

Employed - Not Employed - Unemployed

It's easy to see the distinction between employed/not employed or between employed/unemployed, but it's much more difficult to see the distinction between not employed and unemployed. Is there a difference? You bet. The term 'not employed' is a phrase or protocol we use for WIA performance and reporting purposes. The term 'unemployed,' however, has specific criteria attached related to labor force status without any regard to WIA or its performance provisions. Let's examine the distinctions.

First off, there's a long history and tradition in labor statistics - way before WIA was enacted, by which we consider three specific categories of **labor force status**:

1. Employed
2. Unemployed
3. Out of Labor Force (or Not in Labor Force)

The way 'Unemployed' is defined with respect to labor force status, is the same way the term is defined in the WIA statute at Sec. 101(47):

Unemployed - An individual without a job who wants and is available for work. This determination must be made in accordance with criteria defined by the Bureau of Labor Statistics (BLS) within the Department of Labor, which define an unemployed individual as:

An individual who did not work during the 7 consecutive days prior to application, who made specific efforts to find a job within the past 4 weeks prior to application, and who was available for work during the 7 consecutive days prior to application. Also included as unemployed are those who did not work, and (a) were waiting to be called back to a job from which they had been laid off, or (b) were waiting to report to a new wage or salary job scheduled to start within 30 days.

Given The Foregoing Information, Think About The Following:

What would be the implication of using the term UNEMPLOYED for WIA performance or reporting purposes? Look at it this way: If someone loses their job on Tuesday and walks into a One-Stop Center on Thursday, would you consider them 'without a job?' Of course, you would! *However*, according to BLS criteria, this person is *not* unemployed because this person *did* work during the 7 days prior to application. That doesn't make sense, does it? (In other words, although this definition may 'work' for BLS and related purposes, we need to rethink it given its potential impact on performance, reporting and possibly even service delivery.) Recognizing this, USDOL wanted to formally address the issue in guidance scheduled for future release.

Training & Employment Guidance Letter (TEGL) 7-99, dated 3/20/00 - primary policy guidance related to performance - was to be revised and a "Change 1" was to be issued wherein a clarification would be made that 'the 7 day thing' shouldn't be the basis for whether or not someone is employed. However, because a Change 1 to the original guidance had not yet materialized, *when the reporting*

guidance was published (TEGL 14-00, dated 11/19/01), it was an opportunity to provide the needed clarification. Specifically, TEGL 14-00, which contains the instructions for WIA individual records, offers the definition of **not employed** in Appendix E as someone who does not meet the definition of employed, which is defined as follows:

Employed - An individual currently working as a paid employee or working in his/her own business or profession or on his/her own farm, or works 15 hours or more per week as an unpaid worker on a farm or in an enterprise operated by a family member, or is one who is not working but had a job or business from which he/she was temporarily absent due to illness, bad weather, vacation, labor-mgt dispute, or personal reasons, whether or not paid by the employer for time off and whether or not seeking another job.

Using the term 'not employed' when looking at an individual for performance and reporting purposes allows us to appropriately include the 'not employed' individual in performance calculations, such as the individual who lost his or her job on Tuesday and walks into the local One-Stop on Thursday.

BOTTOM LINE: The distinction between Employed/Not Employed and Employed/Unemployed is that the former is used for reporting and performance purposes, whereas the latter is used to determine labor force status.



Using this information, which could conceivably amount to something of a revelation by those long confused by the different terms, take a look at the following:

Here's one interesting way in which this information would 'play out' in a One-Stop Center:

If someone walks into a One-Stop Center and says, "Can you help me find a job," they're considered UNEMPLOYED in terms of labor force status. However, if someone walks into a One-Stop Center and says, "Can you help me find training," they're not looking for work and are therefore considered OUT OF THE LABOR FORCE.

When looking at WIA performance calculations for Employment, how is the 'universe' defined?

For instance, if we're looking at Adult or Older Youth Entered Employment, those included in the calculations would be those *not employed at registration*. Therefore, technically speaking, if the universe is defined as those *unemployed at registration*, that is incorrect.