



DATAPOST

# Unemployment Rate

## Measuring the Workforce

Date last updated: September 8, 2014

Federal Reserve Bank of San Francisco  
Economic Education Group

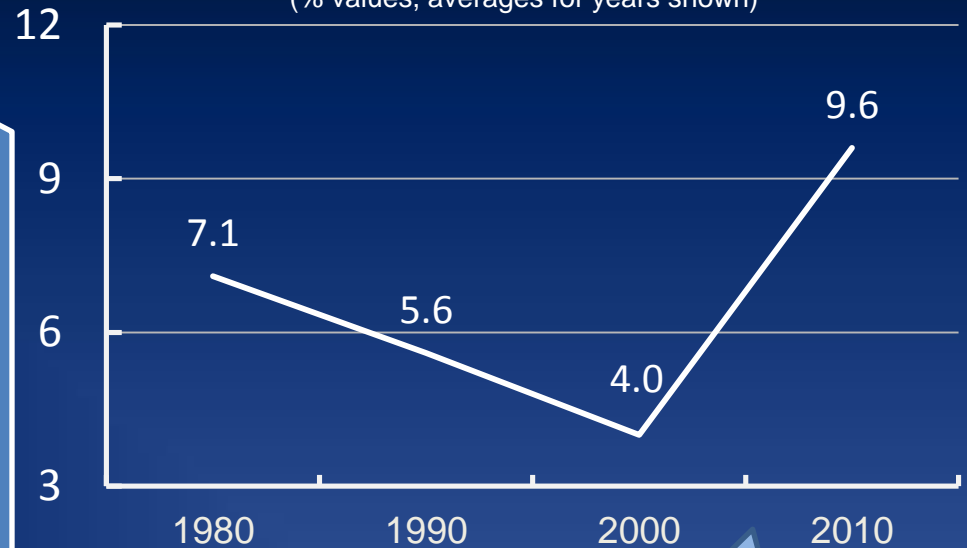
# Unemployment Rate – Did You Know?

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

## U.S. Unemployment Rate

(% values, averages for years shown)



Sources: Bureau of Labor Statistics & FRBSF Calculations

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

# Measuring Unemployment

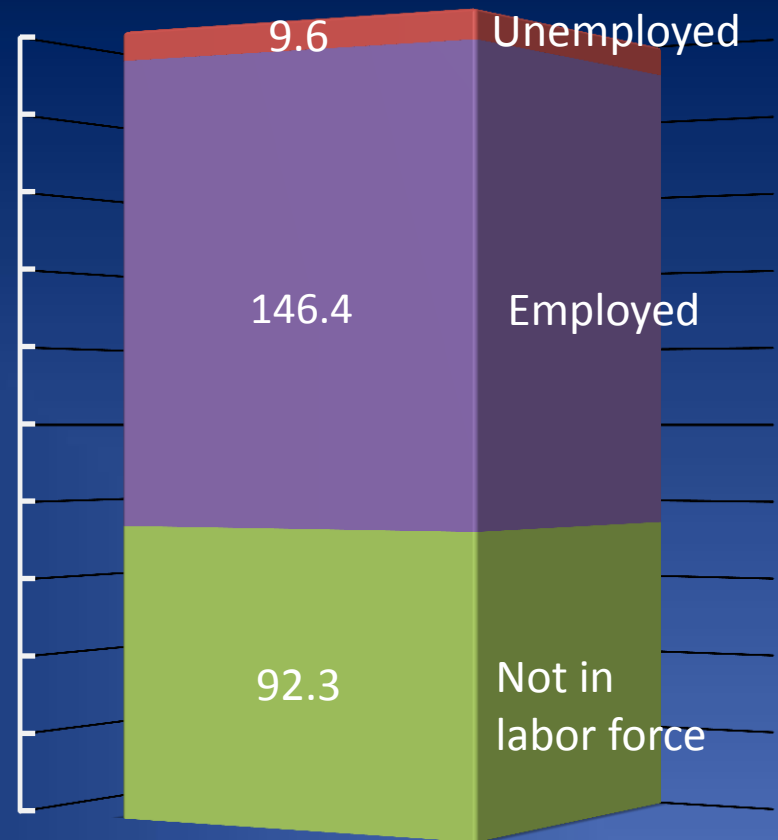
As of August 2014, unemployment was 6.1% of the labor force

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”

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



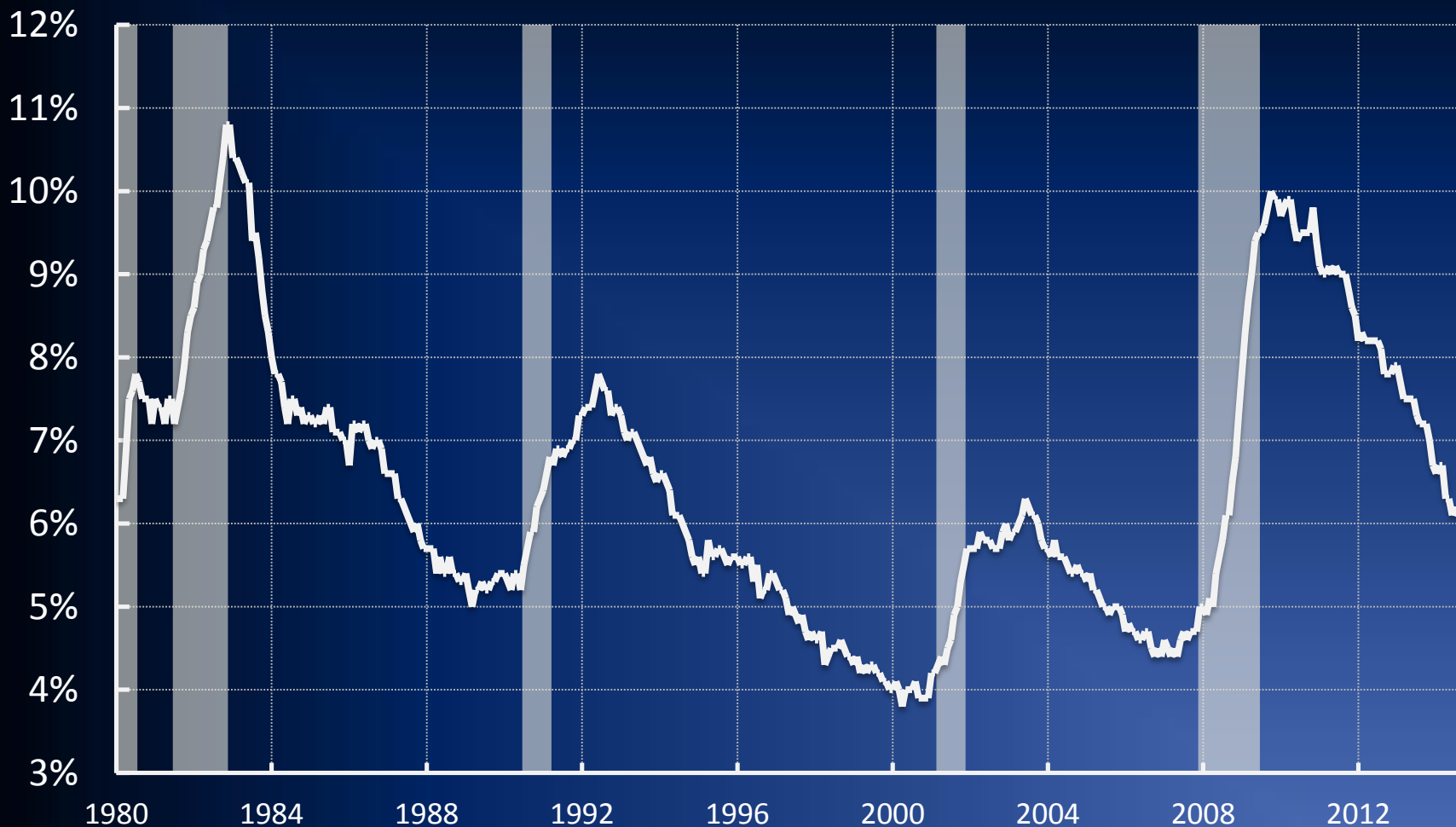
## Who Is NOT Counted as unemployed?

**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-Aug. 2014



Source: Bureau of Labor Statistics

Note: Gray bars indicate NBER recession dates

# Annotated Chart Notes

## Unemployment Rate

Seasonally adjusted (%), Jan. 1980-Aug. 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?