

New Hampshire Economic Conditions

August 2013

New Hampshire's Unemployed and Underemployed

An in-depth look at unpublished Current Population Survey data for the period July 2012 through June 2013 indicates that approximately 41,200 New Hampshire residents were unemployed and approximately 33,900 were working part-time for economic reasons.¹ Part-time for economic reasons is often referred to as involuntary part-time employment.²

The Current Population Survey provides information regarding the people who are unemployed and those who are working part-time hours but want to work full-time.

This latter group is classified as working part-time for economic reasons. 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.

Six alternative measures of labor underutilization are released on a quarterly basis in the form of a four-quarter moving average. These measures are designated as U-1 through U-6. The measure that uses similar criteria to the official unemployment rate is designated as U-3. Measures U-1 and U-2 are

Contents

Seasonally Adjusted Estimates

Unemployment Rates. 5
Current Employment Statistics. 5

Not Seasonally Adjusted Estimates

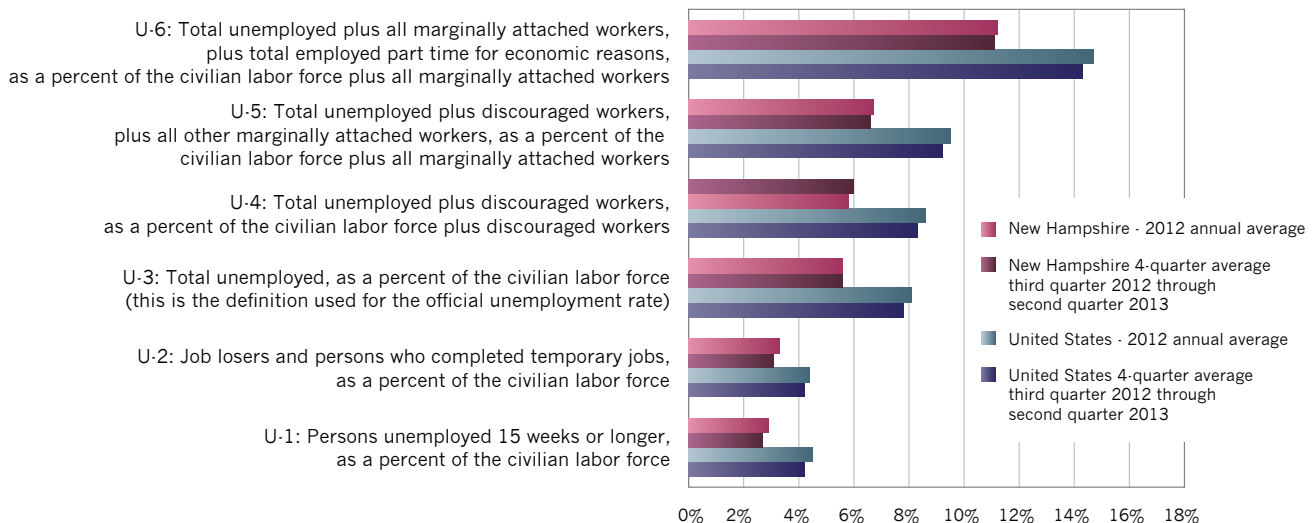
Unemployment Rates. 6
Current Employment Statistics. 7

Claims Activity 9

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² Unpublished data from the Current Population Survey also indicate that about 149,900 persons were working part-time for non-economic reasons, and are categorized as voluntarily working part-time. Over four times as many persons are working part-time voluntarily than are working part-time for economic reasons (involuntary).

Alternative Measures of Labor Underutilization New Hampshire & United States



more restrictive than the U-3, while measures U-4 through U-6 are more inclusive. The U-6 is often used to quantify underemployment as it includes the unemployed, those marginally attached to the labor force, and those who were working part-time for economic reasons. Recently, measures for the period July 2012 through June 2013 indicated an average unemployment rate (U-3 measure) for New Hampshire of 5.6 percent and a U-6 measure of 11.1 percent.³

Using the U-6 measure to highlight the underemployed, however, blurs the distinction between those who are unemployed despite their best efforts to find a job, those who want

a job but did not look for one, and those who are working part-time hours due to business conditions, but would prefer to work full-time. These involuntary part-time employees are representative of the underemployed.

Four-quarter moving averages of the alternative measures of labor underutilization, as well as the numbers behind them, have not declined significantly since the four-quarter period of April 2010 through March 2011. Given the stagnant numbers, what information can be obtained from the Current Population Survey to better describe the unemployed and underemployed in New Hampshire?

Gender

Based on the Current Population Survey, 5.6 percent of New Hampshire's labor force was unemployed in the period July 2012 through June 2013. An additional 4.6 percent of the labor force worked part-time for economic reasons. This compares to 68.2 percent of the labor force that worked full-time and 19.7 percent that worked part-time for non-economic reasons. The remaining 1.9 percent of the labor force is classified as other part-time. This includes part-time employees who worked full-time hours in the survey week, part-time employees who were absent from work, and retirees who only worked part-time hours due to Social Security earnings limitations.

³ Bureau of Labor Statistics. Accessed July 26, 2013. <www.bls.gov/lau/stalt.htm>.

New Hampshire Labor Force Status by Gender, Age and Educational Attainment July 2012 to June 2013

	Worked Full-Time	Worked Part-Time for Non-Economic Reasons	Worked Part-Time for Economic Reasons	Other Part-Time *	Unemployed
All Workers	68.2%	19.7%	4.6%	1.9%	5.6%
Gender:					
Male	75.9%	13.1%	4.0%	1.1%	6.0%
Female	59.8%	27.1%	5.2%	2.9%	5.0%
Age Group:					
Age 16 to 19	13.8%	57.3%	7.7%	3.9%	17.3%
Age 20 to 24	49.3%	26.1%	10.0%	2.6%	12.0%
Age 25 to 34	74.5%	14.5%	4.6%	1.7%	4.6%
Age 35 to 44	74.7%	15.5%	3.9%	1.4%	4.5%
Age 45 to 54	77.7%	13.7%	3.6%	1.0%	4.0%
Age 55 to 64	73.1%	17.4%	3.5%	1.9%	4.0%
Age 65 and over	40.6%	44.6%	4.0%	5.7%	5.2%
Educational Attainment:					
Less than High School Diploma	40.5%	36.4%	5.9%	3.2%	14.0%
High School Diploma or Equivalent	66.9%	17.4%	6.6%	1.5%	7.6%
Some College, but No Degree	61.5%	25.8%	4.7%	2.2%	5.8%
Associate Degree	71.2%	19.2%	4.1%	1.9%	3.6%
Bachelor's Degree	75.2%	15.9%	3.4%	2.0%	3.6%
Graduate Degree (Master's, Professional, Doctorate)	77.4%	16.8%	1.9%	1.6%	2.3%

* Other Part-Time includes part-time persons who worked full-time hours, were absent from work, or worked part-time due to Social Security retirement earnings limitations.

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

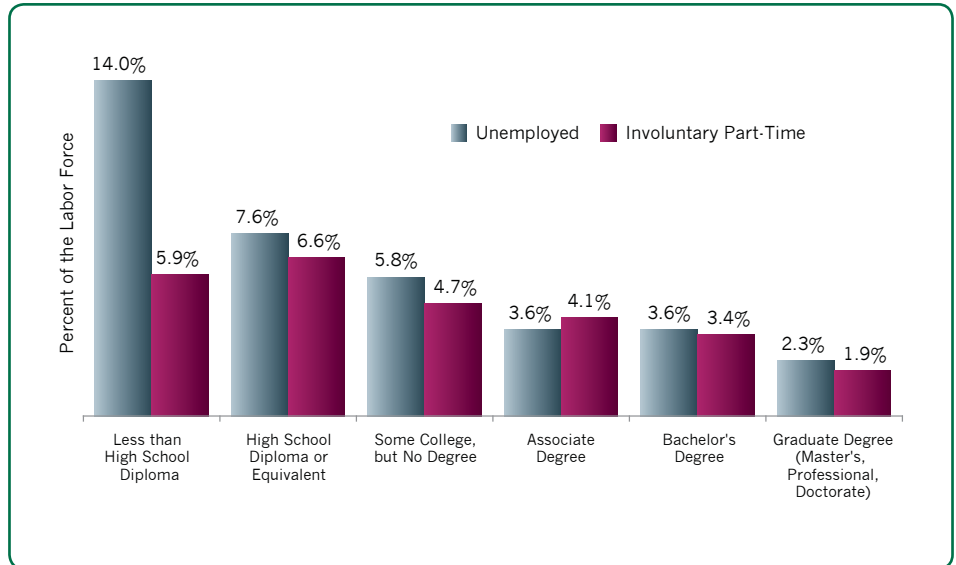
Approximately 74.6 percent of males age 16 and older participated in the labor force, either as employed or unemployed. Males experienced a higher rate of unemployment and a lower rate of involuntary part-time employment than the general population, at 6.0 percent and 4.0 percent respectively. Females experienced the opposite effect, with an unemployment rate of 5.0 percent and an involuntary part-time employment rate of 5.2 percent. Approximately 64.4 percent of females participated in the labor force during this period.

Age

The 16 to 19 years age group experienced the highest unemployment rate, 17.3 percent, and the second highest involuntary part-time employment rate, 7.7 percent, for the period July 2012 through June 2013. Incidentally, 57.3 percent of the 16 to 19 years age group worked part-time for non-economic reasons. The 20 to 24 years age group experienced an unemployment rate of 12.0 percent, while 10.0 percent worked part-time involuntarily, the highest share of any age group. The 25 to 34 years age group had a rate of 4.6 percent for both the unemployment rate and the involuntary part-time employment rate.

The 35 to 44 years age group experienced an unemployment rate of 4.5 percent, while 3.9 percent worked part-time involuntarily. The 45 to 54 years and 55 to 64 years age groups were nearly identical with a 4.0 percent unemployment rate, while 3.6 percent and 3.5 percent, respectively, worked part-time involuntarily. The unemployment rate for the 65 years and over age group

New Hampshire Unemployment and Involuntary Part-Time Employment by Educational Attainment - July 2012 to June 2013



was 5.2 percent while 4.0 percent worked part-time involuntarily. More than ten times as many people in this age group worked part-time for non-economic reasons than worked part-time for economic reasons.

Educational Attainment

Higher levels of educational attainment are usually associated with lower unemployment rates, and the same can be said of the rate of working part-time for economic reasons. During the period July 2012 through June 2013, persons with an associate's degree or higher level of educational attainment experienced lower unemployment rates and rates of involuntary part-time employment than the averages for all workers.

Persons who have less than a high school diploma or equivalent experienced an unemployment rate of 14.0 percent while 5.9 percent worked part-time involuntarily. This group does, however, include a large portion of younger persons who are

currently enrolled in high school, thus have both age and education factors affecting the rates. Those with a high school diploma or equivalent, which is the largest group by educational attainment, experienced an unemployment rate of 7.6 percent and an involuntary part-time employment rate of 6.6 percent. The group of persons with some college education but no degree, influenced by a portion of the group who are currently enrolled in college, experienced an unemployment rate of 5.8 percent. Among this group 4.7 percent worked part-time for economic reasons, while more than one-quarter worked part-time for non-economic reasons.

The unemployment rate drops significantly for those with a college degree. Where the average unemployment rate for New Hampshire during the period from July 2012 to June 2013 was 5.6 percent, those with either an associate's degree or a bachelor's degree had an unemployment rate of 3.6 percent. Those persons with

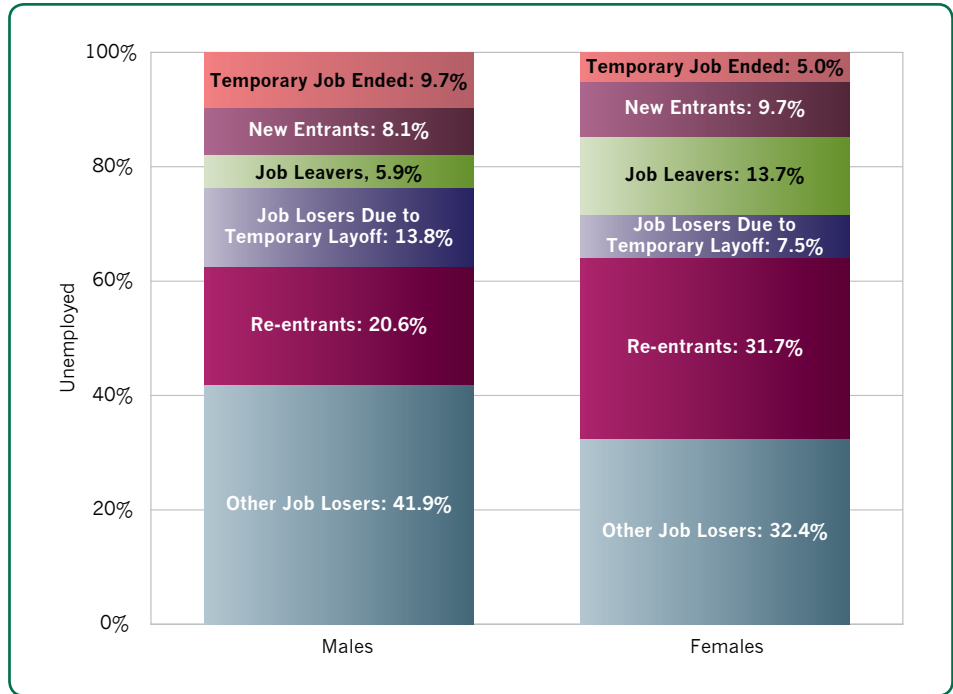
a graduate or professional degree had an unemployment rate of only 2.3 percent. The distinction between college degree levels for the rates of working part-time for economic reasons is even more dramatic. Among those with an associate’s degree, 4.1 percent worked part-time involuntarily. Only 3.4 percent of bachelor’s degree holders worked part-time involuntarily, while those with either a graduate or professional degree experienced a involuntary part-time employment rate of a mere 1.9 percent.

Reasons for Unemployment and Underemployment

Responses to the Current Population Survey provide insight to the reasons behind unemployment and underemployment, at least from the workers’ perspective. The most common reason for unemployment was a job loss that was neither a temporary layoff nor the end of a temporary job. These “other job losers” accounted for 37.8 percent of the unemployed between July 2012 and June 2013. Temporary layoffs were responsible for 11.1 percent of the unemployed while temporary jobs ending were responsible for 7.7 percent of the unemployed.

The second most common reason for unemployment was re-entrance into the labor force. These were persons who had prior employment experience, but had exited the labor force prior to their most recent work search. Re-entrants accounted for 25.3 percent of the unemployed. The two remaining reasons for unemployment categorized in the Current Population Survey are new entrants to the labor force and job

Reasons for Unemployment in New Hampshire by Gender July 2012 to June 2013



leavers. New entrants are primarily young persons who had no prior work experience, and represented 8.8 percent of the unemployed. Increasing percentages of job leavers is sometimes considered a good sign, as it is often associated with an increase in employment opportunities within the labor market. Job leavers accounted for 9.3 percent of the unemployed.

Persons who worked part-time for economic reasons fall into one of three categories. Those who worked part-time hours because they could only find a part-time job represented 43.1 percent of the underemployed. Persons who usually worked part-time and had worked less than 35 hours during the survey week due to business conditions represented 41.4 percent of the underemployed.

The distinction between this group and those that could only find part-time jobs is that these jobs were not expected to be permanent part-time jobs. The normal work hours for these jobs were set to less than 35 hours per week due to business conditions and were expected to return to full time once business conditions improved. The final category that made up the remaining 15.5 percent of the underemployed were those who usually worked full-time, but worked less than 35 hours in the survey week due to business conditions. These persons experienced a temporary cut in their work hours, but normally worked 35 or more hours per week.

Robert Cote