

New Hampshire Economic Conditions

August 2010

Who is Counted as Unemployed?

The number of people reported as unemployed during each month is not an actual count of unemployed persons. It is an estimate based on a survey. A count of all unemployed persons in New Hampshire would be both cost and time prohibitive.

The monthly and annual estimates of the number of unemployed residents in New Hampshire are primarily determined by the results of the Current Population Survey, conducted by the U.S. Census Bureau. Survey results are refined by reviewing historical unemployment estimates, as well as current and historical unemployment insurance claims data, and applying updated statistics regarding population demographics. Unemployment estimates are survey based, not claims based. There is no requirement that un-

employed persons must be receiving or be eligible to receive unemployment insurance benefits to be included in the estimated number of unemployed.

Unemployed individuals are those who are sixteen years of age or older and are not working for pay, but are able and available for work and actively seeking employment. There are a few exceptions to this rule. Workers who are temporarily absent from their jobs due to vacations, illness, weather conditions or similar reasons are considered to be employed, not unemployed. Individuals who work fifteen or more hours per week as unpaid workers in a family-owned business are classified as employed, even though they are not receiving pay for their services. Self-employed individuals are considered to be employed regardless of whether

or not they are paid wages by their business. However, if these individuals were to lose their self-employment due to permanent, temporary or seasonal closure of their business, they would be included among the unemployed.

There are many misconceptions regarding estimates of the unemployed and the unemployment rate published each month. One of these misconceptions is based on the mistaken belief that the number of people unemployed is based on the number of unemployment insurance claimants receiving benefits. Since the unemployment estimates are survey based, not claims based, unemployed individuals who are not receiving unemployment insurance benefits are included among the unemployed. This includes individuals who have exhausted their benefits

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New Hampshire Resident Workforce Demographic Statistics for the Twelve Month Period of July 2009 through June 2010

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| Employed New Hampshire residents * | 693,200 |
| Employed residents working part-time for economic reasons.* | 36,900 |
| Unemployed New Hampshire residents * | 47,100 |
| New Hampshire Residents who want a job, but have not searched for one in the past month, (excluded from the unemployment estimates) * | |
| Residents who have not searched for a job in the past year..... | 10,000 |
| Residents who have searched for a job in the past year, but are currently not available for work..... | 2,200 |
| Residents who have searched for a job in the past year, are available, but are not currently searching due to discouragement..... | 3,100 |
| Residents who have searched for a job in the past year, are available, but are not currently searching due to reasons other than discouragement..... | 5,400 |
| Unemployment benefit claimants - New Hampshire residents (all programs) ** | 31,200 |

These data are derived directly from the Current Population Survey, because this is the only source of data for the various components. The number of residents employed and any rates developed may not match those of the Local Area Unemployment Statistics program. The latter are developed from statistical models. Those models incorporate CPS estimates, as well as data from other sources.

** Based on Current Population Survey (CPS) raw data. Not to be confused with Local Area Unemployment Statistics (LAUS) which uses additional data in an econometric modeling process.*

***Based on Unemployment Insurance (UI) System data, includes regular UI programs, Emergency Unemployment Compensation (EUC08), Extended Benefits (EB)*

due to prolonged unemployment, as well as individuals who are ineligible for benefits due to insufficient employment histories. This also includes individuals who are ineligible for benefits because they are entering the labor force for the first time or re-entering the labor force after a long absence; and formerly self-employed individuals who are not covered by the unemployment insurance system.

Another misconception is that individuals who become unemployed from out-of-state employment are either included as unemployed in the state of their most recent employment or not included at all. The Current Population Survey data is based on the respondent's state of residence, not the location of their employment. Therefore, unemployed New Hampshire residents are included in the New Hampshire statistics regardless of the state or country in which they most recently

How many people are jobless, but not included among the unemployed?

Current Population Survey data enables the U.S. Bureau of Labor Statistics to publish additional measures of labor underutilization that are more narrowly defined or more broadly defined than the official unemployment rate. There are a total of six measures, designated as U-1 through U-6, with U-3 representing the familiar unemployment rate.

The U-1 and U-2 are more narrowly defined measures of labor underutilization than the standard unemployment rate. The U-1 is the most restrictive measure and indicates the percentage of the labor force that has been unemployed for fifteen weeks or longer. The U-2 is a measure of job losers and therefore does not include persons who

have quit their jobs or persons who are entering or re-entering the labor force.

Measures U-4 through U-6 are more broadly defined measures of labor underutilization than the official measure of unemployment. The U-4 is comprised of all those who are included as unemployed in the official unemployment rate plus discouraged workers, those who are no longer actively seeking employment. The U-5 measure includes all those in the U-4 measure, and adds people who would like a job, but are neither currently looking nor discouraged. The U-6, which is the least restrictive measure, includes all of those in the U-5 measure, and adds to them persons who are underemployed. These underemployed persons are those who work part-time, but want full-time work and are available for full-time work.

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**Alternative Measures of Labor Underutilization
New Hampshire & United States**

