# LMI TUESDAYS!!!!!

Session 2: 5 Things Everyone in Workforce & Economic Development Should Know about the Unemployment Rate

May 18, 2021

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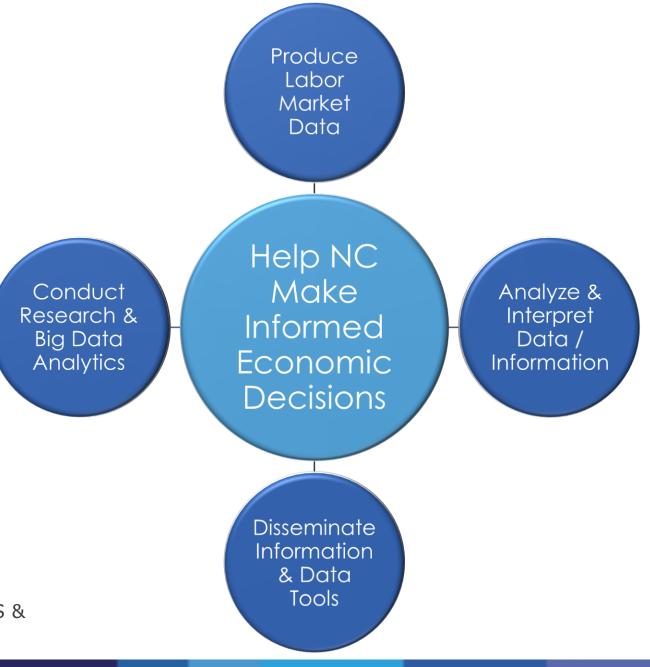
**NC Department of Commerce**

# Who is LEAD?

NC's primary source of economic & labor market data, information, & analysis

**NC DEPARTMENT of COMMERCE**
LABOR & ECONOMIC ANALYSIS

Funding

Multiple sources, including state $
Most significantly by US Dept. of Labor (BLS & ETA)

Produce Labor Market Data

Conduct Research & Big Data Analytics

Help NC Make Informed Economic Decisions

Analyze & Interpret Data / Information

Disseminate Information & Data Tools

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## NC Economic Trends Blog:

## The LEAD FEED

https://www.nccommerce.com/news/the-lead-feed

THE LEAD FEED

## On Twitter:

@CareersInNC
@LeadNC

# 5 Things Everyone in Workforce & Economic Development Should Know about the Unemployment Rate

# A word about measurement

# 5 Things Everyone in Workforce & Economic Development Should Know about the Unemployment Rate

## 1. What it is (and isn't):

It's an estimate based on those actively seeking work regardless of UI status.

# Estimate based on those actively seeking work regardless of UI status

**Estimate in two ways:**

1. Based on surveys and models (more on this later).

2. Revised monthly and annually as we get more information.

# Estimate based on those actively seeking work regardless of UI status

**Unemployed: jobless, looking for job, available for work**

**More than just those who are receiving UI benefits:**

**What about people who have**
- **worked jobs not covered by UI?**
- **exhausted benefits?**
- **entered the labor market for the first time?**
- **re-entered the labor force?**

**Also- we have marginally attached (inc. discouraged workers) measured in labor underutilization at national level**

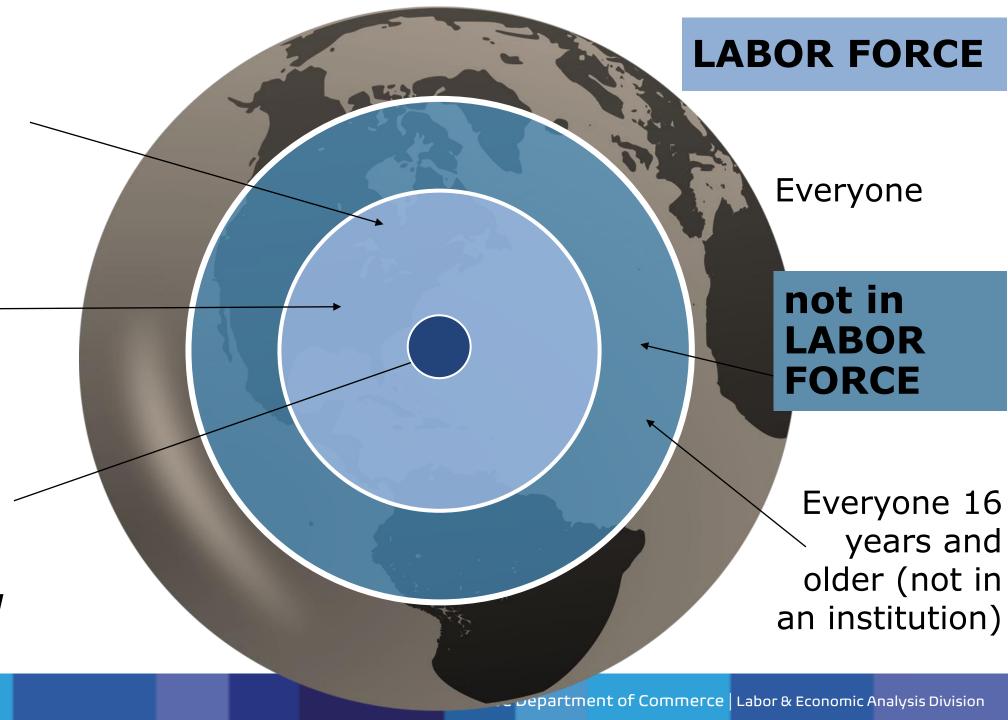## 5 Things Everyone in Workforce & Economic Development Should Know about the Unemployment Rate

1. It's an estimate based on those actively seeking work regardless of UI status.
2. **It's a key example of Labor Force Statistics**

Everyone working or actively looking for work

Everyone with at least one job = **Employed**

(full-time, part-time, perm, temp)

Everyone without a job but actively looking for one = **Unemployed**

Everyone

**not in LABOR FORCE**

Everyone 16 years and older (not in an institution)

# What is the Unemployment Rate?

$$= \frac{\text{\# Unemployed}}{\text{Total Labor Force}}$$

*in other words...*

$$= \frac{\text{\# People Not Working but Looking for Work}}{\text{\# People Employed + Looking for Work}}$$

# 5 Things Everyone in Workforce & Economic Development Should Know about the Unemployment Rate

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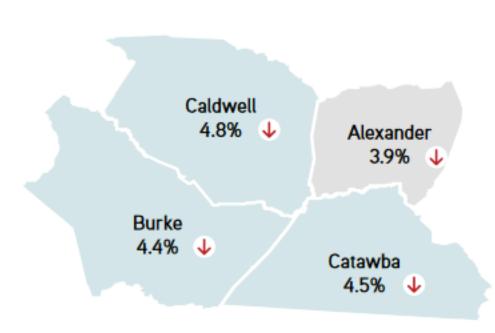3. **It's calculated differently based on geography level**

# Different geographies mean different calculations

- **National: Current Population Survey (CPS) (~60,000 households/year)**

- **State/Local: Model-based**
  - **State- signal-plus-noise models from CPS + Current Employment Statistics (CES) and Unemployment Insurance (UI) claims**

  - **Local- Handbook method using Industry Data (CES or Quarterly Census of Employment & Wages (QCEW)) via American Community Survey (ACS) and Population Estimates Program (PEP) plus UI claimants**
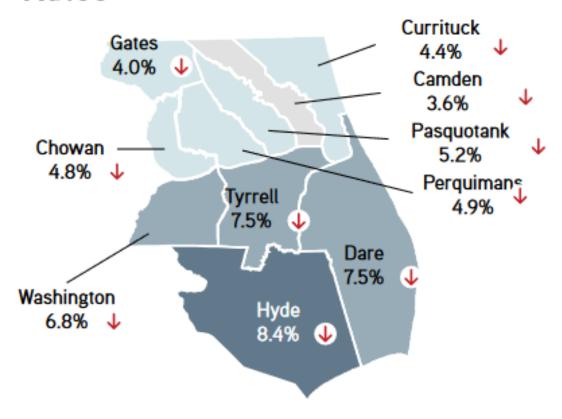
## 5 Things Everyone in Workforce & Economic Development Should Know about the Unemployment Rate

1. It's an estimate based on those actively seeking work regardless of UI status.
2. It's a key example of Labor Force Statistics
3. It's calculated differently based on geography level
4. **It's comparable across areas & over time**

# Comparable across areas and over time

March 2021
Unemployment
Rates*

Caldwell
4.8% ↓

Alexander
3.9% ↓

Burke
4.4% ↓

Catawba
4.5% ↓

March 2021
Unemployment
Rates*

Gates
4.0% ↓

Currituck
4.4% ↓

Camden
3.6% ↓

Pasquotank
5.2% ↓

Chowan
4.8% ↓

Perquimans
4.9% ↓

Tyrrell
7.5% ↓

Dare
7.5% ↓

Washington
6.8% ↓

Hyde
8.4% ↓

Source: NC Dept of Commerce: Local Area Unemployment Statistics (taken from Labor Market Overviews)

# Comparable across areas and over time

**Geography:** North Carolina
**Type:** Seasonally Adjusted
**Data Type:** Unemployment Rate(%)
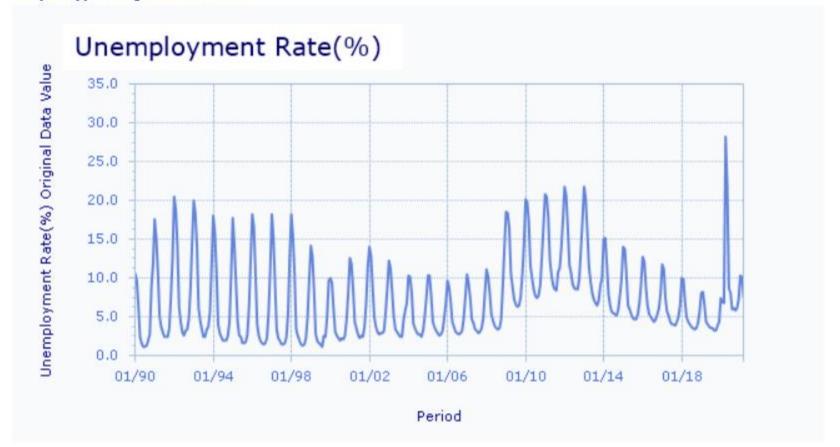**Graph Type:** Original Data Value



Unemployment Rate(%)

Source: NC Dept of Commerce: Local Area Unemployment Statistics (taken from D4)

# Comparable across areas and over time

Geography: Dare County
Type: Unadjusted
Data Type: Unemployment Rate(%)
Graph Type: Original Data Value



Source: NC Dept of Commerce: Local Area Unemployment Statistics (taken from D4)

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1. It's an estimate based on those actively seeking work regardless of UI status.
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3. It's calculated differently based on geography level
4. It's comparable across areas & over time
5. **It's harder to get local features of it**

# It's harder to get local features of it

**What if you want things like unemployment rate for:**

- **Women**
- **Women aged 25-54**
- **Women aged 25-54 with a Bachelor's Degree**
- **American Indian/Alaskan Native (AI/AN) Women aged 25-54 with a Bachelor's Degree**
- **AI/AN Women aged 25-54 with a Bachelor's Degree whose last job was in Finance**
- **AI/AN Women aged 25-54 with a Bachelor's Degree whose last job was in Finance in Charlotte**

**Use the American Community Survey!!!**

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# Questions for Audience

- How have you used the unemployment rate at your work?
- Are there things you like/don't like about it?
- How COULD you use the unemployment rate at your work?
- What were your thoughts on how the unemployment rate played out over this past year in your area- did you think it did a decent job?
- Are there alternative measures you may want to consider to get a general view of your area?

# Thank You!

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