

# Omaha Conditions Survey: 1998

## North Omaha Community Report

by:

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## Introduction

The Omaha Conditions Survey: 1998 is the fifth in a series of studies conducted by the Center for Public Affairs Research (CPAR) at the University of Nebraska at Omaha. The purpose of the Omaha Conditions Survey is to produce and disseminate quality information about issues of importance to the community. The 1998 survey focused on measuring detailed characteristics of the local labor force. This information is intended to help members of the community address issues related to labor availability and employment needs.

The Omaha Conditions Survey: 1998 was conducted through telephone interviews with persons 19 years and older from a random sample of area households. The North Omaha survey sample consists of 179 completed interviews conducted between May 7 and July 13, 1998. Some survey questions pertained only to the respondents. Other questions pertained to all persons in the household age 16 years and older. Thus the sample contains some data for not only the 179 actual respondents but also for another 137 persons living in those households (316 total persons).

### Error and Confidence Levels

Questions asked about all 316 persons in the sample have a maximum sampling error of plus or minus 5.5 percent at the 95 percent confidence level. Questions asked only of the respondent (179 persons) have a maximum sampling error of plus or minus 7.3 percent at the same level of confidence. Note, however, that many of the survey findings pertain to sub-groups of the total sample. For example, information on the characteristics of the employed is based only on those 215 persons in the sample who were employed. Information on the underemployed is based on a sample of 65 underemployed. The sampling error for these samples at the 95 percent confidence level is plus or minus 6.7 percent and 12.3 percent respectively. The North Omaha area sample

is considerably smaller than the metro area sample that was the subject of an earlier report. Consequently, the margin of error associated with the findings in this report is greater than the margin of error associated with the findings in the earlier, metropolitan area report.

Some information presented in this report differs slightly from findings presented in the previous Omaha Conditions Survey: 1998 report for the metropolitan area. For example, the metropolitan area report gives the North Omaha unemployment rate as 6.2 percent; here the unemployment rate is given as 6.3 percent. This and other minor differences are the result of weighting applied to the data. For a detailed description of survey methodology, see page 20 of the earlier Omaha Conditions Survey: 1998 publication.

### Geographic Area

For the purpose of this survey, the North Omaha Area is defined as ZIP codes 68102, 68110, 68111, and 68131.

### Labor Force Concepts

Analysis of the area's labor force begins with the classification of each person 16 years and older into one of three groups:

1. Employed
2. Unemployed
3. Not in labor force

*Employed* persons are those who worked at least one hour for pay or profit during a given reference week. Also included are persons who worked at least fifteen hours without pay in a family farm or business as well as those temporarily absent from work because of vacation or illness. Persons not employed who were on temporary layoff, waiting to begin a new job, or actively looking and available for work are

*unemployed*. Persons neither employed nor unemployed are *not in labor force*. This latter group consists mainly of retired persons, homemakers, and students.

Employed and unemployed persons together compose the area *labor force*. The *labor force participation rate* is the percentage of all persons 16 years and older in the labor force. The *unemployment rate* is the percentage of the labor force that is unemployed.

### Population Estimates

An estimated 43,244 persons age 16 and older reside in the North Omaha area. This number was calculated by finding the percentage of the area's total population age 16 and over in the 1990 Census and then applying it to 1998 estimates of total population published by CACI Marketing Systems.

By applying survey percentages to this figure, we estimate the number of persons who are in the labor force, unemployed, and so on. Population estimates are included throughout this and other Omaha Conditions Survey: 1998 reports to give the reader an idea of the approximate size of the labor pool with specific characteristics. The reader is cautioned to note that these are simply approximations, not exact counts.

# Labor Force Profile

This section profiles the labor force status of the estimated 43,244 persons age 16 and older in the North Omaha area. Information presented is based on the Omaha Conditions Survey: 1998 North Omaha sample of 316 persons.

## Labor Force Participation and Discouraged Workers

The Omaha Conditions Survey: 1998 measured a North Omaha area labor force participation rate of 74.1 percent. This works out to an estimated 32,044 persons in the labor force and an estimated 11,200 persons not in the labor force. (See table 1.)

Persons choose to remain outside the labor force (neither working for pay or profit nor looking for work) for a variety of reasons. They may be retired or

disabled, they may have family or home responsibilities, or they may be in school. A small proportion of persons not in the labor force may be “discouraged workers.” These are persons who want jobs but are not actively looking for work because they believe no suitable jobs are available to them. The survey included questions to identify any such individuals. Persons who were not in the labor force but wanted a job, were available for work, and had looked for work within the last six months were counted as discouraged workers. Of those individuals not in the labor force, close to one in fifty (1.8 percent) met the criteria for discouraged workers. This is equivalent to an estimated 202 persons total in the North Omaha area.

As one would expect, the survey found labor force participation to vary

by sex and age. The labor force participation rate for males was 81.3 percent. For females, it was 68.0 percent. Labor force participation was measured at 92.9 percent for persons age 16 to 24 and 92.0 percent for persons 25 to 34. It was 86.0 percent for persons 35 to 49 and 70.0 percent for those age 50 to 64. Only about one out of six persons age 65 and over (16.7 percent) were in the labor force.

Differences in labor force participation by race were not statistically significant.

Labor force participation was lower for persons with a high school education or less. This is easily understood since such persons for the most part are in the youngest or oldest age groups (still in school or retired). Labor force participation rates by sex, age, race, and education are summarized in table 2. The survey did not find enough discouraged workers to allow for analysis of these persons by sub-groups.

## Unemployment

Although unemployment is relatively low for the Omaha area overall, the unemployment rate remains high in North Omaha. The survey measured unemployment in the North Omaha area at 6.3 percent compared to 3.3 percent for the metropolitan area as a whole. Based on the survey unemployment rate, an estimated 2,019 persons in the North Omaha area were unemployed (table 1). There is some evidence to suggest that the true unemployment rate in North Omaha is even higher (see box on page 4).

The survey found no significant difference in the rate of unemployment in North Omaha by sex, race, or education. Unemployment rates did, however, vary significantly by age with high unemployment concentrated in the youngest age group. Among persons age 16 to 24, the

### Key Findings

- About three out of four persons age 16 years and older (74.1 percent) were participating in the labor force, either working or looking for work.
- The overall unemployment rate, as measured by the survey, was 6.3 percent. This represents approximately 2,019 persons.
- The unemployment rate for persons age 16 to 24 was 21.2 percent—substantially higher than the rate for older age groups.
- About one out of twenty employed persons (5.1 percent) worked only part-time and wanted to work five or more additional hours per week. This form of underemployment (in terms of hours) affects an estimated 1,531 persons.
- About three out of ten employed persons (29.8 percent) was reported to have had to settle for a job that he or she was overqualified for because nothing better was available. This form of underemployment (in terms of job quality) affects an estimated 8,947 persons.
- Overall, 33.5 percent of the employed (about 10,058 persons) were underemployed in terms of either hours or job quality.
- A small fraction of persons not in the labor force (1.8 percent) were discouraged workers, persons who report wanting jobs although they are not actively looking. This represents about 202 persons.

survey measured unemployment at 21.2 percent. In contrast, unemployment was 2.2 percent among persons age 25 to 34 and 1.4 percent among persons age 35 to 49. The survey sample contained no unemployed persons age 50 or older. Unemployment rates by population subgroup appear in table 2.

### Underemployment: General Discussion

Underemployed persons are those who are willing and able to work longer hours or at higher skill levels than their current jobs allow. An example might be a person who wants to work full time but can only find part-time employment. Another example might be a computer programmer driving a taxi. The concept of underemployment, then, has two dimensions: (1) not enough hours available (quantitative), and (2) a mismatch between the skills of the labor force and available jobs which leads some persons to accept employment that does not fully use their talents (qualitative). Persons may be underemployed in terms of hours only, job quality only, or both.

Neither the federal nor the state government produces any official statistics on underemployment. The reason is that it is difficult to come up with an objective set of criteria for measuring underemployment, particularly the qualitative dimension. For example, how does one distinguish between the computer programmer who drives a taxi because there are no computer jobs available and the computer programmer who for whatever reason decides he would rather drive a taxi than program computers? To distinguish between the two, one would have to question them not only about their background and experience, but also about their work preferences. Government economic surveys tend to avoid questions about preferences, limiting themselves instead to objective questions about behavior.

Despite the lack of an official definition or measure of underemployment, the Omaha Conditions Survey: 1998 included questions designed to identify persons

**Table 1. Labor Force Status, Participation Rate, and Unemployment Rate, North Omaha Area**

Persons 16 years and older	43,244
Labor Force	32,044
Employed	30,025
Underemployed (hours)	1,531
Underemployed (quality)	8,947
Underemployed (either hours or quality)	10,058
Other Employed	19,967
Unemployed	2,019
Not in Labor Force	11,200
Discouraged Workers	202
Other Not in Labor Force	10,999
Labor Force Participation Rate (percent)	74.1
Unemployment Rate (percent)	6.3

Source: Omaha Conditions Survey: 1998  
Number of persons based on estimated population age 16 and older from the U.S. Bureau of the Census (1997).

### More Information on the Unemployment Rate

An additional source of information on unemployment in North Omaha, recently released, is the U.S. Census Bureau's 1997 American Community Survey. The Census Bureau is pilot testing this survey in several areas throughout the nation including Douglas County, Nebraska. The Census Bureau plans to implement the survey nationally in 2003.

The American Community Survey measured unemployment in the North Omaha area at 11.2 percent. Perfect comparison with the Omaha Conditions Survey: 1998 is not possible because of minor differences in timing, geography, and methodology. Nevertheless, American Community Survey results suggest that, if anything, the 6.3 percent unemployment rate reported for North Omaha in this study is low.

Unemployment rates for North Omaha, South Omaha and Douglas County from both sources appear in the table below.

Unemployment Rate	North Omaha	South Omaha	Douglas County
Omaha Conditions Survey: 1998	6.3	6.0	4.2
American Community Survey, 1997	11.2	6.1	4.3

who might be considered underemployed.

In the Omaha Conditions Survey: 1998, persons were counted as being underemployed in terms of hours if they:

1. were currently employed, and
2. usually worked fewer than 35 hours per week, and

3. reported wanting to work at least five hours per week more than the number of hours they usually worked.

Persons were counted as being underemployed in terms of job quality if they were currently employed and

**Table 2. Rates of Labor Force Participation, Unemployment, and Underemployment by Selected Population Characteristics, North Omaha Area**

	Labor Force Participation Rate (percent of persons 16 years and over)	Unemployment Rate (percent of labor force)	Underemployment rate (percent of employed)		
			(hours)	(quality)	(either hours or quality)
All persons	74.1	6.3	5.1	29.8	33.5
Sex					
Male	81.3*	3.5	5.9	32.7	36.9
Female	68.0*	8.7	4.2	26.9	30.2
Age					
16 to 24	92.9*	21.2*	12.1	30.0	44.1
25 to 34	92.0*	2.2*	4.8	31.8	31.8
35 to 49	86.0*	1.4*	2.9	35.2	37.1
50 to 64	70.0*	0.0*	0.0	23.8	25.0
65 and over	16.7*	0.0*	0.0	0.0	0.0
Race					
Hispanic	100.0	0.0	0.0	37.5	37.5
White, not Hispanic	72.4	4.1	4.7	26.7	30.7
African-American	73.2	8.2	6.6	32.7	37.0
Other	83.3	10.0	0.0	25.0	28.6
Education					
Less than high school	54.8*	20.8	22.2*	21.1	33.3
High school or GED	73.3*	6.9	1.4*	29.1	31.9
Some college, but no degree	80.9*	5.5	0.0*	34.6	35.3
Associate degree	80.0*	0.0	5.6*	42.9	47.4
Bachelor's degree	75.8*	0.0	16.7*	32.0	36.0
Advanced degree	85.7*	8.3	0.0*	10.0	10.0

\*Differences across categories are statistically significant ( $p < .05$ ).

answered “yes” to this question: “Sometimes persons have to settle for a job they are overqualified for because nothing better is available. Are you one of those persons?” Admittedly, this is a rather simple way of measuring a complex concept. Nevertheless, it seems sufficient for estimating the number of persons who consider themselves underutilized in their jobs and describing the characteristics of those persons.

#### Underemployment: Hours

The survey found that 5.1 percent of employed persons in the North Omaha area were underemployed in terms of hours. This works out to an estimated 1,531 persons (see table 1).

There was no significant difference in the percentage of persons underemployed in terms of hours by sex, age, or race. Persons with less than a high school education as well as those with bachelors degrees only were more likely to be underemployed in terms of hours than were those with other educational backgrounds (see table 2).

#### Underemployment: Job Quality

About three out of ten employed persons in the North Omaha area (29.8 percent) were identified as being underemployed in terms of job quality. This works out to an estimated 8,947 persons.

Differences in the rate of underemployment in terms of job quality by sex, age, race, and education were not statistically significant.

#### Underemployment: Either Hours or Quality

Overall, the survey found that about one out of three workers (33.5 percent) were underemployed in terms of hours, job quality, or both. This represents an estimated 10,058 persons in the North Omaha area.

There was no significant difference in the rate of underemployment overall by sex, age, race, or education.

# Characteristics of the Employed

An estimated 30,025 residents of the North Omaha area are employed for pay or profit. This section describes the characteristics of those individuals—the kinds of work they do, their education levels, and their earnings. Information presented comes from the Omaha Conditions Survey: 1998 North Omaha sample of 215 employed persons. Included in the employed segment of the labor force described here are persons defined as underemployed as well as persons who are not so defined. A subsequent section describes the characteristics of just the underemployed segment of the labor force.

## Multiple-job Holders

People hold more than one job for a variety of reasons. Some are unable to find suitable full-time work and instead take two or more part-time jobs. Persons with full-time jobs may take second jobs to supplement their incomes. Others—students for example—prefer the

scheduling flexibility that comes from holding several part-time jobs. Still others might operate their own business in addition to working for someone else.

About one out of seven employed persons (14.4 percent) held more than one job. This works out to about 4,319 persons.

There was no statistically significant difference in the percentage of workers holding more than one job by sex, age, or education. By race, Hispanic workers were slightly less likely than average to hold multiple jobs; workers in the “other race” category (largely Asian and American Indian) were more likely than average to hold more than one job (see table 4).

## Self-employed Workers

One in ten employed persons (10.0 percent) was self-employed. An estimated 2,993 workers fall into this category.

The percentage of self-employed workers did not vary significantly by sex, age, race, or education.

## Workers in Temporary Jobs

For only those persons who were employed by others, the survey asked whether they were hired as temporary employees or as permanent employees. This can be a difficult concept to measure accurately because respondents will sometimes reply “temporary” because they plan to quit the job, not because the employer hired them only for a predetermined period of time. With that caution in mind, 9.2 percent reported being hired as a temporary employee. Approximately 2,498 persons fall into this category.

There was no significant difference in the percentage of temporary workers by sex, age, race, or education.

## Years with Current Employer

To gauge labor turnover, the survey asked employed respondents how long they had worked for their current employer. Nearly one-fourth (22.5 percent) reported ten or more years. At the other extreme, 15.2 percent reported working for their current employer less than a year. A summary appears in table 3.

## Part-time Workers

Part-time work is defined as fewer than 35 hours per week. Of those who were employed, 11.3 percent worked part-time. This is equivalent to an estimated 3,395 persons.

The percentage of employed persons working only part-time did not vary significantly by race. Not surprisingly, twice the proportion of women as men worked part-time (16.2 percent of women, 6.0 percent of men). By age, part-time workers were most prevalent among the oldest and youngest age groups; 50.0 percent of workers 65 and older worked

## Key Findings

- About one out of seven employed persons (14.1 percent) held more than one job. One out of ten employed persons (10.0 percent) was self-employed.
- Of those employed, 11.3 percent worked part-time. This represents about 3,395 persons.
- Most employed persons had a high school education only (38.8 percent) or some college but no degree (25.0 percent). About one in eight (12.1 percent) had a bachelor’s degree, another 5.2 percent had an advanced degree.
- Employed persons had median annual earnings of \$21,336.
- About one out of fifteen employed persons (6.5 percent) were reported to be working for minimum wage (\$5.15 per hour).

**Table 3. Characteristics of the Employed, North Omaha Area**

	Number	Percent
Total persons	30,025	100.0
Holding more than one job	4,319	14.4
Holding one job only	25,706	85.6
Self-employed	2,993	10.0
Working for someone else	27,032	90.0
Hired as temporary employee	2,498	9.2
Hired as permanent employee	24,534	90.8
Years with current employer		
Less than 1 year	4,099	15.2
1-2 years	6,612	24.5
3-4 years	4,171	15.4
5-9 years	6,073	22.5
10 or more years	6,077	22.5
Working part-time (fewer than 35 hours per week)	3,395	11.3
Working full-time (35 or more hours per week)	26,630	88.7
Education		
Less than high school	2,702	9.0
High school graduate or GED	11,659	38.8
Some college, but no degree	7,516	25.0
Associate (2-year) degree	2,941	9.8
Bachelor's (4-year) degree	3,644	12.1
Advanced degree	1,564	5.2
Industry		
Agriculture, forestry, and fishing	0	0.0
Construction	1,088	3.6
Manufacturing	3,761	12.5
Transportation, communications, and utilities	2,030	6.8
Trade	5,439	18.1
Finance, insurance, and real estate	1,721	5.7
Services	11,150	37.1
Government	4,835	16.1
Occupation		
Executive, administrative, and managerial	2,918	9.7
Professional specialty	3,372	11.2
Technicians	927	3.1
Sales	2,567	8.6
Administrative support and clerical	8,195	27.3
Private household	0	0.0
Protective service	531	1.8
Service except private household and protective	3,564	11.9
Farming, forestry, and fishing	319	1.1
Precision production, craft, and repair	3,060	10.2
Machine operators, assemblers, and inspectors	2,337	7.8
Transportation and material moving	1,172	3.9
Handlers, equipment cleaners, helpers, and laborers	1,064	3.5
Unique military	0	0.0

*(Continued on next page)*

**Table 3. Characteristics of the Employed, North Omaha Area — Continued**

	Number	Percent
Annual Earnings (all jobs)		
Under \$10,000	3,574	11.9
\$10,000 to 15,999	5,688	18.9
\$16,000 to 19,999	3,919	13.1
\$20,000 to 21,999	2,742	9.1
\$22,000 to 25,999	3,478	11.6
\$26,000 to 27,999	1,868	6.2
\$28,000 to 31,999	3,243	10.8
\$32,000 to 39,999	2,953	9.8
\$40,000 to 49,999	1,124	3.7
\$50,000 to \$59,999	375	1.3
\$60,000 or more	1,060	3.5
Workers in Minimum Wage Jobs		
Holding more than one job, at least one of which is minimum wage	453	1.5
Holding one job only, minimum wage	1,509	5.0
Holding more than one job, all of which are for more than minimum wage	3,923	13.1
Holding one job only, more than minimum wage	24,141	80.4

part-time as did 18.2 percent of workers ages 16 to 24. Among workers age 25 to 34, 11.6 percent worked part-time as did 5.7 percent of persons age 35 to 49. None of the survey respondents age 50 to 64 worked part-time.

Looking at education, about one-third (32.0 percent) of North Omaha area residents with bachelors degrees worked part time. Similarly, 29.4 percent of those with less than a high school education work only part time, but many of these are young persons still in school (see table 4).

### Education

Most workers living in the North Omaha area have a high school diploma or GED only (38.8 percent) or some college, but no degree (25.0 percent). About one in ten (9.0 percent) has less than a high school education, 9.8 percent have an associate degree, 12.1 percent have a bachelors degree, and 5.2 percent have an advanced degree. Table 3 shows the approximate number of employed persons in each of these categories.

### Industry

The survey recorded a description of the primary activity of each person's employer or business. Each employed person was then categorized into a major industry based on that description. This differs from the approach used by the Nebraska Department of Labor to compile the area's monthly work force statistics by industry. The work force statistics are based on an employer survey of persons on non-farm wage and salary payrolls. Consequently, some persons (farmers, for example) are excluded, and multiple-job holders are counted each time they show up on a payroll. In contrast, the figures presented here are based on a household survey where nobody is excluded and each person is counted only once. (Multiple-job holders were classified into the industry of the one job in which they worked the most hours.)

About one-third of the North Omaha area's employed labor force (37.1 percent) worked in the services industry. Other industries employing a large

proportion of workers were trade (18.1 percent) and government (16.1 percent). Included in the government category were members of the military stationed at Offutt Air Force Base as well as persons employed by government-operated utilities and hospitals such as the University of Nebraska Medical Center. The complete distribution of employed persons by industry, along with estimated population counts, appears in table 3.

### Occupation

The survey also recorded a short description of each person's primary job duties. From these, each person was categorized into major occupational group. Multiple-job holders were categorized on the basis of the one job in which they worked the most hours. Occupational groups employing a large proportion of workers who live in North Omaha were administrative support and clerical (27.3 percent), service except private household and protective (11.9 percent), and professional specialty (11.2 percent). The complete distribution of

**Table 4. Percentage of Multiple-job Holders, Self-employed, Temporary Employees, and Part-time Workers Among the Employed by Selected Population Characteristics, North Omaha Area**

	Multiple-job holders (percent of employed)	Self-employed (percent of employed)	Temporary employees (percent of employed working for someone else)	Part-time workers (percent of employed)
All persons	14.4	10.0	9.2	11.3
Sex				
Male	15.6	10.1	6.1	6.0*
Female	12.5	9.7	11.8	16.2*
Age				
16 to 24	12.5	7.3	16.2	18.2*
25 to 34	21.7	2.2	6.8	11.6*
35 to 49	15.3	11.1	9.4	5.7*
50 to 64	9.3	14.6	0.0	0.0*
65 and over	14.3	14.3	16.7	50.0*
Race				
Hispanic	0.0*	0.0	0.0	0.0
White, not Hispanic	17.2*	10.8	9.6	11.5
African-American	10.9*	10.0	10.0	11.8
Other	44.4*	12.5	14.3	14.3
Education				
Less than high school	5.3	5.6	11.8	29.4*
High school or GED	19.8	5.0	7.9	8.1*
Some college, but no degree	11.3	11.3	13.0	2.0*
Associate degree	14.3	14.3	5.9	15.0*
Bachelor's degree	19.2	24.0	10.5	32.0*
Advanced degree	9.1	9.1	0.0	0.0*

\*Differences across categories are statistically significant ( $p < .05$ ).

employed persons by occupation, along with estimated population counts, appears in table 3.

### Annual Earnings

Employed residents of the North Omaha area had median annual earnings of \$21,336. Table 3 shows the complete earnings distribution and estimated population counts for employed persons in North Omaha.

### Workers in Minimum Wage Jobs

The survey found that about one out of twenty employed persons living in the North Omaha area works for minimum wage (\$5.15 per hour). Of all employed persons in North Omaha, 1.5 percent hold more than one job, at least one of which is a minimum-wage job. Another 5.0 percent hold one job only and work

for minimum wage. There are 13.1 percent who hold more than one job, all of which are for more than minimum wage, and 80.4 percent hold one job only for more than minimum wage. Estimated population counts for each category are shown in table 3.

# Characteristics of the Underemployed

The Omaha Conditions Survey: 1998 found that about one out of three workers (33.5 percent, or about 10,058 persons) in the North Omaha area were underemployed in terms of hours, job quality, or both. This section describes the characteristics of underemployed residents of the North Omaha area. In addition, significant differences between the underemployed and workers not underemployed (“other employed”) are noted. Information presented comes from the Omaha Conditions Survey: 1998 North Omaha sample of 65 underemployed persons

## Multiple-job Holders

People hold more than one job for a variety of reasons. Some are unable to find suitable full-time work and instead take two part-time jobs. Persons with full-time jobs may take second jobs to supplement their incomes. Others—students for example—prefer the scheduling flexibility that comes from holding several part-time jobs. Still others might operate their own business in addition to working for someone else.

About one out of five underemployed persons (21.2 percent) held more than

one job. Of other employed persons, 11.4 percent held more than one job. The difference between these two groups is not statistically significant.

## Self-employed Workers

The survey found that 7.5 percent of underemployed residents were self-employed. This is not significantly different than the 10.6 percent measured for the other employed.

## Workers in Temporary Jobs

For only those persons who were not self-employed, the survey asked whether they were hired as a temporary employee or as a permanent employee. This can be a difficult concept to measure accurately because respondents will sometimes reply “temporary” because they plan to quit the job, not because the employer hired them only for a predetermined period of time. With that caution in mind, the survey found that underemployed persons were more likely than other employed persons to be in temporary jobs. Of the underemployed, 11.5 percent (roughly 1,068 persons) reported being hired as a temporary employee. This was

not significantly different than the percentage of other employed persons in temporary jobs (6.8 percent).

## Years with Current Employer

Underemployed persons were much more likely than other employed persons to have been with their employer only a short period of time. Over two-thirds of the underemployed (71.4 percent) had been with their current employer two years or less. In contrast, only about one-fourth of the other employed (24.3 percent) had been with their employer two years or less. Nearly one-third (31.8 percent) of the other employed had been with their current employer 10 years or more compared to only 3.6 percent of the underemployed.

## Education

The survey found no significant difference between the educational levels of the underemployed and other employed persons living in the North Omaha area.

## Industry

Likewise, differences in the distribution of underemployed and other employed workers by industry were not statistically significant.

## Occupation

The occupational mix of North Omaha’s underemployed was significantly different than the occupational mix for other employed persons. The survey found that underemployed persons were more likely than other employed persons to be working in administrative support and clerical jobs. For a comparison of the distribution of the underemployed and other employed by occupation, see table 5.

## Key Findings

- Underemployed persons tended to have been with their current employer for a shorter time than other employed persons. Seven out of ten underemployed persons (71.4 percent) had been with their current employer for two years or less.
- Underemployed persons had median annual earnings of \$20,111.
- Close to one out of ten underemployed persons (8.3 percent) worked for minimum wage (\$5.15 per hour).
- For persons underemployed in terms of job quality only, the most frequently mentioned obstacle to getting a better job was don’t know or no answer (18.1 percent) followed by age (14.7 percent, mostly older individuals). Education was mentioned as an obstacle for 11.4 percent, and lack of jobs and opportunity to advance was mentioned for 10.3 percent.

**Table 5. Characteristics of the Underemployed (either hours or quality) and Other Employed, North Omaha Area**

	Number		Percent	
	Underemployed	Other employed	Underemployed	Other employed
Total persons	10,058	19,967	100.0	100.0
Holding more than one job	2,133	2,269	21.2	11.4
Holding one job only	7,925	17,698	78.8	88.6
Self-employed	751	2,118	7.5	10.6
Working for someone else	9,308	17,849	92.5	89.4
Hired as temporary employee	1,068	1,220	11.5	6.8
Hired as permanent employee	8,240	16,629	88.5	93.2
Years with current employer				
Less than 1 year	2,992	1,352	32.1*	7.6
1-2 years	3,657	2,975	39.3*	16.7
3-4 years	997	3,245	10.7*	18.2
5-9 years	1,330	4,597	14.3*	25.8
10 or more years	332	5,679	3.6*	31.8
Education				
Less than high school	914	1,857	9.1	9.3
High school graduate or GED	3,505	7,584	34.8	38.0
Some college, but no degree	2,743	5,108	27.3	25.6
Associate (2-year) degree	1,372	1,548	13.6	7.8
Bachelor's (4-year) degree	1,372	2,476	13.6	12.4
Advanced degree	152	1,393	1.5	7.0
Industry				
Agriculture, forestry, and fishing	0	0	0.0	0.0
Construction	296	762	2.9	3.8
Manufacturing	1,183	2,744	11.8	13.7
Transportation, communications, and utilities	592	1,372	5.9	6.9
Trade	2,219	3,353	22.1	16.8
Finance, insurance, and real estate	888	915	8.8	4.6
Services	3,550	7,164	35.3	35.9
Government	1,331	3,658	13.2	18.3
Occupation				
Executive, administrative, and managerial	314	2,556	3.1*	12.8
Professional specialty	629	2,875	6.3*	14.4
Technicians	0	958	0.0*	4.8
Sales	943	1,597	9.4*	8.0
Administrative support and clerical	4,086	4,632	40.6*	23.2
Private household	0	0	0.0*	0.0
Protective service	157	319	1.6*	1.6
Service except private household and protective	1,414	1,917	14.1*	9.6
Farming, forestry, and fishing	0	0	0.0*	0.0
Precision production, craft, and repair	1,257	1,917	12.5*	9.6
Machine operators, assemblers, and inspectors	314	2,077	3.1*	10.4
Transportation and material moving	471	639	4.7*	3.2
Handlers, equipment cleaners, helpers, and laborers	471	479	4.7*	2.4
Unique military	0	0	0.0*	0.0

*(Continued on next page)*

**Table 5. Characteristics of the Underemployed (either hours or quality) and Other Employed, North Omaha Area — Continued**

	Number		Percent	
	Underemployed	Other employed	Underemployed	Other employed
Annual Earnings (all jobs)				
Under \$10,000	1,646	1,649	16.4*	8.3
\$10,000 to 15,999	2,012	3,480	20.0*	17.4
\$16,000 to 19,999	1,280	2,748	12.7*	13.8
\$20,000 to 21,999	1,646	1,099	16.4*	5.5
\$22,000 to 25,999	1,646	1,832	16.4*	9.2
\$26,000 to 27,999	732	1,282	7.3*	6.4
\$28,000 to 31,999	549	2,931	5.5*	14.7
\$32,000 to 39,999	366	2,381	3.6*	11.9
\$40,000 to 49,999	183	1,099	1.8*	5.5
\$50,000 to \$59,999	0	366	0.0*	1.8
\$60,000 or more	0	1,099	0.0*	5.5
Workers in Minimum Wage Jobs				
Holding more than one job, at least one of which is minimum wage	503	0	5.0	0.0
Holding one job only, minimum wage	335	1,101	3.3	5.5
Holding more than one job, all of which are for more than minimum wage	1,676	2,358	16.7	11.8
Holding one job only, more than minimum wage	7,544	16,508	75.0	82.7

\*Percentage distributions for the underemployed differ from corresponding distributions for the other employed with a statistical significance of  $p < .05$ .

### Annual Earnings

Underemployed persons in the North Omaha area had median annual earnings of \$20,111 compared to \$24,200 for other employed persons. Part of this difference, but not all, is attributable to the higher proportion of part-time workers among the underemployed. (The proportion of part-time workers is higher among the underemployed by definition; persons working part-time who want to work an additional five hours or more per week are counted as underemployed.) Even looking just at persons underemployed in terms of job quality, earnings are lower than for workers not so categorized. Table 5 shows the complete earnings distribution and estimated population counts for underemployed persons (either hours or job quality) as well as for the other employed.

### Workers in Minimum Wage Jobs

The survey found that 8.3 percent of the underemployed in North Omaha work for minimum wage (\$5.15 per hour). This was not significantly different from the 5.5 percent of other employed persons working for minimum wage. Estimated population counts for each category are shown in table 5.

### Obstacles to Getting a Better Job

On one hand, some Omaha area businesses report difficulty finding qualified workers in certain occupations. On the other hand, roughly one in five Omaha workers may be considered underemployed in terms of hours, job quality, or both. Clearly many (but perhaps not all) of the underemployed would not immediately qualify for those hard-to-fill openings. What do they

perceive as the obstacles that keep them from getting a better job?

For those persons underemployed in terms of job quality only, the survey asked what was the biggest obstacle to getting a better job. Respondents were asked to identify up to three such obstacles. The results were summarized by counting the number of times a particular item was mentioned. The count for each item was expressed as a percentage of all persons underemployed in terms of job quality. The resulting percentages add up to more than 100 percent because each person was asked to identify up to three obstacles. (The “no answer/don’t know” response was counted only for those giving this as their first answer, not subsequent answers.)

The most frequent response to the question about obstacles to a better job was “don’t know” or no answer at all

**Table 6. Obstacles Mentioned to the Underemployed Getting a Better Job, North Omaha Area**

	Number	Percent
Total underemployed (job quality only)	8,947	116.1*
No answer/don't know	1,722	19.2
Age (too old, too young, discrimination)	1,316	14.7
Education	1,016	11.4
Lack of jobs, opportunities to advance	925	10.3
Experience	781	8.7
Attitude	709	7.9
Transportation	577	6.4
Don't know how to look, new in town	557	6.2
No time to look	557	6.2
Race, ethnicity	404	4.5
Family considerations	305	3.4
Can't afford to look, job security	304	3.4
Gender	304	3.4
Health	304	3.4
Disability	202	2.3
Satisfied with current job	202	2.3
Child care	102	1.1
Student	102	1.1

\*Percentages add up to more than 100 percent because each person was asked to identify up to three obstacles.

(19.2 percent). The next most frequently mentioned answer was age-too old, too young, age discrimination, and so on. Age was mentioned as an obstacle for 14.7 percent of persons underemployed in terms of job quality. Three out of four persons for whom age was an obstacle were 35 years or older. Education was mentioned for 11.4 percent of those underemployed in terms of job quality. Lack of jobs and opportunities to advance was mentioned as an obstacle for 10.3 percent. Table 6 shows the distribution of obstacles mentioned along with population estimates.

# Likelihood to Apply for Selected Jobs

The Omaha Conditions Survey: 1998 sought to measure labor availability by asking respondents how likely they would be to apply for selected jobs if those jobs were available. The question looked at three different types of jobs—clerical, manufacturing or warehouse, and construction. For each type of job, two different wage levels were mentioned. The exact wording of the question asked was:

“I’m going to mention 6 jobs and wage combinations. For each one, please tell me how likely you would be to quit whatever you are doing currently and apply for the job if a local employer were hiring—very likely, somewhat likely, or not at all likely. Assume the employer would train you if necessary.”

1. “Working in a clerical office job at \$8.00 per hour.”
2. “What if the clerical office job paid \$10.00 per hour?”
3. “Working in a manufacturing or warehouse job at \$11.00 per hour.”
4. “What if the manufacturing or warehouse job paid \$13.00 per hour?”
5. “Working in a construction job at \$14.00 per hour.”
6. “What if the construction job paid \$16.00 per hour?”

This set of questions was asked of all respondents except those who were employed and earning \$40,000 or more

per year. We assumed that anyone earning \$40,000 or more per year would not be interested in applying for jobs paying \$8.00 to \$16.00 per hour. In the findings that follow, therefore, persons earning \$40,000 or more per year are included with the “not likely/don’t know” group.

Responses to this set of questions are reported for respondents identified as:

- employed (both underemployed and other),
- unemployed, and
- discouraged workers. (For this analysis we use a broader definition of discouraged workers, dropping the requirement that a person must have looked for work in the last six months to be counted as discouraged. Here we include everyone not in the labor force who said they wanted a job now and were available for work, regardless of when they last looked for work.)

Other respondents are reported in a separate group titled “not in labor force and does not want any job.”

Table 7 displays a summary of the results. For clerical office jobs, paying \$10.00 per hour rather than \$8.00 per hour would appear to make a sizeable difference in attracting applicants. At \$8.00 per hour, 4.3 percent of North Omaha area residents said they would be “very likely” to apply. At \$10.00 per hour, 12.7 percent said they would be “very likely” to apply. Fewer respondents (7.6 percent) said they would be “very likely” to apply for a manufacturing or warehouse job at \$11.00 per hour than a clerical office job at \$10.00 per hour. If the manufacturing or

## Key Findings

- Over one out of ten respondents (11.9 percent) said they would be “very likely” or “somewhat likely” to apply for a clerical office job at \$8.00 per hour if a local employer were hiring. At \$10.00 per hour, the percentage rose to 23.7.
- One out of five respondents (22.0 percent) said they would be “very likely” or “somewhat likely” to apply for a manufacturing or warehouse job at \$11.00 per hour if a local employer were hiring. At \$13.00 per hour, the percentage rose to 30.0.
- About one out of six respondents (15.7 percent) said they would be “very likely” or “somewhat likely” to apply for a construction job at \$14.00 per hour if a local employer were hiring. At \$16.00 per hour, the percentage rose to 18.5.
- Fewer than ten percent of the respondents who said they would be “very likely” or “somewhat likely” to quit whatever they were doing and apply for selected jobs met the standard for being counted as officially unemployed. In all cases, the vast majority of such persons were already employed.
- For all six selected job/wage combinations, there were more people “very likely” or “somewhat likely” to apply who were officially not in the labor force than there were who officially unemployed.

**Table 7. Likelihood to Apply for Selected Jobs if Available, Persons 19 Years and Over, North Omaha Area**

	Number of Sample Responses	Percent				Total
		Very likely	Somewhat likely	Not likely/ don't know	Not in labor force and does not want any job	
Clerical office job at \$8.00/hour	179	4.3	7.6	59.6	28.4	100.0
What if clerical office job paid \$10.00/hour?	179	12.7	11.0	47.9	28.4	100.0
Manufacturing or warehouse job at \$11.00/hour	179	7.6	14.4	49.6	28.4	100.0
What if manufacturing or warehouse job paid \$13.00/hour?	179	16.9	13.1	41.6	28.4	100.0
Construction job at \$14.00/hour	179	9.2	6.5	55.8	28.4	100.0
What if construction job paid \$16.00/hour?	179	13.7	4.8	53.1	28.4	100.0

warehouse job paid \$13.00 per hour, however, 16.9 percent said they would be “very likely” to apply. Respondents also expressed interest in construction jobs, although fewer said they would be “very likely” to apply for construction jobs than for manufacturing or warehouse jobs at lower hourly wages. About one in ten (9.2 percent) said they would be “very likely” to apply for a construction job at \$14.00 per hour; 13.7 percent said they would be “very likely” to apply at \$16.00 per hour.

Chart 1 displays similar information with the sample results inflated to the estimated total population for North Omaha. Chart 1 shows approximately how many North Omaha area residents would be likely to apply for each of the jobs indicated.

### Unemployment Rate As an Indicator of Labor Availability

A significant question for businesses considering relocation or expansion is, How useful is unemployment rate as an indicator of labor availability? Do the unemployed compose the bulk of available labor in Omaha, or can sizeable numbers of potential workers be found outside the ranks of the unemployed?

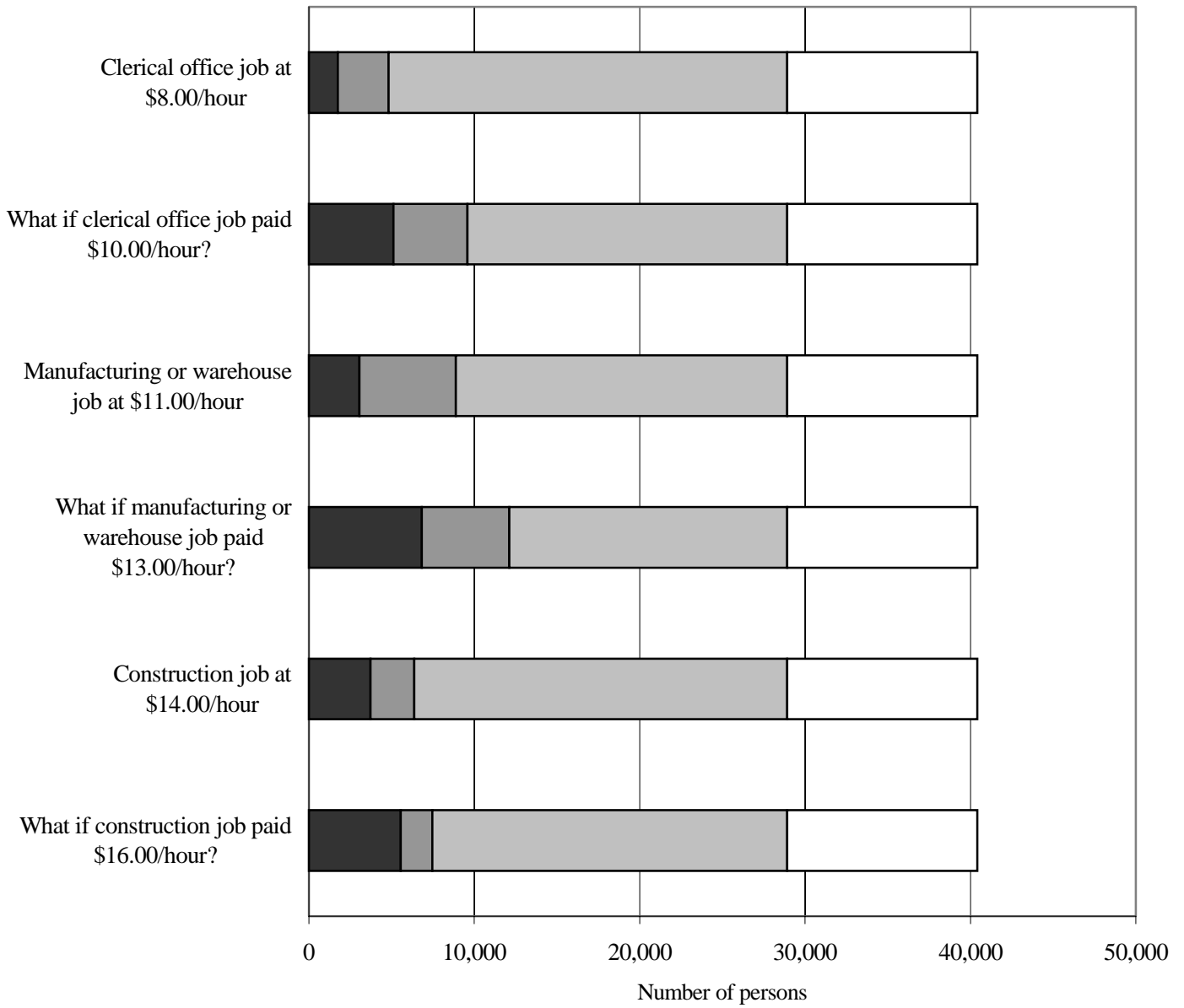
One way to address this question is to estimate the number of underemployed and discouraged workers in the area. Earlier we reported that the North Omaha area had an estimated 30,025 employed persons of which an estimated 10,058 were underemployed in terms of hours, job quality, or both. In addition, an estimated 202 persons were discouraged workers—persons willing and available for work who had looked for work in the last six months but were not looking currently. (Since they are not looking currently, they are not counted as part of the area labor force.) An estimated 2,019 persons in the North Omaha area were unemployed.

Besides estimating the overall number of underemployed and discouraged workers, another way to look at this question is to tabulate the respondents who said they would be “very likely” or “somewhat likely” to apply for selected jobs according to their labor force status (employed, unemployed, or discouraged worker.) Table 8 shows the results of this tabulation. (Note that for this analysis we use a broader definition of discouraged workers, dropping the requirement that a person must have looked for work in the last six months to

be counted as discouraged. Here we count as discouraged workers everyone not in the labor force who said they wanted a job now and were available for work, regardless of when they last looked for work.)

For all six selected job and wage combinations, unemployed persons made up a smaller percentage of those “very likely” or “somewhat likely” to apply than did discouraged workers, and the unemployed were a much smaller percentage than persons already employed. For example, only 9.1 percent of those persons who said they would be “very likely” or “somewhat likely” to apply for a clerical office job at \$8.00 per hour were unemployed. In contrast, 13.6 percent were discouraged workers, and 77.3 were already employed. For the other jobs, the percentage “very likely” or “somewhat likely” to apply that was unemployed was even smaller. Thus it appears that unemployment numbers alone may not be a good indicator of labor availability in the North Omaha area for the selected types of jobs. If those jobs were available, perhaps fewer than ten percent of the potential applicants would come from the ranks of the unemployed.

**Chart 1.**  
**Likelihood to Apply for Selected Jobs if Available,**  
**Persons 19 Years and Over,**  
**North Omaha Area**



Very likely
  Somewhat likely
  Not likely/don't know
  Not in labor force and does not want any job

**Table 8. Persons Very or Somewhat Likely to Apply for Selected Jobs by Labor Force Status, North Omaha Area**

	Number of Sample Responses	Percent			Total
		Employed	Unemployed	Not in labor force, discouraged workers*	
Clerical office job at \$8.00/hour	22	77.3	9.1	13.6	100.0
What if clerical office job paid \$10.00/hour?	44	84.1	6.8	9.1	100.0
Manufacturing or warehouse job at \$11.00/hour	39	89.7	2.6	7.7	100.0
What if manufacturing or warehouse job paid \$13.00/hour?	53	92.5	1.9	5.7	100.0
Construction job at \$14.00/hour	28	85.7	3.6	10.7	100.0
What if construction job paid \$16.00/hour?	33	90.9	3.0	6.1	100.0

\*Note: For this analysis we use a broader definition of discouraged workers, dropping the requirement that a person must have looked for work in the last six months to be counted as discouraged. Here we count as discouraged workers everyone not in the labor force who said they wanted a job now and were available for work, regardless of when they last looked for work.



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