Alternative Measures of Labor Underutilization, Illinois — 2018

In 2018, the broadest measure of labor underutilization, designated U-6 (which includes the unemployed, workers employed part time for economic reasons, and those marginally attached to the labor force), was 8.1 percent in Illinois, not significantly different from the 7.7-percent rate for the nation, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Charlene Peiffer noted that all six alternative measures of labor underutilization in Illinois had significant over-the-year declines. Nationally, all six measures also had significant over-the-year-declines. (See table 1.)

The official concept of unemployment, U-3 in the U-1 to U-6 range of measures, includes all jobless persons who are available to take a job and have actively sought work in the past 4 weeks. In Illinois, 4.2 percent of the labor force was unemployed as measured by U-3 in 2018, not significantly different than the 3.9-percent rate for the nation. (See chart 1.) (The official measure of unemployment in the states is derived using a statistical model that incorporates data from the Current Population Survey [CPS] and other sources, and this model-based estimate can differ from the direct CPS estimate discussed here.)

Illinois had 275,000 unemployed residents in 2018 according to the CPS. In addition, there were 198,600 workers who were employed part time for economic reasons (also known as involuntary part time). These individuals were working part time because of slack work or business conditions, or because they were unable to find a full-time job. (See chart 2.) Nationwide, there were 4.8 million individuals working part time for economic reasons in 2018.

In 2018, the number of individuals considered to be marginally attached to the labor force in Illinois was 56,200. People marginally attached to the labor force are not working but indicate that they would like to work, are available to work, and have looked for work at some time during the past 12 months even though they had not searched for work in the 4 weeks preceding the survey. In the United States, the number marginally attached totaled 1.5 million in 2018.

Discouraged workers, a subset of the marginally attached, are persons who are not currently looking for work because they believe no jobs are available for them. In 2018, there were 12,200 discouraged workers in Illinois, accounting for about 22 percent of all marginally attached workers in the state. The U-4 measure, which adds discouraged workers to the number of the unemployed (expressed as a percentage of the labor force plus the number of discouraged workers), was 4.4 percent in Illinois, not significantly differently than the national rate of 4.1 percent.

**State comparisons**

In 2018, nine states had rates lower than those of the U.S. for all six measures, while three states had rates higher than those of the U.S. for all six measures. (See table 2.)

The U-4 rate includes discouraged workers; thus, the difference between U-3 and U-4 reflects the degree of would-be job-seeker discouragement. At the national level in 2018, the difference between U-3 and U-4 was +0.2 percentage point. No state had a noteworthy difference between these two measures.
The U-5 rate includes all persons who are marginally attached to the labor force, and U-6 adds those who are involuntary part-time workers. Therefore, the larger the difference between U-5 and U-6, the higher the incidence of this form of "underemployment." In 2018, all states and the District of Columbia had differences between their U-5 and U-6 rates. Connecticut had the largest gap, +3.9 percentage points. North Dakota had the smallest gap,