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ONE NEVADA - Growing a Skilled, Diverse Workforce
RESEARCH AND ANALYSIS BUREAU

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Alternative Measures, 2023 Second Quarter Annual Average
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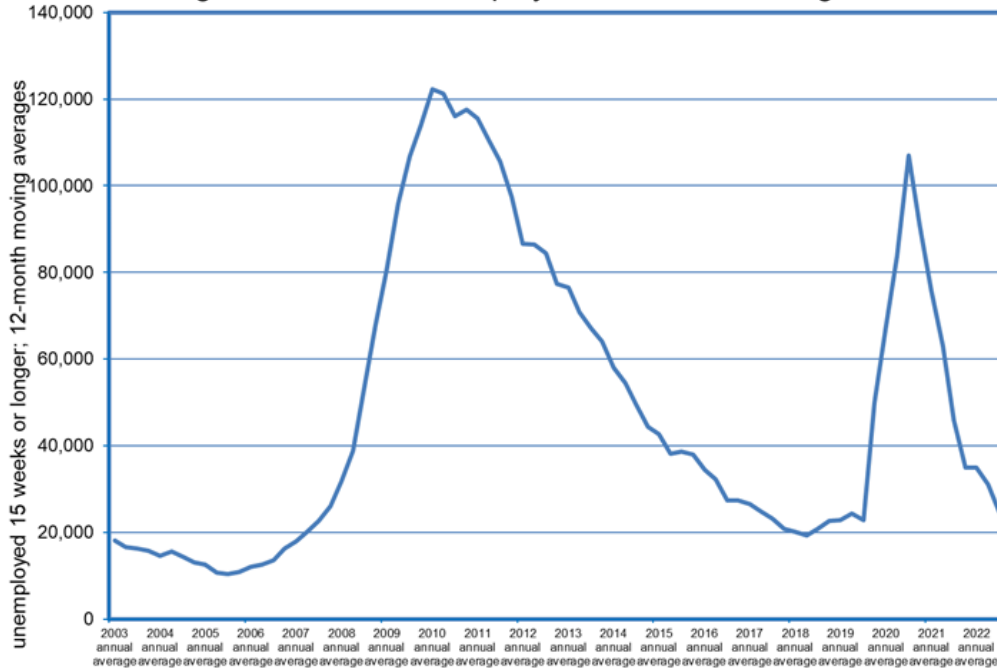
The Bureau of Labor Statistics produces six alternative measures of labor underutilization which are available on a quarterly basis since 2003 second quarter. These are based on data from the Current Population Survey (CPS) and are available at the state and national level. The official concept of unemployment (as measured in the CPS by U-3 includes all jobless persons who are available to take a job and have actively sought work in the past four weeks). The other measures are provided to data users and analysts who want more narrowly (U-1 and U-2) or broadly (U-4 through U-6) defined measures. The use of four-quarter averages for states increases the reliability of the CPS estimates, which are based on relatively small sample sizes at the sub-national level, in addition to eliminating seasonality. Due to the inclusion of lagged quarters, the state alternative measures may not fully reflect the current status of the labor market.

U-1 is the total of persons unemployed 15 weeks or longer, as a percentage of the civilian labor force. In Nevada this measure averaged 1.5% during year ending 2020:IQ. U-1 peaked at seven percent in year ending 2021:IIQ. U-1 averaged 1.6% during the year ending 2023:IIQ, down from three percent in previous year. During this period those unemployed 15 weeks or longer averaged 24,800, down from 45,900 in previous year. The Silver State's U-1 is the 6th-highest among other states and the District of Columbia (D.C.), in other words five states and D.C. have a higher U-1 than Nevada.

Nevada Alternative Measures of Labor Underutilization			
Measure and Components	2021:IIIQ - 2022:IIQ	2022:IIIQ - 2023:IIQ	Over the year change
Official Rate (Not Seasonally Adjusted) unemployed	5.6% 85,137	5.4% 85,392	-0.2 pp 255
U-1 jobless 15 weeks or longer	3.0% 45,900	1.6% 28,400	-1.4 p.p. -17,500
U-2 job losers	3.2% 49,100	2.5% 38,900	-0.7 p.p. -10,200
U-3 (similar to official rate) unemployed	5.7% 87,000	5.3% 83,200	-0.4 p.p. -3,800
U-4 discouraged workers	6.1% 5,800	5.5% 3,300	-0.6 p.p. -2,500
U-5 marginally attached to the labor force	6.9% 19,000	6.5% 20,200	-0.4 p.p. 1,200
U-6 employed part-time for economic reasons (involuntary part-time workers)	6.9% 52,400	6.5% 44,200	-0.4 p.p. -8,200

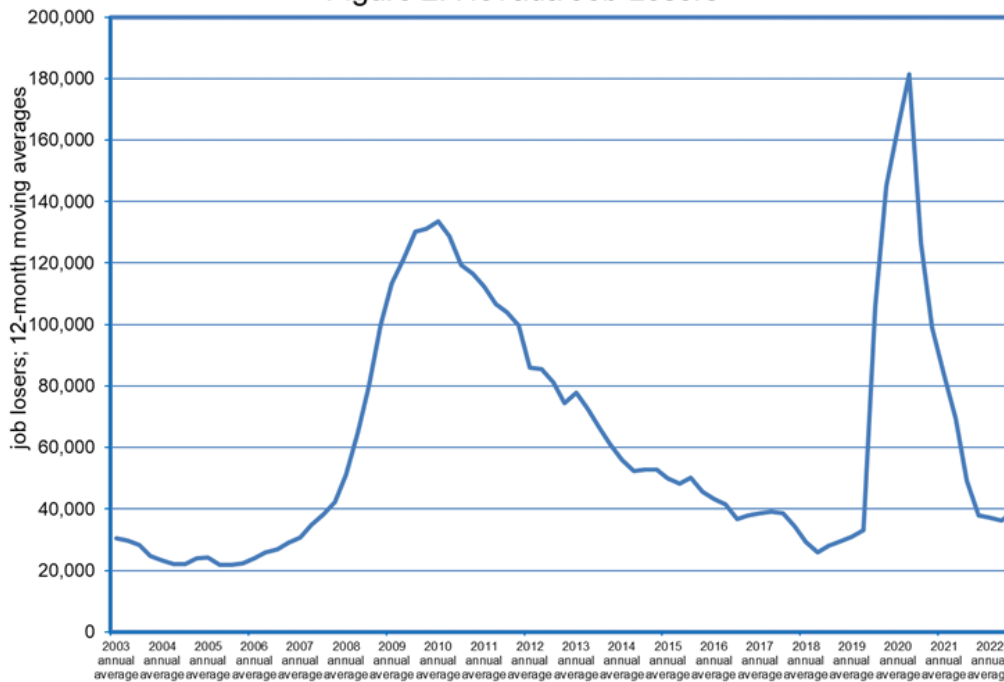
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Figure 1. Nevada Unemployed 15 Weeks or Longer



U-2 is the total of job loser as a percentage of the civilian labor force. This measure averaged 2.1% during year ending 2020:IQ. U-2 peaked at 11.9% in year ending 2021:IQ. U-2 averaged 2.5% during the year ending 2023:IIQ, down from 5.7% a year ago. Job losers averaged 38,900, down from 49,100 in previous year. Nevada's U-2 is the second highest in the U.S.

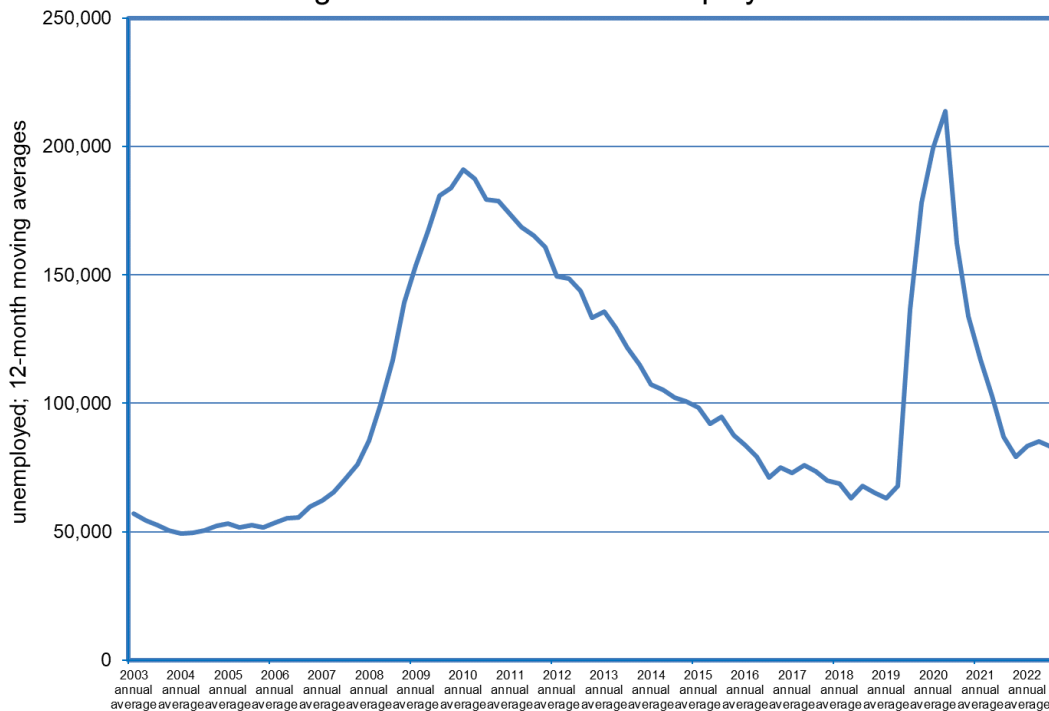
Figure 2. Nevada Job Losers



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U-3 is the total of unemployed workers as a percentage of the civilian labor force. In the Silver State this measure averaged 4.3% during year ending 2020:IQ. U-3 peaked at 14.1% in year ending 2021:IQ. U-3 averaged 5.3% in Nevada during year ending 2023:IIQ, down from 5.7% a year ago. Unemployed workers averaged 83,200, this is down from 87,000 in the previous year. Nevada's U-3 is the highest in the nation. This measure is very similar to the official unemployment rate at 5.4¹ in this period, down from 5.6% a year ago.

Figure 3. Nevada Total Unemployed



U-4 adds discouraged workers to U-3. Discouraged workers are those people who would like to work but have stopped looking for work because they believe there are no jobs to be filled. This measure averaged 4.4% during year ending 2020:IQ. U-4 peaked at 14.6% in year ending 2021:IQ. During the year ending 2023:IIQ, U-4 averaged 5.5%, down from 6.1% a year ago. Discouraged workers averaged 3,300 in the year ending June 2023, down from 5,800 in previous year. The chart below shows that discouraged workers in Nevada are trending down. Nevada's U-4 is the highest in the nation.

¹ Note that the unemployment rate (U-3) that is shown is derived directly from the Current Population Survey, because this is the only source of data for the various components of the other five measures. As a result, the U-3 measure can differ from the official State unemployment rate. The official rate is developed from statistical models that greatly improve the reliability of the labor force and unemployment estimates.

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Figure 4. Nevada Discouraged Workers



Marginally attached workers, the addition to U-5, are workers who have not searched for work for reasons other than belief that there are no jobs to fill (school attendance, transportation problems, poor health, family responsibilities, etc.). U-5 averaged 4.9% in year ending 2020:IQ. U-5 peaked at 15.6% in year ending 2021:IQ. During the year ending 2023:IIQ, U-5 totaled 6.5%, down from 6.9% in previous year. Marginally attached workers stood at 20,200, this is up from 19,000 a year ago. The chart below shows the trend for the marginally attached workers in the State, which is being trending down. Nevada’s U-5 is the highest in the U.S.

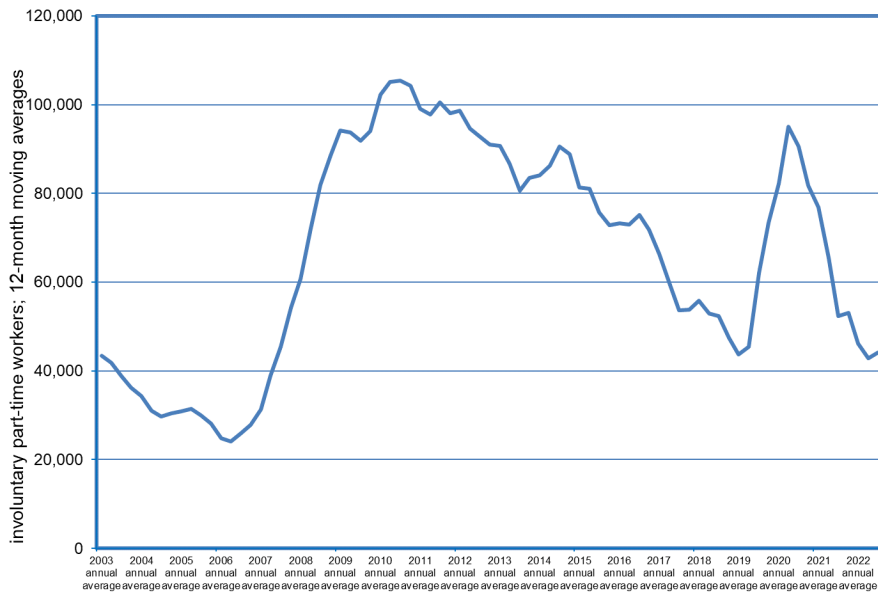
Figure 5. Nevada Marginally Attached Workers



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Finally, U-6 adds part-time workers (working less than 35 hours per week) who would rather be working full-time, but cannot due to economic reasons including having their hours cut or being unable to find full-time work. These employees are also called involuntary part-time workers. U-6 averaged 7.8% during year ending 2020:IQ. U-6 peaked at 21.8% in year ending 2021:IQ. During year ending 2023: IIQ, U-6 totaled 9.3%, down from 10.3% a year ago. Those employed part-time for economic reasons averaged 44,200 compared to 52,400 in previous year. The chart below show that involuntary part-time workers are declining in the State. Nevada's U-6 measure it is the highest in the nation.

Figure 6. Nevada Involuntary Part-time Workers



- Most of the components of the alternative measures of labor underutilization declined over the year ending March 2023 in the Silver State. Total unemployed (included in U-3 measure), increased by 255 over the year. Marginally attached workers (included in U-5), increased by 1,200 over the year. All alternative measures levels are returning to their historical average levels seen from mid-2019 through the first quarter of 2020.
- Overall, Nevada shows improvement in most alternative measures compare to other States and D.C. The alternative measure U-1 which includes persons unemployed 15 weeks or longer shows the highest improvement over the year. The U-1 measure ranked sixth highest among other States and D.C., last year ranked second highest.

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