

An In-Depth Look at New Hampshire's Alternative Measures of Labor Underutilization

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The U.S. Census Bureau's Current Population Survey (CPS) profiles people who are employed or unemployed, and those who are working part-time hours but want to work full-time. The CPS also provides information such as the number of weeks that the jobless were unemployed, reasons for unemployment, and reasons for not participating in the labor force. Based on these CPS data, six alternative measures of labor underutilization for states are regularly published by the U.S. Bureau of Labor Statistics.¹ These measures were developed to help describe the unemployment and underemployment status of workers.

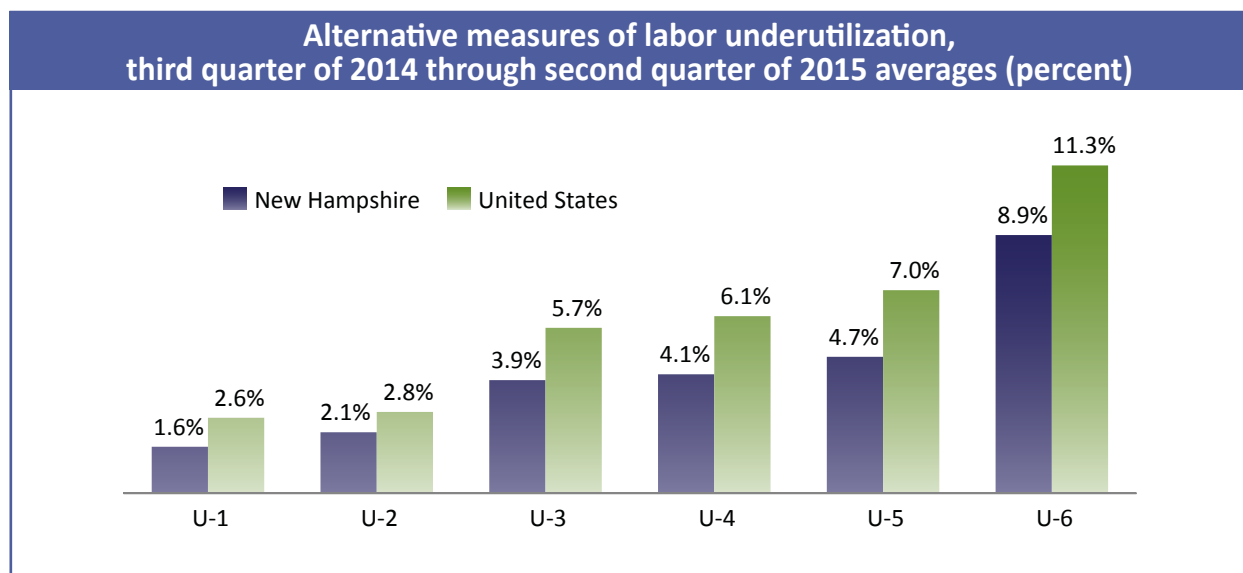
The six alternative measures of labor underutilization are released on a quarterly basis in the form of four-quarter moving averages.² These measures are designated as U-1 through U-6. The U-3 measure uses the same standard for unemployment as the official unemployment rate. Measures U-1 and U-2 are more restrictive than the U-3, while measures U-4 through U-6 are more inclusive. Recently released measures for the period July 2014 through June 2015 indicated New Hampshire averages ranging from a U-1 measure of 1.6 percent to a U-6 measure of 8.9 percent.³

Although the U.S. Bureau of Labor Statistics does not calculate these alternative measures for states based on demographic subgroups, unofficial estimates can be produced for subgroups by analyzing unpublished Current Population Survey microdata. All of the estimates below are for the twelve-month period July 2014 through June 2015. The results provide some insight on the demographic groups in New Hampshire that may be facing greater challenges with unemployment or underemployment. However, care should be taken when using both statewide estimates and

¹ The Current Population Survey is the source of information on work status of individuals 16 years of age and older. It is a household survey conducted by the U.S. Census Bureau that gathers data on labor force status and the number of hours of work, as well as many other demographic and labor force characteristics. As a household survey, the data represent residents of a specific area. This monthly household survey is conducted for a specific survey reference week, usually the week including the 12th of each month. The Current Population Survey is jointly sponsored by the Census Bureau and the Bureau of Labor Statistics.

² The measures of labor underutilization are based on twelve months of survey data to ensure statistical reliability.

³ Bureau of Labor Statistics. Accessed July 24, 2015. www.bls.gov/lau/stalt.htm.



Source: Bureau of Labor Statistics. Accessed July 24, 2015. www.bls.gov/lau/stalt.htm

these subgroup estimates, as small sample sizes are insufficient to meet statistical reliability standards.⁴

U-1: A Measure of Long Periods of Unemployment

The U-1 measure indicates the percentage of the labor force that has been unemployed for fifteen weeks or longer. The New Hampshire U-1 measure for the period July 2014 through June 2015 was 1.6 percent, or about 12,000 residents. Younger workers, those *ages 16 to 24*, were more likely to be unemployed for fifteen weeks or longer than other age groups. An estimated 2.8 percent of the younger workers' labor force was unemployed for fifteen weeks or longer, while other age groups experienced U-1 measures similar to the statewide average. The likelihood of being unemployed for long periods was also greater for those with lower levels of education. Persons with *less than a high school diploma or equivalency* experienced

a U-1 measure of 3.7 percent, which was more than twice the statewide average. Conversely, only 0.6 percent of those with a *graduate degree or greater* were unemployed for fifteen weeks or longer.

U-2: A Measure of Job Losses

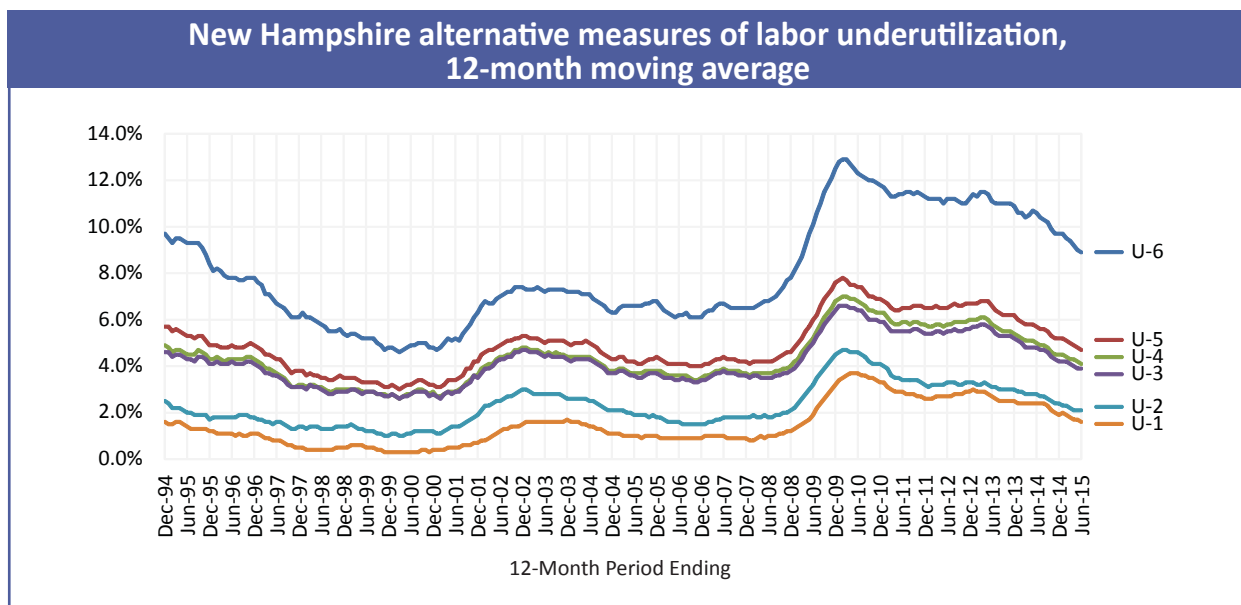
The U-2 is a measure of job losers and those who completed temporary jobs. This measure excludes persons who have quit their jobs and persons who are entering or re-entering the labor force, all of whom are included in the official unemployment rate. The U-2 measure was 2.1 percent for New Hampshire during the period. This represents an average of 15,700 persons who either lost their jobs or had their temporary jobs come to an end. The U-2 measures were relatively consistent across age groups, gender and educational attainment levels; although persons with *bachelor's degrees or graduate degrees or greater* had lower rates of 1.3 percent and 0.5 percent, respectively.

U-3: A Measure of Unemployment

The unemployment rate in New Hampshire for the period was 3.9 percent, based on the U-3 measure.⁵ This represents approximately 28,800 New Hampshire residents that met the official definition of unemployed in an average week. These persons did not have jobs, but wanted and were available for jobs, and had actively searched for work. Younger workers and those with *less than a high school diploma or equivalency* experienced rates significantly higher than the statewide average. Persons *ages 16 to 24* experienced an unemployment rate of 8.6 percent, more than twice the statewide average. Younger workers often have school responsibilities which may restrict work availability and make them less attractive to employers than more flexible workers. Persons with *less than a high school diploma or equivalency* had an unemployment

4. Bureau of Labor Statistics. Accessed July 24, 2015. www.bls.gov/lau/stalt.htm.

5. The U.S. Bureau of Labor Statistics refers to the U-3 measure as the official unemployment rate; however this is only applicable at the national level. Current Population Survey sample sizes are too small at the state level to produce reliable monthly estimates. State estimates of the official unemployment rate are model-based and incorporate CPS data as well as data from other sources to improve estimate reliability.



Source: US Census Bureau, unpublished Current Population Survey data (12-month Average).

rate of 10.0 percent. This group includes those that may have dropped out of school, those currently attending high school or working towards an equivalency diploma, and those immigrants who were not required to attend high school in their native countries.

U-4: A Measure of Unemployment and Discouragement

The U-4 measure adds discouraged workers to those who meet the official definition of unemployment. Discouraged persons are those who have either worked or looked for work during the past twelve months, but have not looked in the last month because they believe there are no jobs available to them. This belief may be because they have tried to find work but were unsuccessful; because they

feel that there are no jobs available; because they feel that they don't have the necessary skills or education; or they are too young or too old for the jobs available. There were approximately 2,100 discouraged workers in New Hampshire for the period July 2014 through June 2015, resulting in a U-4 of 4.1 percent, which is only slightly higher than the U-3 measure of 3.9 percent. Older workers, those *age 55 and over*, and workers with *less than a high school diploma or equivalency* had larger percentages of discouraged persons than other groups. While many unemployed persons may be dejected, disheartened, or depressed by an unsuccessful job search, as long as they have actively searched for work in the last month they are not considered "Discouraged."

U-5: A Measure of Unemployment and Marginal Attachment to the Labor Force

The U-5 measure is similar to the U-4, but also considers "conditionally interested" persons. Much like discouraged persons, these individuals have either worked or looked for work during the past twelve months, but they have not looked in the last month because of a temporary situation, such as illness or transportation problems, that prevented them from looking for work. These persons were not participating in the labor force, but were considered conditionally interested because they would have searched for work in the last month had it not been for their temporary condition. The U-5 in New Hampshire stood at 4.7 percent for the period, reflecting

New Hampshire Alternative Measures of Labor Underutilization by Demographic Subgroup July 2014 through June 2015 Average						
	U-1	U-2	U-3	U-4	U-5	U-6
All Residents	1.6%	2.1%	3.9%	4.1%	4.7%	8.9%
Age Groups						
Age 16 to 24	2.8%	2.6%	8.6%	8.9%	10.2%	18.4%
Age 25 to 54	1.4%	1.9%	3.1%	3.2%	3.5%	6.9%
Age 55 and over	1.5%	2.4%	3.2%	3.7%	4.5%	8.2%
Gender						
Male	1.8%	2.2%	3.8%	4.1%	4.8%	8.6%
Female	1.5%	2.0%	4.0%	4.1%	4.6%	9.1%
Educational Attainment						
Less Than High School Graduate	3.7%	2.6%	10.0%	11.0%	13.2%	19.4%
High School Graduate or Equivalency	2.1%	2.9%	4.6%	4.8%	5.3%	10.6%
Some College, but No Degree	1.9%	2.8%	4.9%	5.2%	5.8%	11.3%
Associates' Degree	1.1%	2.4%	3.4%	3.7%	4.1%	8.4%
Bachelor's Degree	1.1%	1.3%	2.2%	2.4%	2.7%	4.9%
Graduate or Professional Degree	0.6%	0.5%	1.8%	1.9%	2.5%	5.0%

Source: US Census Bureau, unpublished Current Population Survey data (12-month Average).

an additional 4,400 residents who were conditionally interested. As was the case with unemployment, conditionally interested persons were most common among younger workers and those with less than a high school diploma or equivalency. Discouraged persons and those who were conditionally interested are collectively referred to as “marginally attached to the labor force.”

U-6: A Measure of Underemployment

When people talk about the “real unemployment rate” or the “underemployment rate,” they generally mean the U-6 measure. It is the broadest measure of labor underutilization, and includes the unemployed, those marginally attached to the labor force, and those who worked part-time but wanted

full-time work. This part-time work is classified as part-time for economic reasons and is often referred to as involuntary part-time employment. Those who worked part-time for economic reasons worked less than 35 hours during the survey week due to business conditions or because they could not find a full-time job. The U-6 measure for New Hampshire was 8.9 percent for the period July 2014 through June 2015, compared to 11.3 percent for the United States. Involuntary part-time workers — the difference between the U-5 and U-6 measures — represent the largest group of additional persons in the alternative measures, and have recently numbered more than the total number of unemployed. There were approximately 31,100 New Hampshire residents working part-time but wanting full-time

employment. As was the case with many of the alternative measures of labor underutilization, involuntary part-time work was more common among younger workers and persons with lower levels of educational attainment. Those *ages 16 to 24* had a U-6 measure of 18.4 percent, while 19.4 percent of those with *less than a high school diploma or equivalency* were underemployed.

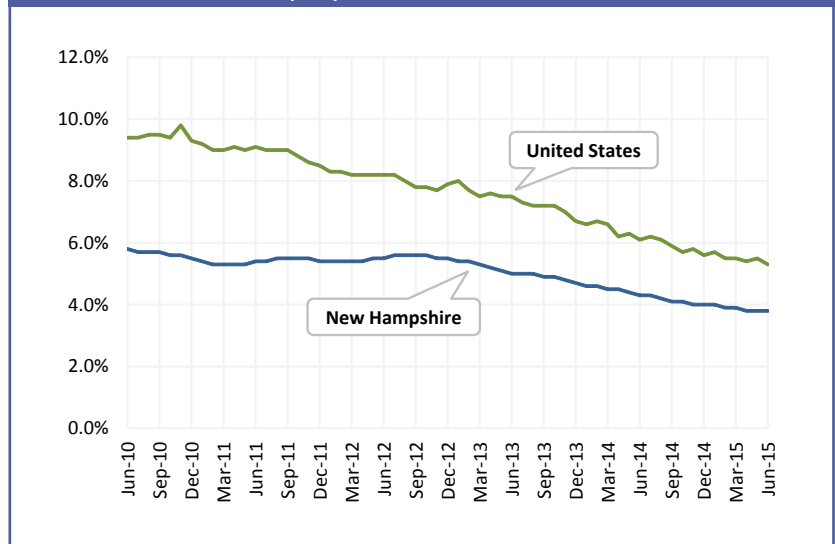
The monthly unemployment rate provides a measure of employment and unemployment that is comparable over time and across geographic areas. Yet that one figure does not acknowledge that, for many people, there is more to the story. The alternative measures of labor underutilization enhance details of employment and unemployment situations.

Seasonally Adjusted Estimates

Unemployment Estimates by Region

Seasonally Adjusted	Jun-15	May-15	June-14
United States	5.3%	5.5%	6.1%
Northeast	5.4%	5.6%	6.1%
New England	4.8%	4.9%	5.9%
Connecticut	5.7%	6.0%	6.5%
Maine	4.7%	4.7%	5.7%
Massachusetts	4.6%	4.6%	5.7%
New Hampshire	3.8%	3.8%	4.3%
Rhode Island	5.9%	6.0%	7.7%
Vermont	3.6%	3.6%	4.1%
Mid Atlantic	5.6%	5.8%	6.2%
New Jersey	6.1%	6.5%	6.5%
New York	5.5%	5.7%	6.3%
Pennsylvania	5.4%	5.4%	5.7%

Local Area Unemployment Statistics (LAUS) Unemployment Rate, NH and US



Current Employment Statistics (CES) by Place of Establishment

Sector	Number of Jobs			Change from Previous	
	Jun-15	May-15	Jun-14	Month	Year
Total Nonfarm	655,300	657,400	648,100	-2,100	7,200
Total Private	565,700	568,200	557,700	-2,500	8,000
Mining and Logging	900	900	900	0	0
Construction	24,000	24,300	23,200	-300	800
Manufacturing	67,800	67,200	66,600	600	1,200
Durable Goods	51,100	50,700	50,100	400	1,000
Non-Durable Goods	16,700	16,500	16,500	200	200
Trade, Transportation, and Utilities	140,100	141,200	136,800	-1,100	3,300
Wholesale Trade	27,300	27,600	27,100	-300	200
Retail Trade	96,800	97,600	94,700	-800	2,100
Transportation, Warehousing, and Utilities	16,000	16,000	15,000	0	1,000
Information	12,500	12,400	12,000	100	500
Financial Activities	35,900	36,400	35,700	-500	200
Finance and Insurance	29,300	29,600	28,900	-300	400
Real Estate and Rental and Leasing	6,600	6,800	6,800	-200	-200
Professional and Business Services	73,300	73,400	73,700	-100	-400
Professional, Scientific, and Technical Services	32,500	32,600	32,600	-100	-100
Administrative and Support and Waste Management and Remediation Services	32,900	32,600	33,000	300	-100
Education and Health Services	117,500	117,500	116,000	0	1,500
Educational Services	29,800	29,800	29,500	0	300
Health Care and Social Assistance	87,700	87,700	86,500	0	1,200
Leisure and Hospitality	67,600	68,400	66,900	-800	700
Arts, Entertainment, and Recreation	11,900	11,700	11,000	200	900
Accommodation and Food Services	55,700	56,700	55,900	-1,000	-200
Other Services	26,100	26,500	25,900	-400	200
Government	89,600	89,200	90,400	400	-800
Federal Government	7,600	7,600	7,400	0	200
State Government	24,400	24,900	24,400	-500	0
Local Government	57,600	56,700	58,600	900	-1,000

Current month is preliminary; past months are revised

Prior data and area data are available on our Web site at www.nhes.nh.gov/elmi/statistics/ces-data.htm

Not Seasonally Adjusted Estimates by Place of Residence

Labor Force Estimates			
New Hampshire	Jun-15	May-15	Jun-14
Total Civilian Labor Force	754,930	743,540	747,500
Employed	728,170	716,960	715,660
Unemployed	26,760	26,580	31,840
Unemployment Rate	3.5%	3.6%	4.3%

United States (# in thousands)	Jun-15	May-15	Jun-14
Total Civilian Labor Force	158,283	157,719	156,997
Employed	149,645	149,349	147,104
Unemployed	8,638	8,370	9,893
Unemployment Rate	5.5%	5.3%	6.3%

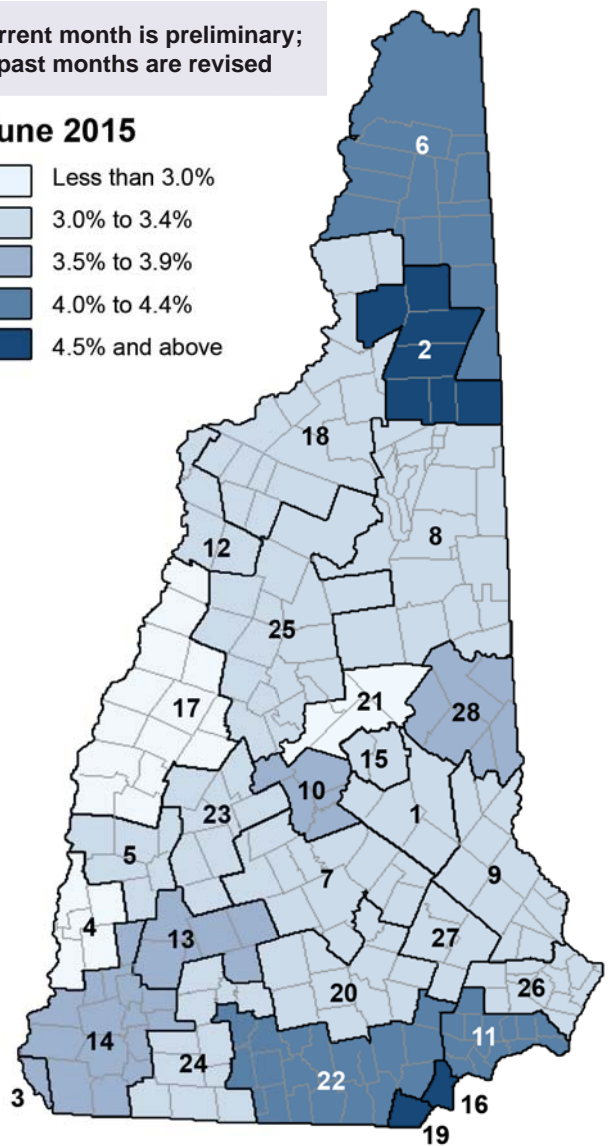
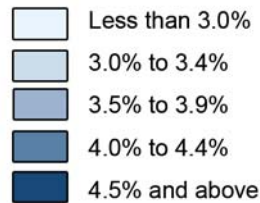
Unemployment Rates by Area			
Counties	Jun-15	May-15	Jun-14
Belknap	3.2%	3.3%	3.8%
Carroll	3.4%	3.6%	3.9%
Cheshire	3.5%	3.6%	4.2%
Coös	4.8%	4.9%	5.5%
Grafton	3.1%	3.3%	3.6%
Hillsborough	3.7%	3.7%	4.5%
Merrimack	3.2%	3.2%	3.7%
Rockingham	3.7%	3.7%	4.6%
Strafford	3.3%	3.3%	4.1%
Sullivan	3.0%	2.9%	3.5%

Map Key	Labor Market Areas	Jun-15	May-15	Jun-14
1	Belmont, NH LMA	3.2%	3.3%	3.9%
2	Berlin NH Micropolitan NECTA	6.1%	5.7%	6.5%
3	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	3.9%	3.5%	5.3%
4	Charlestown, NH LMA	2.8%	2.9%	3.2%
5	Claremont-Newport, NH LMA	3.0%	2.9%	3.7%
6	Colebrook, NH-VT LMA, NH Portion	4.4%	4.7%	5.4%
7	Concord, NH Micropolitan NECTA	3.1%	3.2%	3.6%
8	Conway, NH-ME LMA, NH Portion	3.4%	3.7%	3.7%
9	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	3.3%	3.3%	4.1%
10	Franklin, NH LMA	3.5%	3.5%	4.1%
11	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	4.2%	4.2%	5.3%
12	Haverhill, NH LMA	3.3%	3.4%	3.7%
13	Hillsborough, NH LMA	3.6%	3.7%	4.1%
14	Keene, NH Micropolitan NECTA	3.6%	3.6%	4.2%
15	Laconia, NH Micropolitan NECTA	3.2%	3.4%	3.9%
16	Salem Town, NH Portion, Lawrence-Metuen-Salem, MA-NH NECTA Division	4.6%	4.4%	5.3%
17	Lebanon, NH-VT Micropolitan NECTA, NH Portion	2.8%	2.9%	3.3%
18	Littleton, NH-VT LMA, NH Portion	3.2%	3.6%	3.7%
19	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	4.6%	4.6%	5.7%
20	Manchester, NH Metropolitan NECTA	3.4%	3.5%	4.3%
21	Meredith, NH LMA	2.9%	3.0%	3.5%
22	Nashua, NH-MA NECTA Division, NH Portion	4.0%	3.9%	4.7%
23	New London, NH LMA	3.1%	3.3%	3.6%
24	Peterborough, NH LMA	3.4%	3.5%	4.2%
25	Plymouth, NH LMA	3.3%	3.7%	3.9%
26	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	3.1%	3.1%	3.9%
27	Raymond, NH LMA	3.4%	3.5%	4.2%
28	Wolfeboro, NH LMA	3.5%	3.6%	4.3%

Unemployment Rates by Region			
Not Seasonally Adjusted	Jun-15	May-15	June-14
United States	5.5%	5.3%	6.3%
Northeast	5.3%	5.3%	6.1%
New England	4.9%	4.7%	5.9%
Connecticut	5.4%	5.5%	6.6%
Maine	4.6%	4.7%	5.3%
Massachusetts	4.9%	4.4%	6.0%
New Hampshire	3.5%	3.6%	4.3%
Rhode Island	5.6%	5.8%	7.3%
Vermont	3.6%	3.4%	4.1%
Mid Atlantic	5.4%	5.6%	6.2%
New Jersey	5.6%	6.3%	6.5%
New York	5.3%	5.3%	6.2%
Pennsylvania	5.5%	5.4%	6.0%

Current month is preliminary; past months are revised

June 2015



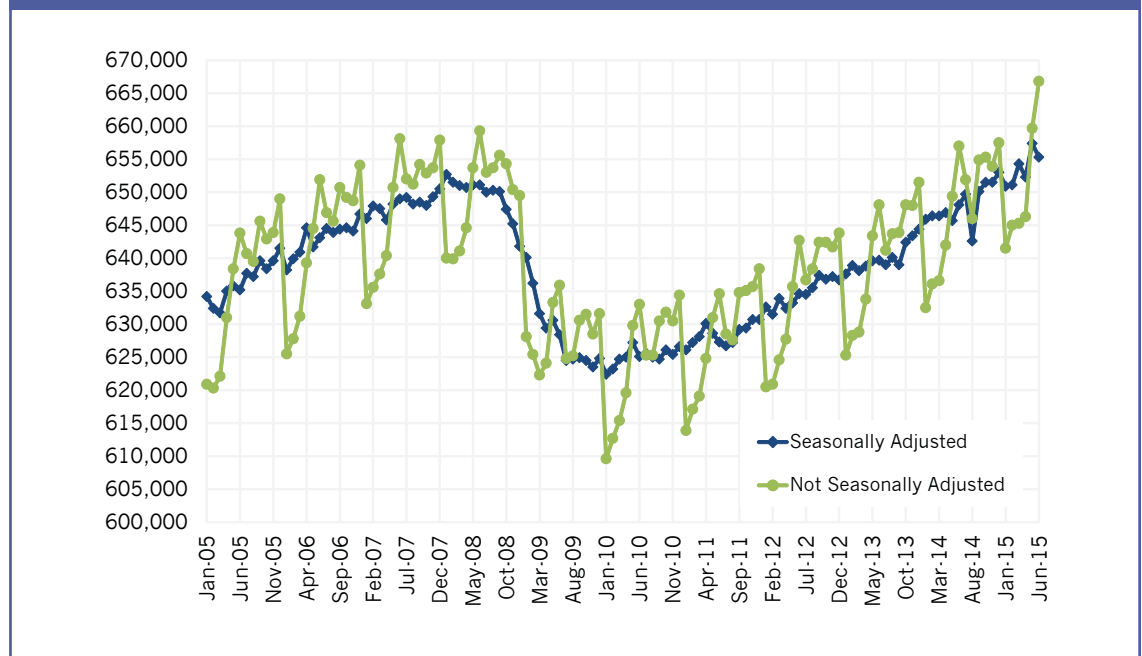
New Hampshire unemployment and labor force estimates are calculated using a regression model which depends on Current Population Survey (CPS) estimates. City and town estimates are calculated using the Bureau of Labor Statistics "Handbook Method" and then adjusted to the State levels.

Monthly Analysis of Current Employment Statistics (CES)

New Hampshire Nonfarm Employment Statewide Not Seasonally Adjusted

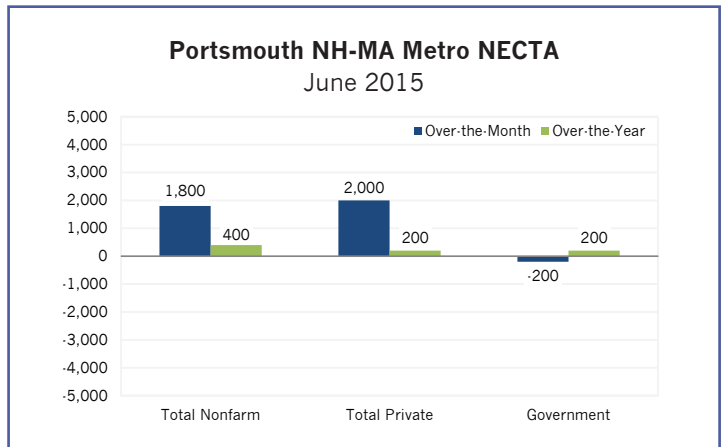
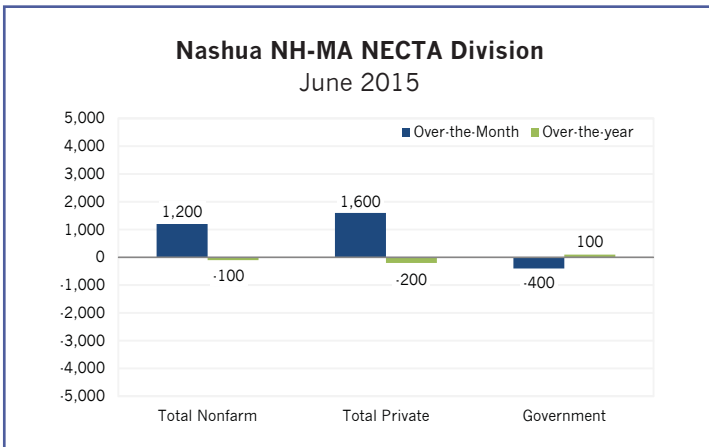
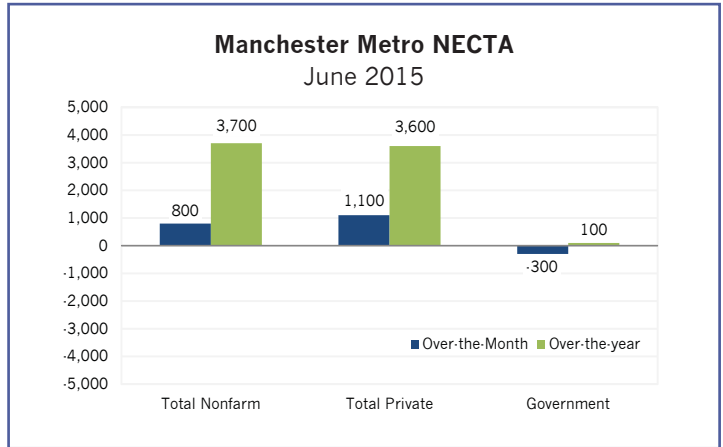
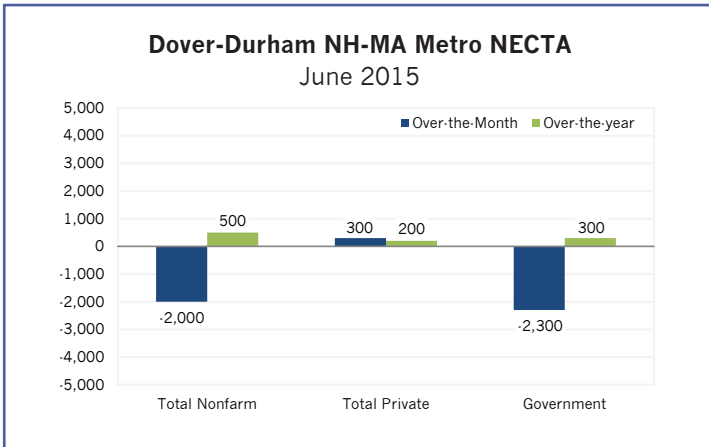
	Number of Jobs			Change	
	Jun-15	May-15	Jun-14	from previous:	
	preliminary	revised		Month	Year
Total All Supersectors	666,800	659,700	657,000	7,100	9,800
Private Employment Total	578,900	567,300	568,200	11,600	10,700
Mining and Logging	1,000	900	1,000	100	0
Construction	25,300	24,900	24,200	400	1,100
Manufacturing	68,400	67,400	67,100	1,000	1,300
Durable Goods	51,500	50,800	50,400	700	1,100
Non-Durable Goods	16,900	16,600	16,700	300	200
Trade, Transportation and Utilities	142,000	139,700	138,300	2,300	3,700
Wholesale Trade	27,400	27,400	27,300	0	100
Retail Trade	98,100	96,200	95,600	1,900	2,500
Transportation and Utilities	16,500	16,100	15,400	400	1,100
Information	12,600	12,400	12,100	200	500
Financial Activities	36,200	36,200	36,100	0	100
Professional and Business	74,900	73,900	74,600	1,000	300
Education and Health	117,100	117,700	115,300	-600	1,800
Leisure and Hospitality	74,900	67,800	73,100	7,100	1,800
Other Services	26,500	26,400	26,400	100	100
Government Total	87,900	92,400	88,800	-4,500	-900
Federal Government	7,600	7,500	7,400	100	200
State Government	22,100	25,700	22,100	-3,600	0
Local Government	58,200	59,200	59,300	-1,000	-1,100

Total Nonfarm Employment Trend for June 2015

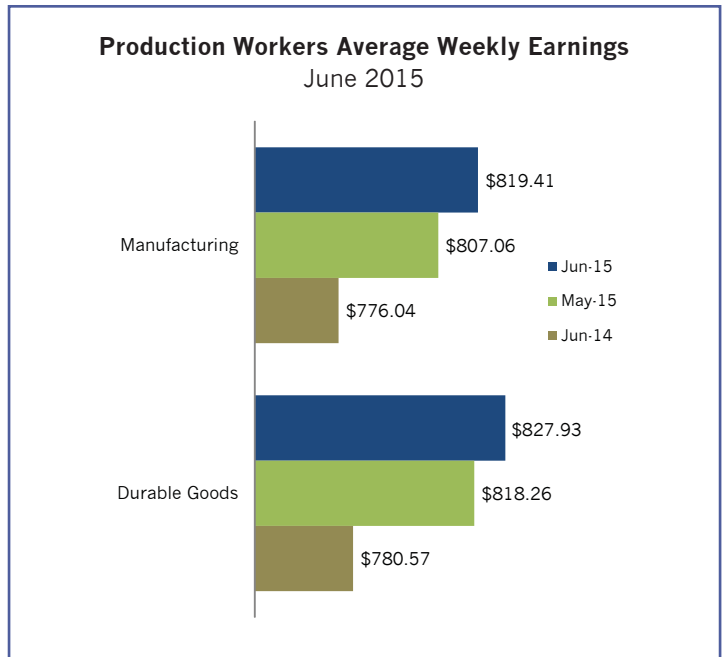
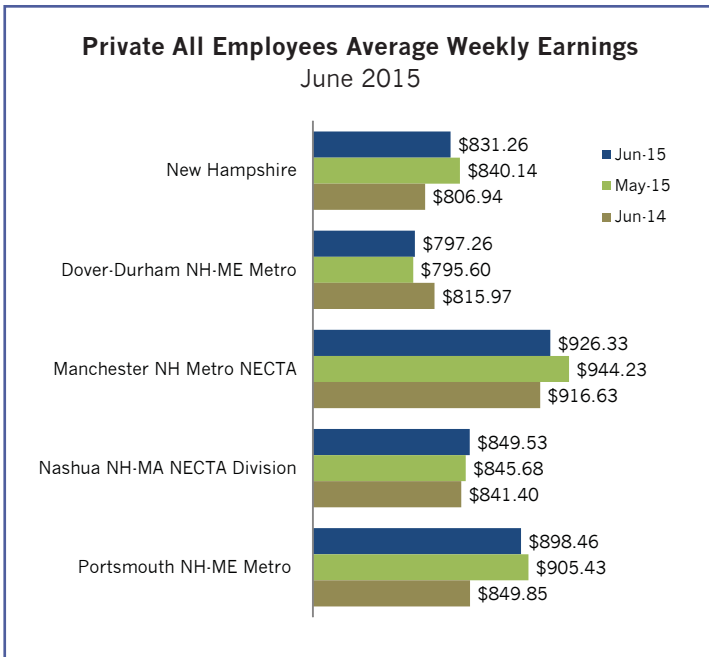


Not Seasonally Adjusted Estimates by Place of Establishment

Nonfarm Employment by Metropolitan Statistical Areas



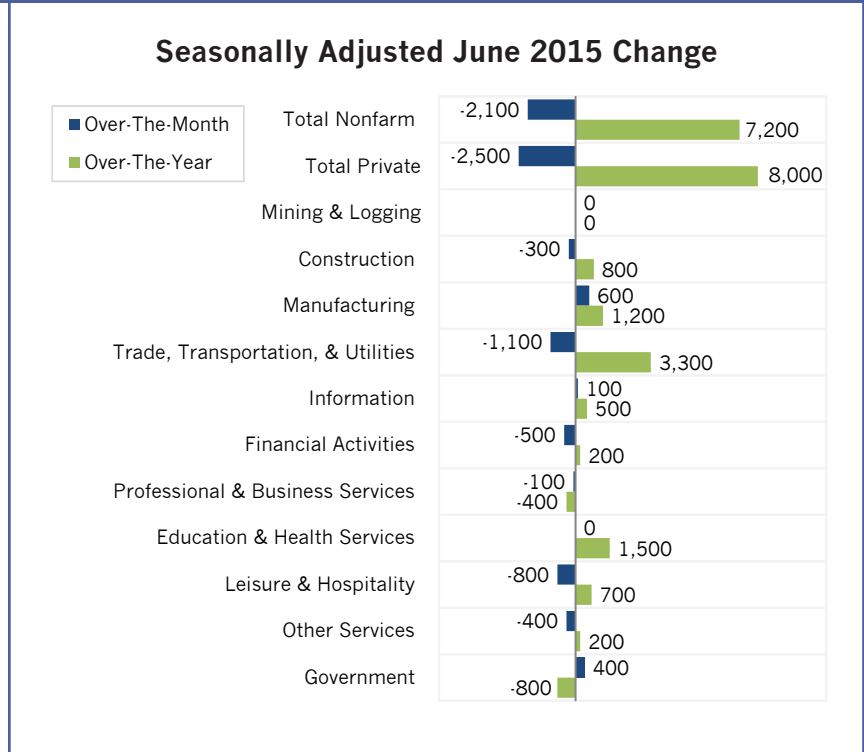
Total Private Average Weekly Earnings Data



Sector data for the four areas and hours and earnings data are available on our web site: www.nhes.nh.gov/elmi/statistics/ces-data.htm

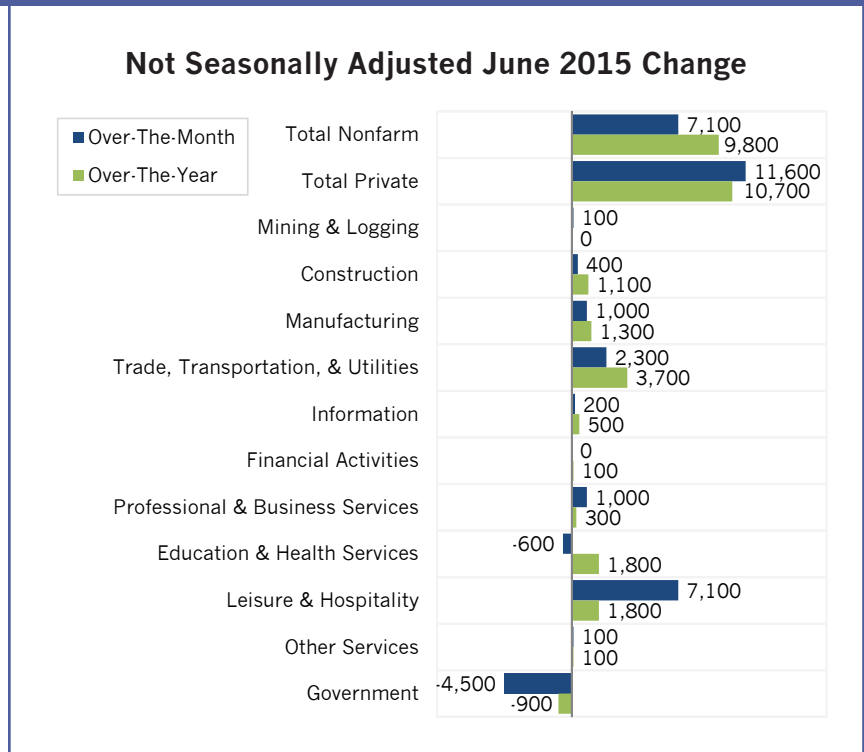
Seasonally Adjusted Statistical Analysis of Nonfarm Employment

- From May to June, preliminary total nonfarm estimates decreased by 2,100 jobs to 655,300 jobs.
- Over-the-month Trade, transportation, and utilities lost 1,100 jobs.
- Total nonfarm employment increased 7,200 jobs from June 2014 to June 2015.
- Just under one half of job growth over-the-year was in Trade, transportation, and utilities, up 3,300 jobs.
- Changes in seasonally adjusted data reflect underlying economic changes and allow for comparisons of different time periods.



Not Seasonally Adjusted Statistical Analysis of Nonfarm Employment

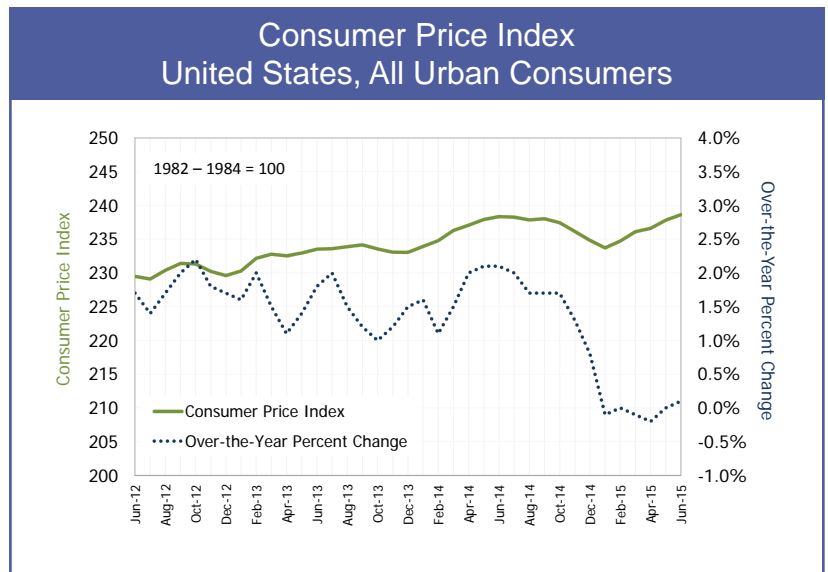
- New Hampshire's preliminary not seasonally adjusted employment increased by 7,100 jobs from May to June.
- Over-the-month employment growth in Leisure and hospitality drove total nonfarm growth, up 7,100 jobs.
- From June 2014 to June 2015, preliminary total nonfarm employment increased 9,800 jobs.
- Employment in Trade, transportation, and utilities increased by 3,700 jobs, from June 2014 to June 2015.
- Changes in not seasonally adjusted data are due to seasonal patterns in hiring, as well as underlying economic changes.



For further analysis, see the *Detailed Monthly Analysis of Industry Employment Data* on our web site: www.nhes.nh.gov/elmi/statistics/ces-data.htm

Consumer Price Index				
United States, All Urban Consumers, Not Seasonally Adjusted (CPI-U) (1982-1984=100)				
Jun-15	May-15	Jun-14	Change from Previous	
			Month	Year
238.638	237.805	238.343	0.4%	0.1%

Northeast, All Urban Consumers, Not Seasonally Adjusted (CPI-U) (1982-1984=100)				
Jun-15	May-15	Jun-14	Change from Previous	
			Month	Year
253.626	252.700	253.555	0.4%	0.0%



Unemployment Compensation Claims Activity						
	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Initial Claims	4,917	4,177	3,424	3,705	2,528	3,773
Continued Weeks Claimed	31,461	29,563	34,494	24,049	20,779	19,458
Average payment for a week of unemployment	\$287.64	\$292.73	\$293.24	\$298.17	\$304.35	\$314.20

New Hampshire Economic Conditions is published monthly in coordination with the Bureau of Labor Statistics and the Employment and Training Administration of the U.S. Department of Labor.

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