



U-1 through U-6 In Nevada

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Alternative Measures of Labor Underutilization (four quarters ending 2012:IIIQ)

Measure	Underutilization Concept	Level
Official Rate	jobless persons available to take a job who have actively sought work in the past four weeks	12.2%
U-1	jobless 15 weeks or longer	7.2%
U-2	job losers and persons losing a temporary job	7.4%
U-3	similar to official rate	11.9%
U-4	U-3 plus discouraged workers	12.9%
U-5	U-4 plus others marginally attached to the labor force	14.3%
U-6	U-5 plus those employed part-time for economic reasons	21.4%

- We often get inquiries concerning what the jobless rate would be if those individuals whom have given up their search for work, and dropped out of the labor force because they felt that no job opportunities exist for them (discouraged workers), were included in the official definition of the unemployed.
- The U.S. Bureau of Labor Statistics offers some insight via its Alternative Measures of Labor Market Underutilization series.
- If discouraged workers were included in our estimate of the unemployed, the jobless rate would rise by, roughly, a percentage point. In the year ending with the third quarter, that would have translated into an unemployment rate of 12.9 percent (the U-4 measure), compared to an official rate of 12.2 percent.
- Under the broadest alternative measure of joblessness, which would include all of those who are only marginally attached to the labor force, including discouraged workers, plus (most importantly) those working part-time for economic reasons, the "jobless rate" (the so-called U-6 measure) would have been slightly above 21 percent over the 12-month period.