

Saturday, August 07, 2010

Underemployment 28.4% for Ages 18 to 29, 18.4% in all Age Groups - Gallup Poll

A Gallup poll shows underemployment is holding steady at 18.4%, a couple points higher than the BLS number from Friday's jobs report.

Please consider **U.S. Underemployment Steady at 18.4% in July**

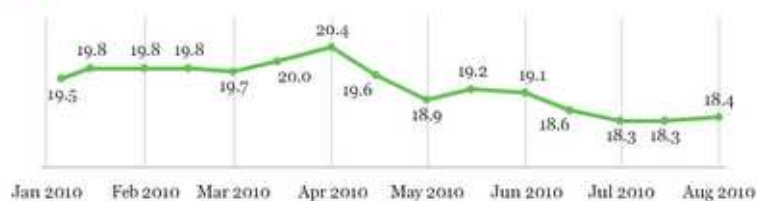
Underemployment

Underemployment, as measured by Gallup, was 18.4% in July, essentially unchanged from 18.3% at the end of June and in mid-July. Underemployment peaked at 20.4% in April.

U.S. Underemployment

30-day averages[^]

■ % Underemployed



Gallup's underemployment measure includes both Americans who are unemployed and those working part time but wanting full-time work. It is based on more than 17,000 phone interviews with U.S. adults aged 18 and older in the workforce, collected over a 30-day period and reported daily and weekly. Gallup's results are not seasonally adjusted, and tend to be a precursor of government reports by approximately two weeks.

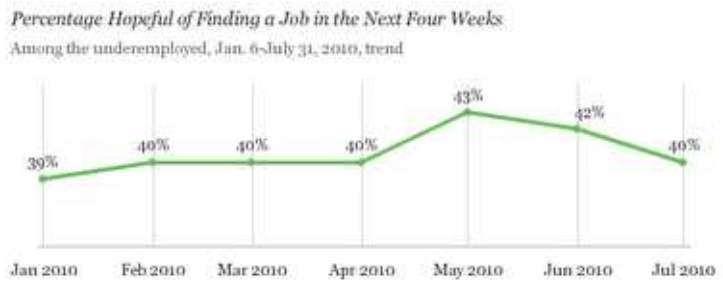
Substantially Higher Underemployment Persists Among the Young

Underemployment and Components, by Gender and Age, July 2010

	Male	Female	18 to 29	30 to 49	50 to 64	65+
Unemployed	7.5%	10.6%	11.8%	8.2%	8.4%	6.2%
Employed part time wanting full-time	8.1%	11.1%	16.6%	7.2%	7.7%	8.5%
Underemployed	15.6%	21.6%	28.4%	15.4%	16.1%	14.7%

Americans aged 18 to 29 had easily the highest underemployment rate in July of any age group, at 28.4%, including 11.8% who were unemployed and 16.6% who were employed part time but wanted full-time work. Among all U.S. adults in the workforce, a higher percentage of women than of men are underemployed.

Underemployed Are Less Hopeful



The percentage of underemployed Americans who are "hopeful" that they will be able to find a job in the next four weeks fell to 40% in July -- down from the better levels of May (43%) and June (42%).

Seasonal Fluctuations

Gallup reports higher levels of underemployment but slightly lower levels of unemployment than does the BLS. The lower unemployment level (8.9% Gallup vs. 9.5% BLS) likely stems from seasonal variations (th BLS seasonally adjusts numbers, Gallup does not).



Notably, Gallup is consistently higher by a large margin on underemployment for the entire year. Seasonal adjustments cannot account for the over 2% points difference.

Here is the pertinent table as discussed in **Jobs Decrease by 131,000, Rise by 12,000 Excluding Census; Unemployment Steady at 9.5%; June Revised from -125,000 to -221,000**

Table A-15

Table A-15 is where one can find a better approximation of what the unemployment rate really is.

HOUSEHOLD DATA									
Table A-15. Alternative measures of labor underutilization (Percent)									
Measure	Not seasonally adjusted			Seasonally adjusted					
	July 2009	June 2010	July 2010	July 2009	Mar. 2010	Apr. 2010	May 2010	June 2010	July 2010
U-1 Persons unemployed 15 weeks or longer, as a percent of the civilian labor force.....	4.8	5.6	5.5	5.1	5.8	5.8	5.8	5.8	5.7
U-2 Job losers and persons who completed temporary jobs, as a percent of the civilian labor force.....	6.0	5.7	5.8	6.2	6.1	6.0	6.0	6.0	5.8
U-3 Total unemployed, as a percent of the civilian labor force (official unemployment rate).....	8.7	9.6	9.7	9.4	9.7	9.8	9.7	9.5	9.5
U-4 Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers.....	10.2	10.3	10.4	9.9	10.3	10.6	10.3	10.2	10.2
U-5 Total unemployed, plus discouraged workers, plus all other persons marginally attached to the labor force, as a percent of the civilian labor force plus all persons marginally attached to the labor force.....	11.0	11.1	11.2	10.7	11.1	11.3	11.0	11.0	11.0
U-6 Total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force.....	16.8	16.7	16.8	16.4	16.9	17.1	16.8	16.5	16.5

click on chart for sharper image

Looking ahead, there is no driver for jobs. Moreover, states are in forced cutback mode on account of shrinking revenues and unfunded pension obligations. Shrinking government jobs and benefits at the state and local level is a much needed adjustment. Those cutbacks will weigh on employment and consumer spending for quite some time.

Expect to see structurally high unemployment for years to come.

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