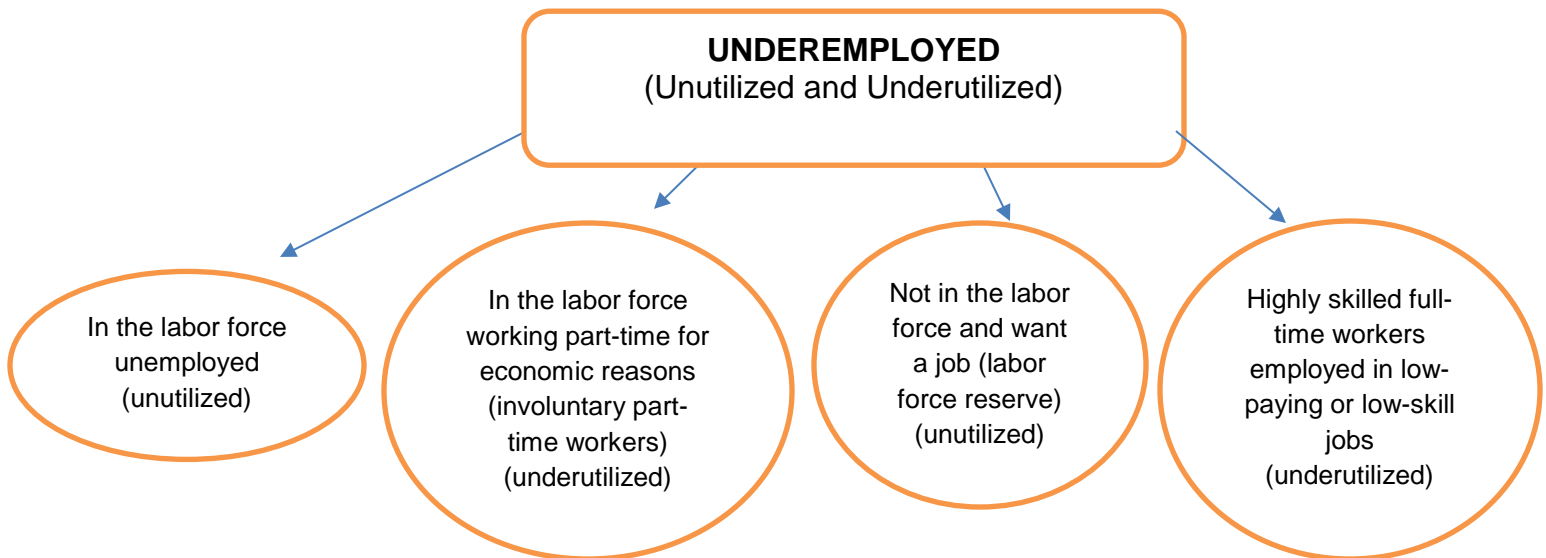
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<sup>1</sup> (i) The Nation's underemployed in the "Great Recession" of 2007-09. By Andrew Sum and Ishwar Khatiwada. Monthly Labor Review November 2010. (ii) Underemployment among Hispanics: the case of involuntary part-time work. By Justin Young and Marybeth Mattingly. Monthly Labor Review December 2016.

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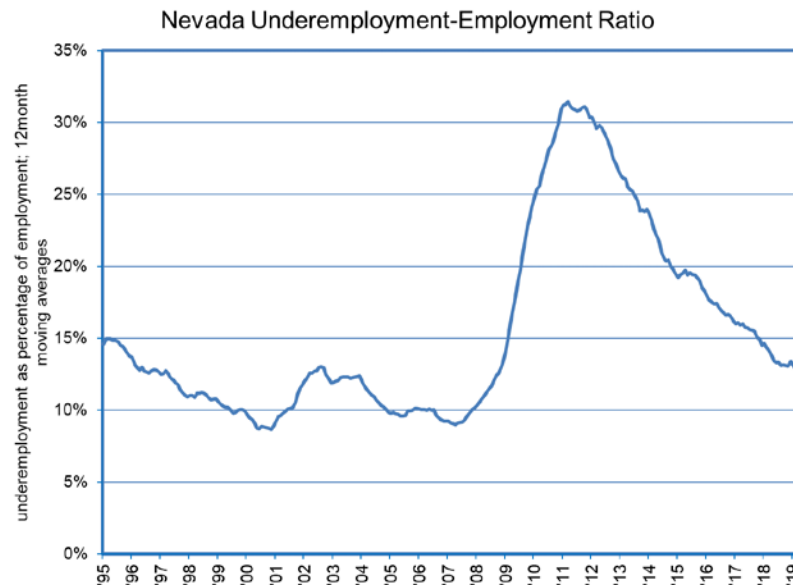
- CPS estimates from 1995 through 2008 show that the underemployed averaged 110,170 in Nevada. The unemployed averaged 50,200, this represented 46% of total underemployment. The involuntary part-time workers averaged 30,145 or 27% of total underemployment. People not in the labor force but want a job averaged 29,825 or 27% of total underemployment.
- As the State labor market was negatively affected by the 2007 recession, the underemployment started to increase reaching 357,640 in October 2011, which is the highest historical level. During this time, unemployed Nevadans averaged 178,590 or 49.9% of total underemployed. The involuntary part-time workers stood at 104,860 and made up 29.3% of the underemployed. Nevadans not in the labor force but who want a job reached 74,190 or 20.7% of the underemployed.
- As the recovery unfolded, the underemployed Nevadans started to decline. In April 2019, there are 179,570 Nevadans underemployed, this is a reduction of 178,070 from the highest level. Although the underemployment is trending down in the Silver State, current levels are still higher than historical averages. All components of underemployment are higher than historical levels: The unemployed stands at 62,550, however is trending down. There are 52,750 Nevadans working part-time for economic reasons, and still declining over time.
- Those Nevadans not in the labor force but that want a job have been trending up since 2015, reaching 61,130 June 2019. As of June 2019, the non-institutional population 16 years and older in the Silver State stands at 2.4 million. The State had an over the year population increase of 56,150 people. Therefore, there are more people in the State that have not yet enter the labor force and that want a job.



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- A measure that shows the relative incidence of underemployment in each period of time, is the underemployment - total employment ratio. From 1995 through 2008 the underemployment made up 11.2% of total employment. At its high level in October 2011, underemployment represented 31.1% of total employment, that means that 31 of every 100 employed were underemployed. In May 2019, underemployed Nevadans represent 12.4% of total employed, which is very close to historical average levels



- Another variable that can be considered a component of the unemployed are highly skilled full-time workers employed in low-paying or low-skill jobs. This topic will be address in a future research note.

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