

Objectives

- Decide whether a worker is employed, unemployed, or not in the labor force.
- Calculate the unemployment rate.
- Identify shortcomings of using the unemployment rate to describe a country's labor market situation.

Unemployment

1. Do you know how the data is gathered to calculate the unemployment rate?

Bureau of Labor Statistics (BLS)

Survey - Current Population Survey
(CPS)

We are going to be the BLS and conduct a
CPS

Employed

BLS does not include those who are under 16 or institutionalized.

Who is Employed?

- They did any work for pay or profit during the survey week
- They did at least 15 hours of unpaid work in a family-owned enterprise operated by someone in their household.
- They were temporarily absent from their regular jobs because of illness, vacation, bad weather, industrial dispute, or various personal reasons, whether or not they were paid for time off.

Unemployed

- Who is Unemployed?
- They did not have a job at all during the survey reference week, made at least one specific active effort to find a job during the prior four weeks, and were available for work (unless temporarily ill).
- They were not working and were waiting to be called back to a job from which they had been laid off (they need not be looking for work to be classified as unemployed).

Check your Cards

Unemployed: 4, 7, 10, 14, 18, 24, and 28

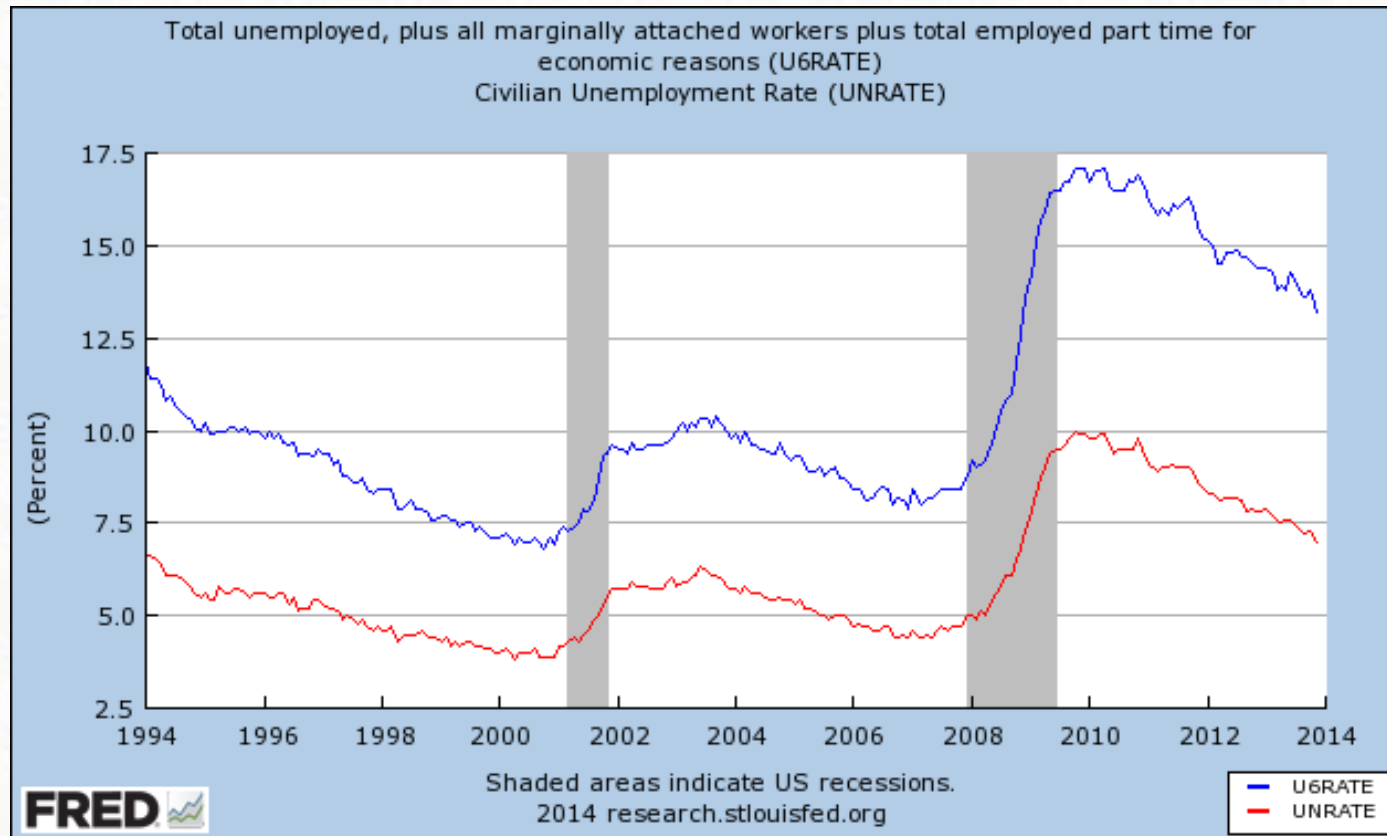
Employed:

2,3,5,8,9,12,13,16,17,19,21,22,25,and 26

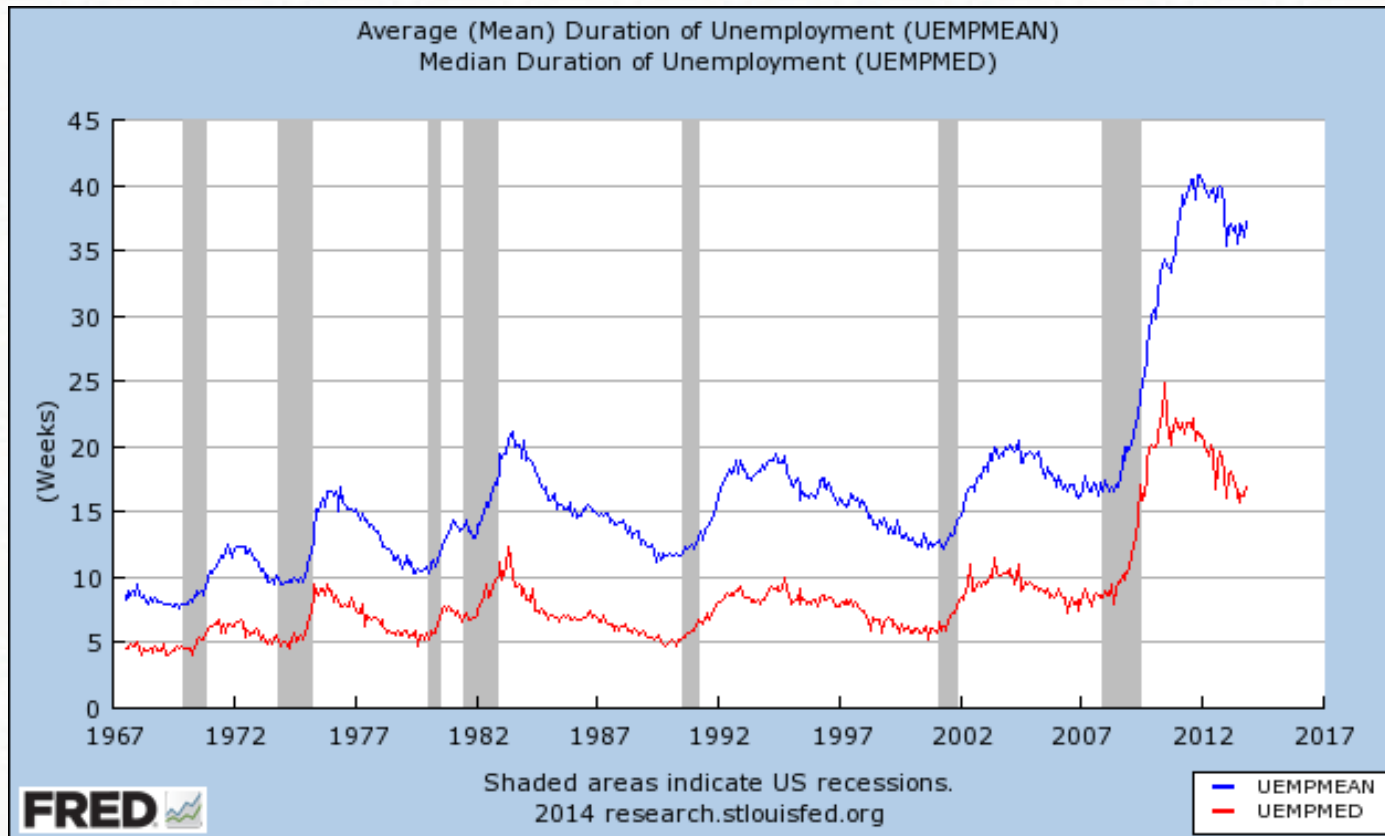
Not in the labor force: 1, 6, 11,15,20,23, and 27

Young or institutionalized – 29, 30, 31

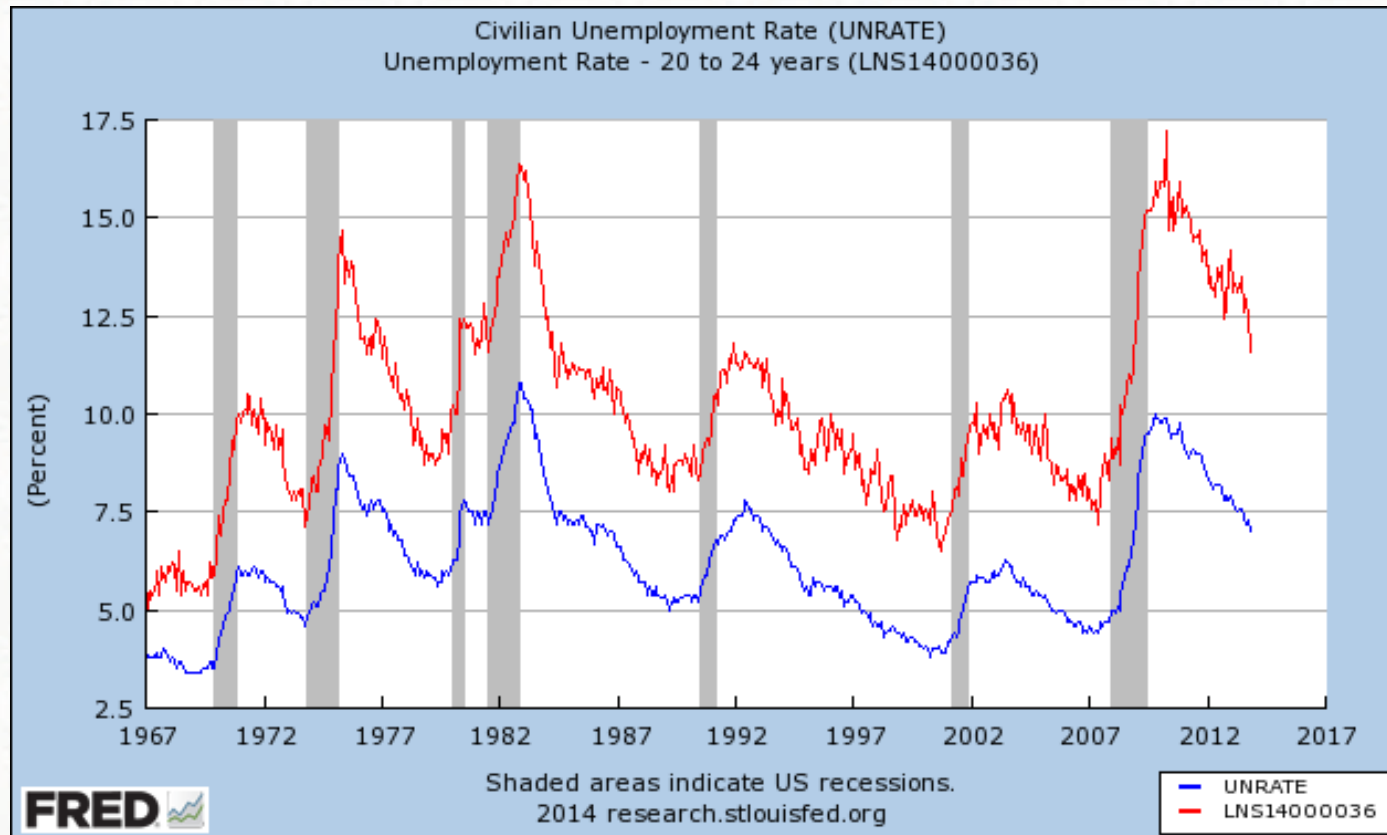
Unemployment Rate and the U-6 Rate



Duration of Unemployment



Unemployment Rate, Younger Workers



Unemployment Rate by Gender

