# NEBRASKA WORKFORCE TO RESERVE TO SERVE TO SERVE

MARCH 2022 ISSUE | NEBRASKA DEPARTMENT OF LABOR



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Measuring Unemployment & Underemployment

Unemployment Claim Patterns in the Second Half of 2021

Spotlight on Unemployment Statisics

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#### **Credits**

Research Analysts

Rachel Eckloff

Byron Lefler

Kermit Spade

**Graphic Designer** 

Hillary Lee

**Editors** 

Rachel Eckloff

Grace Johnson

**Research Supervisor** 

**Brandon Jones** 

**Research Administrator** 

Scott Hunzeker

# **Openings & Expansions January**

Kermit Spade, Research Analyst

Business Category	Business Name	Location
Arts, Entertainment, & Recreation	Winner\$ - Skill Games (Opening)	Sidney
Finance, Insurance, Real Estate, & Rental/Leasing	Cornerstone Bank (Opening) Mid Plains Advisors (Opening)	Geneva Fremont
Food Services	Copacabana Café (Opening) Five-O-Five Brewing Company (Opening) Guanajuato (Opening) Mi Sinaloa (Opening) New Day Coffee + Smoothies (Opening) Rosie's Bar and Grill (Opening) Stan's Bakery (New Owners) Taco de Oro (Re-Opening) Vic's Pizza (Opening)	Columbus Fremont Gering Gering Lincoln Lincoln Plattsmouth Scottsbluff Lincoln
Health Care & Social Assistance	Premier Vision (Opening)	Lincoln
Other Services	AZ + Co Events and Design (Opening) Good Life Grooming (New Location)	Fremont Plattsmouth
Wholesale & Retail Trade	Baer's Furniture (New Owners) Blue4u (Opening)	York Fremont

Source: Nebraska Department of Labor

Openings and expansions listed are a sampling of activity reported for that month. Some activity may have occurred outside the month. If you have an opening or expansion to report, contact us at **LMI\_NE@nebraska.gov**.

### **Measuring Unemployment & Underemployment**

Kermit Spade, Research Analyst

One of the most common pieces of data requested from the Nebraska Department of Labor (NDOL) is the unemployment rate. However, many observers may not be aware exactly how 'unemployment' and related concepts are defined, or how such data is calculated. In this article, we will take a deep-dive into measuring unemployment, including taking a look at some of the alternative measures of underemployment produced by produced by the US Bureau of Labor Statistics (BLS).

#### **Labor Force**

One key concept essential to understanding unemployment and underemployment statistics is the concept of the 'labor force.' The broadest classification of people is called the 'civilian noninstitutional population.' This group includes individuals ages 16 and older, excluding active-duty military personnel and people residing in or confined to institutions such as prisons and long-term care facilities. The 'labor force' is a subset of the civilian noninstitutional population, consisting of people who are either employed or meet the criteria to be considered officially 'unemployed.' While many people may mistakenly assume that 'unemployed' refers to anyone who does not currently have a job, the official definition of 'unemployment' is more precise. Officially, people who are 'unemployed' are

Officially, people who are 'unemployed' are those who did not have a job, but who were actively seeking and available for work.

those who did not have a job, but who were actively seeking and available for work. Individuals who did not have a job but were not actively seeking and available for work, such as retired people, fulltime students, parents staying home to raise children, etc., would be classified as 'not in the labor force,' rather than 'unemployed.' (1)

#### **Unemployment Rate**

By the above definition, the official unemployment rate is a simple ratio of the number of unemployed people to the total labor force. Thus, there are two ways to lower the official unemployment rate. The first is to have more people in the labor force become employed. The second is to have people who are unemployed leave the labor force. For someone who is unemployed to be considered to have left the labor force, they simply have to stop looking for work.

At the onset of the pandemic period in April 2020, employment dropped rapidly while the size of the labor force grew, meaning the unemployment rate increased. Since May 2021, Nebraska has seen growth in both employment and labor force participation, with employment rising more quickly. Since employment has been increasing at a faster rate than the size of the labor force as a whole, Nebraska's unemployment rate has steadily declined to record lows. When percent growth in employment is higher than percent growth in the size of the labor force, the unemployment rate drops. Conversely, when labor force size has a higher percent increase than employment, the unemployment rate increases. (2)

#### Alternative Measures of Labor Underutilization

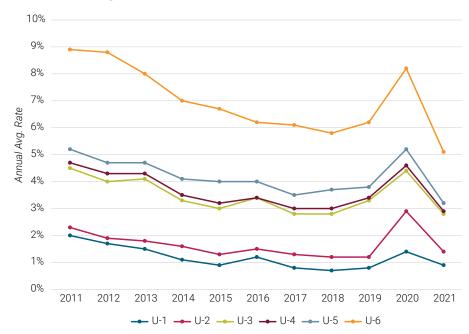
BLS publishes six alternative measures of labor underutilization. As previously explained, "the official concept of unemployment includes all jobless persons who are available to take a job and have actively sought work in the past four weeks." The official unemployment rate is also known as U-3. The other measures (U1, U2, and U4-6) provide additional detail on individuals whose participation in the labor force is limited in various ways. (3)

#### According to BLS, the alternative measures of labor underutilization are:

- **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: The official unemployment rate, defined as "total unemployed, as a percent of the civilian labor force."
- discouraged workers, as a percent of the civilian labor force plus discouraged workers." 'Discouraged workers' are "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."
- U-5: "Total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers."

#### Alternative Measures of Labor Underutilization for Nebraska, Annual Average Rates 2011 – 2021



Source: U.S. Bureau of Labor Statistics. Local Area Unemployment Statistics. Alternative Measures of Labor Underutilization for States (Archived Tables). https://www.bls.gov/lau/stalt-archived.htm. January 2022.

'Marginally attached workers' are defined as "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 four weeks preceding the survey. Discouraged workers are a subset of the marginally attached."

• U-6: "Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers." (3; 1)

Nebraska's annual average rates for each of the measures of labor underutilization from 2011 to 2021 are displayed in the chart above. Unsurprisingly, the ten-year high for each occurred in 2020, when pandemic-related disruptions drove up unemployment and underemployment in Nebraska and nationwide. However, 2021 was the ten-year low for four out of the six metrics (U-3, U-4, U-5, and U-6). Two other years, 2017 and 2018, tied with 2021 for lowest U-3 rate. Nebraska's lowest U-1 rate during this decade occurred in 2018, and 2018 and 2019 tied for the U-2 low. (4)

#### The Final Word

Unemployment and underemployment data provide important insight into labor market conditions and broader economic health within a community. These statistics can help employers, job-seekers, and policymakers make informed decisions and prepare for the future. To make the most of unemployment and underemployment information, though, it is crucial to understand how these concepts are defined.

#### Sources:

- 1. U.S. Bureau of Labor Statistics. Labor Force Statistics from the Current Population Survey. Concepts and Definitions. [Online] October 2021. https://www.bls.gov/cps/definitions.htm.
- 2. U.S. Local Area Unemployment Statistics. [Online] 2022. http://data.bls.gov/PDQWeb/la.
- Alternative Measures of Labor Underutilization. [Online] January 2022. https://www.bls.gov/lau/stalt.htm.
   Local Area Unemployment Statistics. Alternative Measures of Labor Underutilization for States (Archived Tables). [Online] January 2022. https://www.bls.gov/lau/stalt-archived.htm.



#### Description

Eligibility interviewers for government programs "determine eligibility of persons applying to receive assistance from government programs and agency resources, such as welfare, unemployment benefits, social security, and public housing." (1)

#### **Duties:**

According to the U.S. Bureau of Labor Statistics (BLS), typical duties for eligibility interviewers include (2):

- preparing routine reports;
- collecting and recording data from customers, staff, and the public;
- answering questions from customers and the public;
- asking questions both in person and over the phone to determine whether applicants qualify for government assistance and benefits;
- referring applicants to other agencies for assistance.

#### Nebraska Wages:

The median annual wage for eligibility interviewers for government programs in Nebraska was \$39,237 as of the fourth quarter of 2021. This was lower than the median wage for all occupations, which was \$41,260. (3)

82.4%

of Eligibility Interviewers are employed in the Public Administration Industry. (3)

\$39,237

The median annual wage for eligibility interviewers for government programs in Nebraska. (3)

#### **Industry of Employment:**

The top industry of employment for Nebraska's eligibility interviewers as of May 2020 estimates data was public administration (82.4%). Public administration was the only industry in Nebraska employing a large enough number of eligibility interviewers during this time period for industry-level data to be publicly releasable. (3)

#### Sources

- U.S. Department of Labor, Employment and Training Administration. Occupational Information Network (0\*NET). 43-4061.00 Eligibility Interviewers, Government Programs. [Online] 2022. onetonline.org/link/summary/43-4061.00.
- 2. U.S. Bureau of Labor Statistics. Occupational Outlook Handbook. Information Clerks. [Online] 2021. bls.gov/ooh/office-and-administrative-support/information-clerks.htm.
- 3. Nebraska Department of Labor. Occupational Employment and Wage Statistics. [Online] Q4 2021. neworks.nebraska.gov.

# Unemployment Claim Patterns in the Second Half of 2021

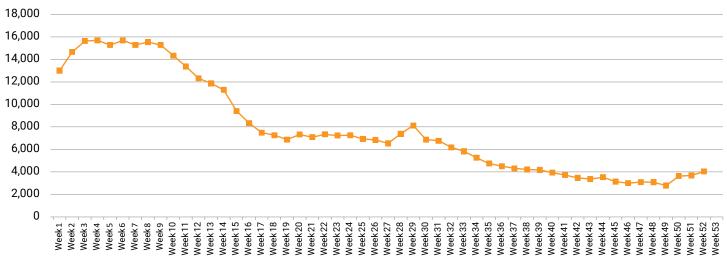
Byron Lefler, Research Analyst

The last six months of 2021 continued the trend of decreasing unemployment claims. Weekly initial claims decreased by 55% and weekly continued claims dropped by 75% when compared to the first six months of 2021. There were 31,820 initial claims and 123,175 continued claims filed in the second half of the year compared to 71,178 initial claims and 493,747 weekly continued claims in the first half of 2021.(1)

At the industry level, on average, all industries saw weekly continued claims filings decrease by 67% when compared to the first six months of 2021. The decreases corresponded with continued economic recovery.

The week with the highest number of weekly continued claims during the second half of 2021 was the week of July 3, with 9,021. (1)

#### Weeks Claimed - Regular Unemployment Benefits, 2021



Source: Nebraska Department of Labor, UI Reports Program, ETA 538 Report, NEworks.nebraska.gov

#### **Claims by Industry Sector**

The top three sectors with the highest number of weekly unemployment claims filed during the latter half of 2021 were construction (16,293 claims), manufacturing (14,144), and health care and social assistance (13,227). (1)

#### The top three sectors with the highest number of weekly unemployment claims, last 6 months, 2021

Industry Sector	Weekly Unemployment Claims	Lowest Continued Claims Week	Peak Continued Claims Week
Construction	16,293	435 (Oct. 23)	1,388 (Dec. 25)
Manufacturing	14,144	374 (Nov. 6)	1,120 (July 10)
Health care and social assistance	13,227	268 (Dec. 4)	1,042 (July 3)

#### Construction

The construction sector accounted for the largest share (13%) of the total continuing claims filed during the last six months of 2021. Compared to the first six months of 2021, the construction industry saw a 75% decrease in weekly continued claims filings during the second six months of 2021. The low for construction claims during this time period was 435 weekly continued claims filed in the week of October 23. Due to the seasonality of construction, the industry typically sees an uptick in claims each winter, and the high for continued claims filed by individuals working in construction during the second half of 2021 was the week of December 25, with 1,338. (1)

#### Manufacturing

With 12% of overall claims, manufacturing was the industry sector accounting for the second-highest (14,144) number of regular weekly unemployment insurance continued claims filed during the last six months of 2021. Compared to the first six months of 2021, the manufacturing industry saw a 69% decrease in weekly continued claims filings during the second six months of 2021.

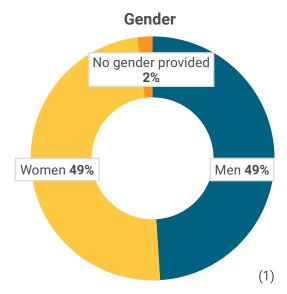
The peak in manufacturing claims came during the week of July 10, with 1,120 weekly continued claims filed, while the low point came during the week of November 6, with 374 weekly continued claims being filed. December saw a slight uptick in claims being filed within the manufacturing industry, as there were 403 weekly continued claims filed during the week of December 25. Manufacturing claims followed the typical seasonal shutdown patterns. (1)

#### Health Care and Social Assistance

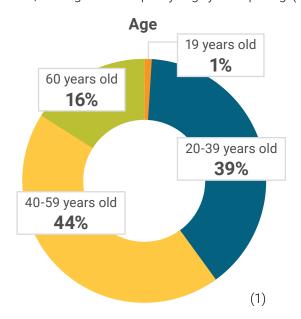
With 11% of overall claims, health care and social assistance was the industry sector that accounted for the third-highest (13,227) number of regular weekly unemployment insurance continued claims filed during the last six months of 2021. Compared to the first six months of 2021, the health care and social assistance industry saw a 68% decreased in weekly continued claims filings during the second six months of 2021.

The peak week for continued claims filings was July 3 (1,042), while the low point was the week of December 4 (268). At the end of December 2021, regular weekly UI continued claims filings were up slightly (334) from the low point earlier that month. Health care and social assistance claim trends generally followed the same patterns as claims overall. (1)

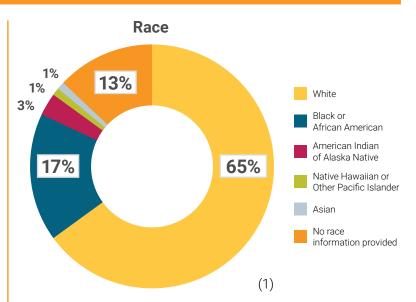
#### **Claims by Demographic - All Industries**



Charts on this page represent claimant demographics across all industries. Women made up a much higher percentage of claims filed in healthcare and social assistance (82%) than their share of claims overall. However, women accounted for 81.5% of total statewide employment in healthcare and social assistance industries in 2021, making this discrepancy largely unsurprising. (1; 2)



For more claim statistics and demographic breakdowns, see the unemployment claims dashboard at NEworks.



Claimants who identified their race as white represented a slightly higher share (72%) of construction-sector claims than overall claims. Other demographic patterns for construction claimants were generally consistent with those observed among all claims overall. (1)

Claimants with only a high school diploma were somewhat more common in the manufacturing sector (54%) than among claimants overall, while claimants who held a bachelor's degree (9%) or higher (2%) were less common. (1)

#### **Education Level**

Education Level	Percentage of Claimants
Less than a high school diploma	6%
High school diploma	43%
1 to 3 years post-secondary education	31%
Bachelor's degree	15%
Master's degree or higher	5%
Did not provide any education information	1%
	(1)

#### Sources:

U.S. Census Bureau. Quarterly Workforce Indicators. QWI Explorer App. [Online] 2022. qwiexplorer.ces.census.gov/static/explore.html.

<sup>1.</sup> Nebraska Department of Labor. NEworks. Unemployment Insurance Claims Data. [Online] 2022. https://neworks.nebraska.gov/vosnet/gsipub/documentView.aspx?enc=0jS9A5iIJcllhYby0ZJEoA==

# **Spotlight on Unemployment Statistics**

#### Rachel Eckloff, Research Analyst

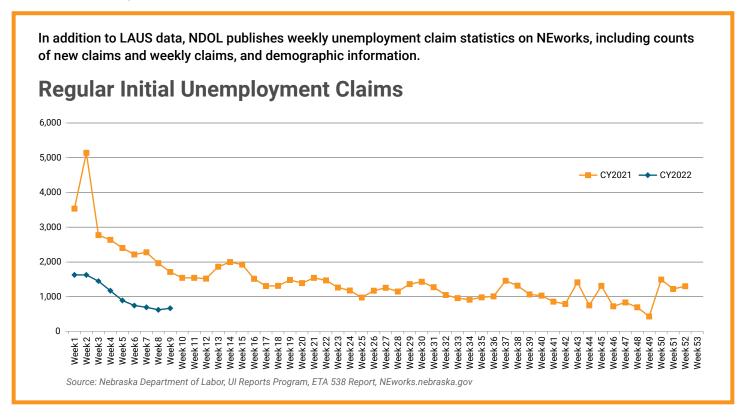
Many businesses, educational institutions, and government agencies use unemployment data to evaluate current conditions and make decisions. NDOL publishes weekly, monthly, quarterly, and annual unemployment statistics data, including data from the Local Area Unemployment Statistics (LAUS) program. LAUS produces labor force, employment, unemployment, and unemployment rates for more than 7,500 areas, including Census regions, states, counties, and cities nationwide. (1; 2)

LAUS data are produced through cooperation between the United States Bureau of Labor Statistics (BLS) and state-level workforce agencies such as the Nebraska Department of Labor (NDOL). BLS is responsible for the overall structure and methodology of the published data. Statistics come from a number of surveys, including the BLS Current Population Survey (CPS) and the Current Employment Statistics (CES) survey, as well as state unemployment insurance systems. (1)

Data produced through the LAUS program provide clues to the local and state economic picture. LAUS estimates are commonly used by a wide variety of data customers, including:

- Businesses, researchers, media, and individuals, who use LAUS data to steady the labor market and make comparisons between areas
- State and local governments, which use the data for anticipating customer needs and the development of programs and services
- Federal policymakers, who use LAUS estimates for funding allotments, program eligibility criteria and many other purposes (1)

LAUS data for Nebraska and its sub-state areas are available via **NEworks.nebraska.gov**. For geographies outside of Nebraska, visit **bls.gov**.



#### Sources:

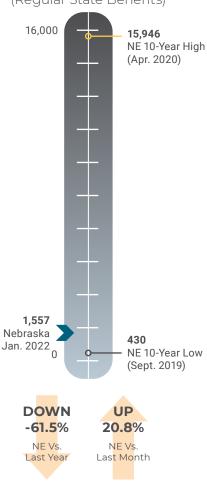
- 1. U.S. Bureau of Labor Statistics. Local Area Unemployment Statistics. Overview. [Online] March 2020. bls.gov/lau/lauov.htm.
- 2. Local Area Unemployment Statistics. Frequently Asked Questions. [Online] February 2022. bls.gov/lau/laufaq.htm.

## **Economic Indicators**

Kermit Spade, Research Analyst

#### Initial Unemployment Claims

Monthly Avg. Number of Claims per Week (Regular State Benefits)



#### 320,825 - United States Jan. 2022

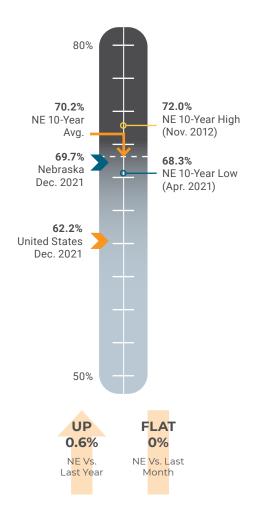
An initial claim is a request for determination of UI program eligibility filed by an unemployed individual following a separation from an employer. It can serve as an indicator of emerging labor market conditions in the area.<sup>1</sup>

Data Sources: [Retrieved: February 2022.]
NE- U.S. Employment & Training Administration. Initial
Claims in Nebraska (NEICLAIMS). Retrieved from Federal
Reserve Bank of St. Louis.

https://fred.stlouisfed.org/series/NEICLAIMS.
U.S.- U.S. Employment & Training Administration. Initial
Claims (ICNSA). Retrieved from Federal Reserve Bank of St.
Louis. https://fred.stlouisfed.org/series/ICNSA.

# Labor Force Participation Rate

Seasonally Adjusted



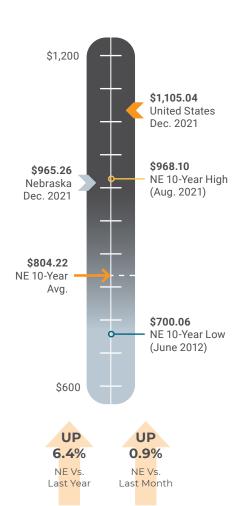
The labor force is comprised of all persons age 16 and over in the civilian, noninstitutional population who are either employed or unemployed but available for work and actively seeking employment. It excludes people doing unpaid homemaking or volunteer work, retired people, and people who are not employed and not actively seeking work. The labor force participation rate measures the labor force as a percentage of the total civilian, noninstitutional population, age 16 and over.<sup>3</sup>

Data Sources: [Retrieved: February 2022.]
NE- U.S. Bureau of Labor Statistics. Labor Force
Participation Rate for Nebraska (LBSSA31). Retrieved
from Federal Reserve Bank of St. Louis.
https://fred.stlouisfed.org/series/LBSSA3.
U.S.- U.S. Bureau of Labor Statistics. Civilian Labor Force
Participation Rate (CIVPART). Retrieved from Federal
Reserve Bank of St. Louis.
https://fred.stlouisfed.org/series/CIVPART.

# **Economic Indicators**

#### Avg. Weekly Earnings

All Private Employees Not Seasonally Adjusted



Average weekly earnings represents the mean pay received by workers for services performed over the course of one week.<sup>4</sup>

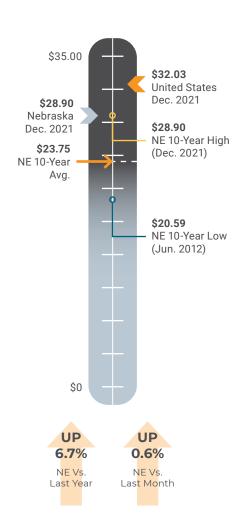
Data Sources: [Retrieved: February 2022.]
NE- U.S. Bureau of Labor Statistics. State and Area
Employment, Hours, & Earnings. Average Weekly
Earnings of All Employees, In Dollars. Nebraska
(Statewide): Total Private, Not Seasonally Adjusted.
Series ID SMU31000000500000011.

https://data.bls.gov/PDQWeb/sm.

U.S.- U.S. Bureau of Labor Statistics. Employment, Hours, & Earnings from the Current Employment Statistics Survey (National). Average Weekly Earnings of All Employees: Total Private, Not Seasonally Adjusted. Series ID CES0500000011. https://data.bls.gov/PDQWeb/ce.

#### Avg. Hourly Earnings

All Private Employees Not Seasonally Adjusted



Average hourly earnings represents the mean pay received by workers for services performed during one hour of work.<sup>5</sup>

Data Sources: [Retrieved: February 2022.]

NE- U.S. Bureau of Labor Statistics. State and Area Employment, Hours, & Earnings. Average Hourly Earnings of All Employees, In Dollars. Nebraska (Statewide): Total Private, Not Seasonally Adjusted. Series ID SMU310000005

https://data.bls.gov/PDQWeb/sm.

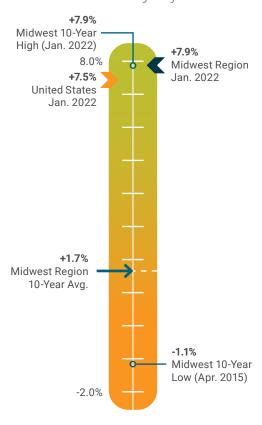
U.S.- U.S. Bureau of Labor Statistics. Employment, Hours, & Earnings from the Current Employment Statistics Survey (National). Average Hourly Earnings of All Employees: Total Private, Not Seasonally Adjusted.

Series ID CEU0500000003.

https://data.bls.gov/PDQWeb/ce

#### **Consumer Price Index**

12-Month % Change Not Seasonally Adjusted



All Urban Consumers: All Items Index 1982 1984 = 100

The consumer price index (CPI) is a measure of the average change over time in the prices paid by consumers for goods and services. It is used to determine the real purchasing power of consumers' dollars, and as a measure of inflation.<sup>6</sup>

Data Sources: [Retrieved: February 2022.]

**NE-** U.S. Bureau of Labor Statistics. Consumer Price Index for All Urban Consumers: All Items in Midwest (CUUR0200SA0). Retrieved from Federal Reserve Bank of St. Louis.

https://fred.stlouisfed.org/series/CUUR0200SA0#0.
U.S.- U.S. Bureau of Labor Statistics. Consumer Price Index for All Urban Consumers: All Items
(CPIAUCNS). Retrieved from Federal Reserve Bank of St. Louis

https://fred.stlouisfed.org/series/CPIAUCNS



DEPARTMENT OF LABOR

#### **Nebraska Department of Labor**

Labor Market Information

PHONE 800-876-1377

EMAIL Imi\_ne@nebraska.gov

# **Fast Facts**

+5.5

Employment growth projected in Nebraska overall from 2018 to 2028, translating to 62,401 new jobs statewide over this ten-year period.

#### Data Source:

**NE**-Nebraska Department of Labor. Long-Term Occupation Employment Projections (Statewide). [Online] July 2020. neworks.nebraska.gov/gsipub/index.asp?docid=440.

As part of the annual data benchmarking processing, the LAUS program revises up to five years of previous data to incorporate new inputs and population data. Due to benchmarking, the January 2022 Nebraska employment data will be published on Monday, March 14, 2022. February 2022 data will be published on Friday, March 25, 2022.

To learn more about benchmarking visit: www.bls.gov/lau/laumthd.htm



#### Data Source:

**NE-** Nebraska Department of Labor. Online advertised jobs data. NEworks. neworks.nebraska.gov.

Labor market information is updated continuously.

For the latest data, visit neworks.nebraska.gov or contact us at 800-876-1377 or email lmi\_ne@nebraska.gov.

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