Unemployment Rate
Measuring the Workforce

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Federal Reserve Bank of San Francisco
Economic Education
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.

**U.S. Unemployment Rate**

(% values, averages for years shown)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>1980</td>
<td>7.1</td>
</tr>
<tr>
<td>1990</td>
<td>5.6</td>
</tr>
<tr>
<td>2000</td>
<td>4.0</td>
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<tr>
<td>2010</td>
<td>9.6</td>
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Sources: Bureau of Labor Statistics & FRBSF Calculations

www.frbsf.org/education/teacher-resources/datapost
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 April 2020, unemployment was 14.7% of the labor force.

Totals in millions, values seasonally adjusted.

- Unemployed: 23.1 million
- Employed: 133.4 million
- Not in labor force: 103.4 million

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.

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Unemployment Rate
Seasonally adjusted (%), Jan. 1980–Apr. 2020

Source: Bureau of Labor Statistics
Note: Gray bars indicate NBER recession dates
Annotated Chart Notes
Unemployment Rate
Seasonally adjusted (%), Jan. 1980–Apr. 2020

Source: Bureau of Labor Statistics
Note: Gray bars indicate NBER recession dates

Nov. 1982 10.8%
Oct. 2009 10.0%
Jun. 2003 6.3%

The Great Recession
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?