



DATAPOST

Unemployment Rate

Measuring the Workforce

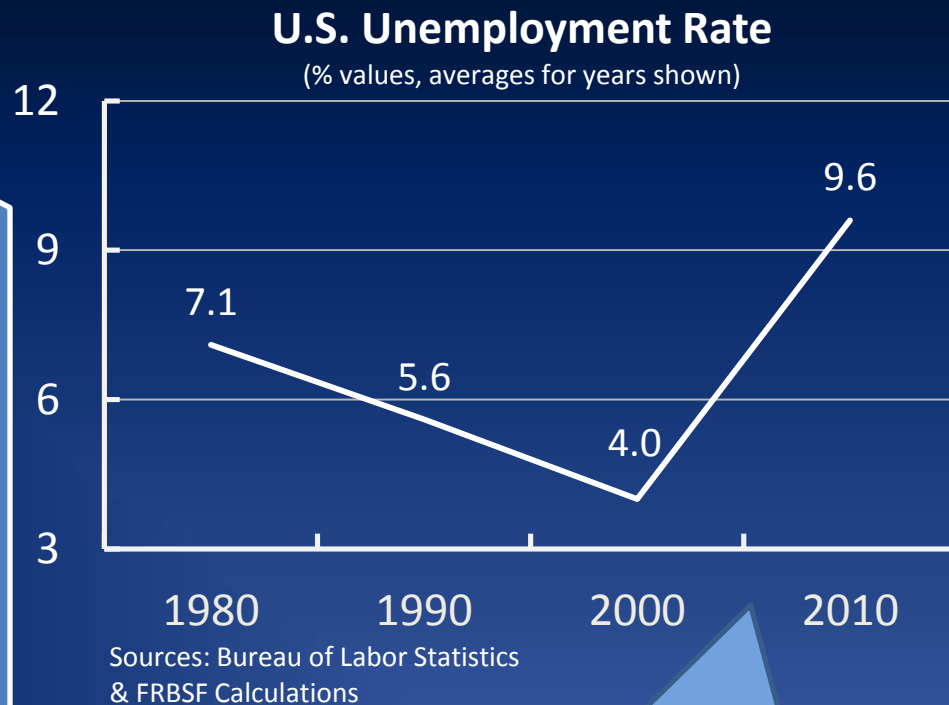
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Federal Reserve Bank of San Francisco
Economic Education Group

Unemployment Rate – Did You Know?

The official U.S. unemployment rate is measured using data from the **Current Population Survey (CPS)**

The **Census Bureau** conducts the CPS, and the **Bureau of Labor Statistics (BLS)** uses the results to report the official Unemployment Rate



The official U.S. unemployment rate averaged 9.6% in 2010 compared to an average of 4.0% in 2000.

Measuring Unemployment

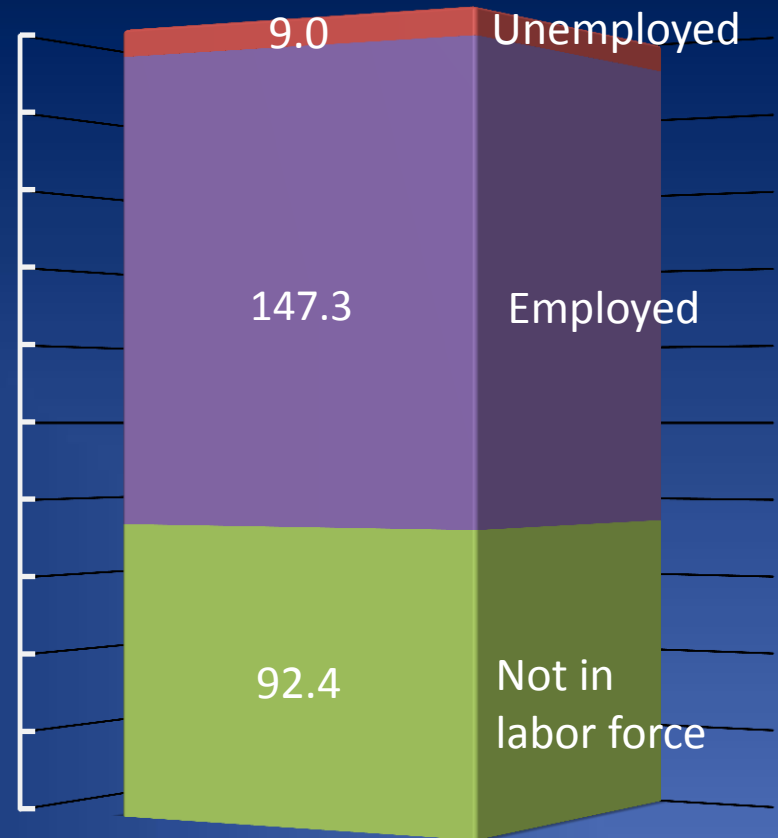
To be counted in CPS employment data, surveyed persons must be age 16 or older

“Unemployed” includes surveyed persons who are jobless and actively seeking a job

Surveyed persons who are neither “employed” nor “unemployed” are considered “not in the labor force”

As of October 2014, unemployment was 5.8% of the labor force

Totals in millions, values seasonally adjusted



Source: Bureau of Labor Statistics

Note: Components may not add to totals due to rounding.

Types of Unemployment

Structural

- Mismatch between the skills of unemployed workers and the skills needed for available jobs

Frictional

- The time between jobs when a worker is searching for a new job or transitioning from one job to another

Cyclical

- Directly related to business cycle swings, like expansions or recessions



Who Is NOT Counted as unemployed?

The Underemployed

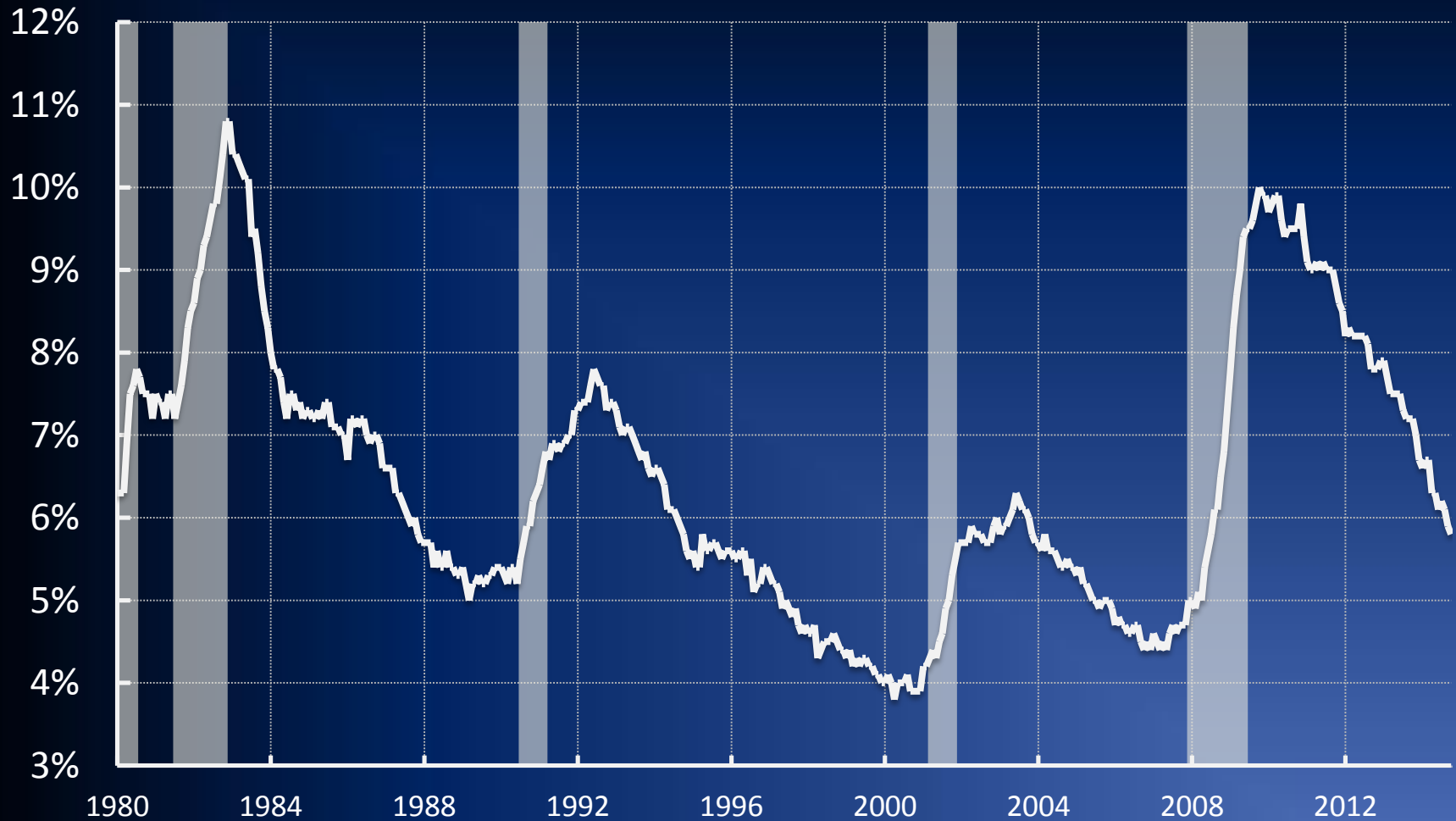
Those with part-time or seasonal jobs who would rather have full-time jobs.

Discouraged Workers

Those who have officially given up looking for work and are discouraged.

Unemployment Rate

Seasonally adjusted (%), Jan. 1980-Oct. 2014



Source: Bureau of Labor Statistics

Note: Gray bars indicate NBER recession dates

Annotated Chart Notes

Unemployment Rate

Seasonally adjusted (%), Jan. 1980-Oct. 2014



Source: Bureau of Labor Statistics

Note: Gray bars indicate NBER recession dates

What Do You Think?

1. In which years was the unemployment rate around 10%?
2. Are discouraged workers counted as unemployed? Why or why not?
3. What seems true about the relationship between unemployment and economic recessions?
4. Why would a survey be needed to calculate the rate of unemployment?