

Underemployment rate up 8 percent since December 2007

By Mitch Eastlick

For Romeo Watson, finding sufficient work to pay for his college education has been challenging. He says that employers are just not hiring.

"I have applied at many different places and many they have told me they could not afford more employees," the 21-year-old San Jose State University student said. "The job I hold now is just not enough for me."

Almost 9 million people are working part time for economic reasons, according to an Economic News Release issued by the U.S. Bureau of Labor Statistics on March 5. The bureau stated that these people are working part time because either their hours were cut or they have been unable to find a full-time job. The data released said that the rate of underemployment has surged from 8.8 in December 2007 to 16.8 in February 2010.

Andrew Sum, a labor economist at Northeastern University said to the PBS NewsHour, "Underemployment measures a much broader swath of the labor force, thus it always exceeds the jobless rate." Because of this underemployed is much greater than the 9.7% unemployment rate as of February that devastates the nation.

Sum says that the cost of underemployment to a person's bank account can be harsh. He says that for a people who are underemployed and making an average hourly wage of \$12.80 that the loss to them is about \$14,500 of income a year.

According to a Gallup Poll, underemployed people spent 36 percent less on household purchases than people fully employed in February. Six out of ten of those polled were not hopeful that they would find adequate work in the coming month. The junior Kinesiology major at San Jose State feels the same way.

"I keep on applying and they just are not hiring. It is very frustrating," Watson said.

Because he is attending college as a full time student, Watson is not looking for a full-time, 40 hours a week job. He is also not as destitute as many of the near 9 million people underemployed are because of his family support, but he would like to work more hours than he is getting right now so he doesn't have to rely on his family so much.

"I currently work for Campus Recreation with Intramural Sports as a supervisor and official," the Long Beach, California native said. "I am only getting between six to ten hours a week and I don't get to spend it on things I want. I want a job so I do not have to spend it all on food and gas."

Data from the Bureau of Labor Statistics shows that more people are competing for every job, which could cripple the job search for people like Watson. The data shows that for every job opening in December, 6.1 unemployed workers were fighting for the same position.

Experts say people everywhere are in the same situation as Watson because employers are still not confident that the economy has started to turn around, despite numbers that indicate that we are starting to climb back.

"Employers are still very cautious about hiring people and adding to their payrolls and on a permanent basis," Joanie Roge, senior vice president at Adecco Group North America said in on CNNMoney.com. "Many companies are looking to make sure they don't aggressively add staff.—and then the economic turnaround doesn't last, and they're forced to lay off again."

Even though he has applied to many places and been turned away, Watson said he will continue to search for work and hopes that one day he will get a call from someone saying they want him to come into work, and not apologize for not hiring him.

"I am going to continue to keep on searching. I have recently applied all around the San Jose area and have a couple of interviews. I hope something good happens soon."