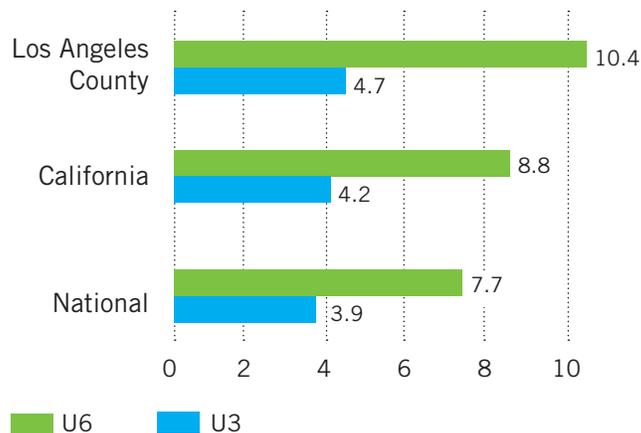




Employment Trends Report

SOUTHERN CALIFORNIA

2018 Annual Average Unemployment Rates



2018 figures for U3 and U6 unemployment rates show Los Angeles County's U6 worker population is more than double the U3 rate and more than 2 percentage points more than the national average. (Source: U.S. Bureau of Labor Statistics)

Underemployed, Marginally Attached and Discouraged Workers: 3 Categories of Workers for Employers Trying to Fill Open Positions

Underemployed. Marginally attached. Discouraged workers. These three categories make up the difference between the U3 and U6 unemployment rates that are reported by the U.S. Bureau of Labor Statistics (BLS) each month. They also may represent untapped segments of the workforce for employers that are desperately trying to fill open positions.

Reason being, for employers facing a dire shortage of qualified candidates, there may be large pockets of available workers tucked away among these three U6 categories.

Historically, U6 is about double the widely reported U3 rate. This is true on a national and local level. But how does that translate into numbers of workers? According to BLS figures from February, U3 accounted for about 6.2 million unemployed workers (3.8 percent); U6 was 11.9 million workers (7.3 percent). The difference is approximately 5.7 million workers across the country that are potentially available for full-time work.

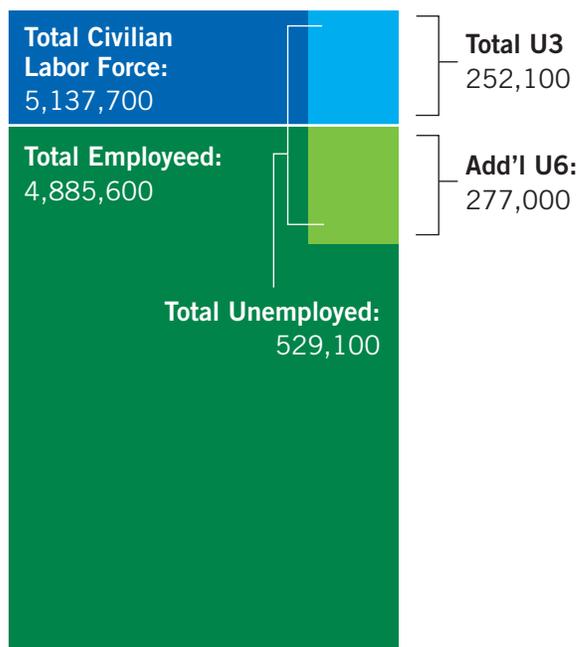
Locally, the difference between U3 and U6 rates was even greater. For the state, the 2018 annual average for U3 was 4.2 percent. However, for U6, it was 8.8 percent. In Los Angeles County, U3 was 4.7 percent, while U6 was a whopping 10.4 percent.

Putting this into perspective, in January 2019, the total civilian labor force for Los Angeles-Long Beach-Glendale was approximately 5.1 million. The difference between the local U3 rate of 4.7 and U6 rate of 10.4 in LA County was 5.7 percent. That translates into more than 277,000 U6 workers from the 5.1 million total civilian labor force who may be available to fill open positions in the Southland.

How do you access this large pool of people looking for work? Here are four tips to consider:

- Be more proactive: More aggressively search for underemployed and marginally attached workers through social media channels.
- Change your mindset: Be more open to candidates who appear to have suitable skills but may require some upskilling.
- Partner with local trade schools or colleges: Investigate partnering with local trade schools as well as 2- and 4-year colleges to source talent.
- Try something new: Use geo-targeted search engine marketing (SEM), social media marketing, and online advertising to laser-target candidates who are looking.

These workers show the most promise as an untapped labor force, representing an opportunity for employers to transition many of them to full-time work. It's time to be creative and track down U6 workers, because they're out there.



January 2019 figures for U3 and U6 unemployment rates reflect a 10.4 percent U6 unemployment rate in Los Angeles County. The total U3 number represents the difference between the Total Civilian Labor Force and Total Employed. The 277,000+ U6 workers are included within the Total Employed figures, but represent an untapped source of full-time job candidates. (Source: U.S. Bureau of Labor Statistics)

