II. CONCEPTUAL FRAMEWORK AND METHOD OF INQUIRY

The study included three major preliminary works:

- conceptual framework (definitions),
- survey questionnaire design, and
- polling.

II.A. Definitions: Available Labor Force

Available labor force includes several segments of the population. For the purposes of this study, all indicators represent persons aged 18 years and older:

(A) *Unemployed:* "Persons aged [18] years and older who had no employment during the reference week, were available for work, except for temporary illness, and had made specific efforts to find employment sometime during the 4-week period ending with the reference week" (www.bls.gov).

(B) *Time-Related Underemployment (visible):* This category represents persons who are currently employed but

- work part time due to economic and other reasons and are willing and available to work additional hours, and

- work fewer than certain threshold hours (i.e., 35 hours/week) and are willing and available to work additional hours.

(C) *Skill and Experience-Related Underemployment (not visible):* This category represents persons who feel underutilized in their current work. This underutilization occurs in the following ways.

- Their skills and experience do not match what they are doing currently; this group of people is willing to change jobs as soon as possible.

- Their educational attainment does not match the requirements and challenges of the jobs they are performing.

- Their educational, experience, and skill levels do not match what they are earning from their current jobs.

(D) *Marginally Attached:* Persons who are not in the labor force but are available and willing to work. <u>*Discouraged workers*</u> are a subset of marginally attached workers who have stopped looking for jobs due to economic conditions. Marginally attached workers also include those persons not in the labor force due to barriers to employment but willing to work.

(E) *Retirees and Students:* These segments of the population are not in the labor force but are willing to work.

Available Labor Force (A+B+C+D+E) is the sum of persons falling under categories A-E and indicating their willingness to work. In any given locality, the available labor force is substantially larger than the number of unemployed as reflected by official workforce data. In addition to these categories, there are also people who are employed but looking for new job opportunities that command higher salaries or benefits. This category of workers is not included in the available labor force.

II.B. Survey Design

The BERC designed a comprehensive questionnaire to measure the extent of underemployment in the study area. This questionnaire allows us to identify three types of underemployment:

- those individuals working below a certain number of hours (i.e., fewer than 35 hours/week) due to economic reasons who are willing to work additional hours (time-related),

- those individuals whose earnings per hour are significantly lower than those who have a similar set of skills, experience, and educational attainment and who are willing to change jobs to increase their earnings (wage-related), and

- those individuals whose skill and educational background do not match their current work and who are willing to change jobs for one that matches their educational and skill level (skill-job mismatch).

In addition to these underemployment estimates, this study also looked at certain characteristics of the workforce, including but not limited to

- whether they were recently laid off,

- whether they are currently furloughed, and

- whether they have exhausted their unemployment benefits.

The survey questions are provided in the appendix.

II.C. Polling

A comprehensive survey of the population over age 18 was conducted to determine the number of underutilized workers and their characteristics. Survey sampling and phone calls were done by the Mid-South Survey Research Center, University of Memphis, between July 14 and July 29, 2009. A total of 1,250 individuals residing in the study area were surveyed. The margin of error for the survey is +/-3.5 percent. A complete technical survey report is provided in the study appendix.

II.D. Analysis of Survey Data

Data analysis in this report is done with three-dimensional population weights using 5 percent PUMA data from the American Community Survey 2008 for a southern middle Tennessee PUMA region that includes several of the study area counties. These dimensions are

- age cohort,

- gender, and

- labor force status (in or not in labor force).