

UNDEREMPLOYED

What does it mean to be “underemployed”? The Bureau of Labor Statistics provides the following definitions:

- **Marginally Attached Workers** - Persons not in the labor force who want and are available for work, and who have looked for a job sometime in the prior 12 months (or since the end of their last job if they held one within the past 12 months), but were not counted as unemployed because they had not searched for work in the 4 weeks preceding the survey.
 - **Discouraged Workers** - Discouraged workers are a subset of the marginally attached. Persons not in the labor force who want and are available for a job and who have looked for work sometime in the past 12 months (or since the end of their last job if they held one within the past 12 months), but who are not currently looking because they believe there are no jobs available or there are none for which they would qualify.
- **Part-time for Economic Reasons (aka “Involuntary Part-time Workers”)** – Persons who, when surveyed, indicated that they would like to work full-time but were working part-time (1-34 hours) because of an economic reason (such as their hours were cut back) or they were unable to find full-time jobs.

Underemployed Calculations: The most recent update is for the 4-quarter averages ranging from the fourth quarter of 2015 through the third quarter of 2016. According to the BLS, “The use of 4-quarter averages increases the reliability of the CPS estimates, which are based on relatively small sample sizes at the state level, and eliminates seasonality.” (<http://www.bls.gov/lau/stalt.htm>)

- U-1, persons unemployed 15 weeks or longer, as a percent of the civilian labor force;
- U-2, job losers and persons who completed temporary jobs, as a percent of the civilian labor force
- U-3, total unemployed, as a percent of the civilian labor force (this is the definition used for the official unemployment rate);
- U-4, total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers;
 - **U4 minus U3 = % of discouraged workers**
- U-5, total unemployed (U-3), plus discouraged workers (U-4 minus U-3), plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers;
 - **U-5 minus U-3 minus discouraged workers = % of all other marginally attached workers**
- U-6, total unemployed (U-3), plus all marginally attached workers (discouraged & all other marginally attached), plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.
 - **U-6 minus U-3 minus discouraged workers minus all other marginally attached workers = % of PT for economic reasons**

Austin-Round Rock MSA

Problem: The BLS conducts quarterly surveys to determine these populations by state but doesn't break it down to determine the underemployed by MSA. So, Workforce Solutions Capital Area estimated the MSA's underemployed population by comparing the MSA's unemployment rate to that of the state, since this is the only common data piece that can be compared between the MSA and state.

- **Civilian Labor Force (Texas Workforce Commission, November 2016):**
 - Austin MSA: 1,112,400
- **Unemployment Rate (Texas Workforce Commission, November 2016):**
 - Austin MSA: 3.0% (65.2% of Texas' unemployment rate: 3.0 divided by 4.6 = 65.2%)
 - Texas: 4.6% (U-3 below)
 - **Workforce Solutions based the estimates for the MSA on this percentage – 65.2%. Example: For U-3, the Austin MSA's unemployment rate of 3.0% is 65.2% of Texas' unemployment rate of 4.6%. So, multiply 65.2% for U-1, etc. to determine the percentages for the Austin MSA. Then, multiple the percentages by the civilian labor force for the Austin MSA to determine the numbers for each underemployed population.**

Area	U-1	U-2	U-3	U-4	U-5	U-6	Estimates for Underemployed: Marginally Attached, Discouraged, PT for Economic Reasons
Texas – Underemploy ment, BLS	1.7%	2.2%	4.6%	4.9%	5.4%	8.6%	-----
Austin MSA – estimated by Workforce Solutions Capital Area	1.1084% (12,330)	1.4344% (15,956)	3.0% (33,372)	3.1948% - 35,539 (0.1948% discouraged – 2,167)	3.5208% - 39,165 (0.5208% all other marginally attached – 5,793)	5.6072% - 62,375 (1.8916% part time – 21,042)	<ul style="list-style-type: none"> • All Other MA: 5,793 • Disc: 2,167 • PT: 21,042 • Total: 29,002 (2.6% of MSA's total civilian labor force)

Travis County

Problem: The BLS conducts quarterly surveys to determine these populations by state but doesn't break it down to determine the underemployed by county. So, Workforce Solutions Capital Area estimated the county's underemployed population by comparing the county's unemployment rate to that of the state, since this is the only common data piece that can be compared between the county and state.

- **Civilian Labor Force (Texas Workforce Commission, November 2016):**
 - Travis County: 684,466
- **Unemployment Rate (Texas Workforce Commission, November 2016):**
 - Travis County: 2.9% (63.0% of Texas' unemployment rate: 2.9 divided by 4.6 = 63.0%). Source: Texas Workforce Commission, November 2016)
 - Texas: 4.6% (Source: U-3 below)
 - **Workforce Solutions based the estimates for Travis County on this percentage – 63.0%. Example: For U-3, Travis County's unemployment rate of 2.9% is 63.0% of Texas' unemployment rate of 4.6%. So, multiply 63.0% for U-1, etc. to determine the percentages for Travis County. Then, multiple the percentages by the civilian labor force for Travis County to determine the numbers for each underemployed population.**

Area	U-1	U-2	U-3	U-4	U-5	U-6	Estimates for Underemployed: Marginally Attached, Discouraged, PT for Economic Reasons
Texas – Underemploy ment, BLS	1.7%	2.2%	4.6%	4.9%	5.4%	8.6%	-----
Travis County – estimated by Workforce Solutions Capital Area	1.071% (7,331)	1.386% (9,487)	2.9% (19,850)	3.087% - 21,129 (0.187% discouraged – 1,280)	3.402% - 21,129 (0.315% all other marginally attached – 2,156)	5.418% - 37,084 (2.016 % part time – 13,799)	<ul style="list-style-type: none"> • All Other MA: 2,156 • Disc: 1,280 • PT: 13,799 • Total: 17,235 (2.5% of Travis County's total civilian labor force)