



DATAPOST

Unemployment Rate

Measuring the Workforce

Date last updated: September 14, 2020

Federal Reserve Bank of San Francisco
Economic Education

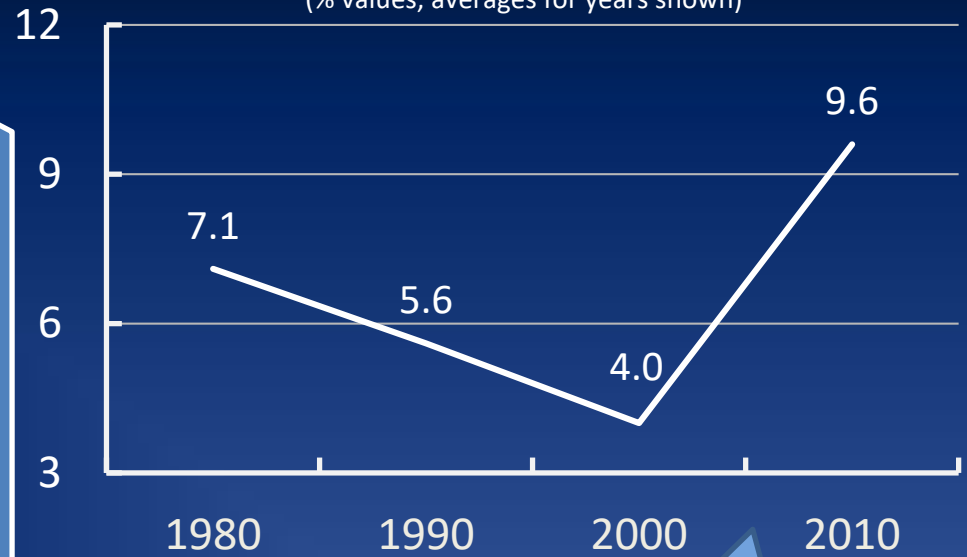
Unemployment Rate – Did You Know?

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

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 of 4.0% in 2000.

Measuring Unemployment

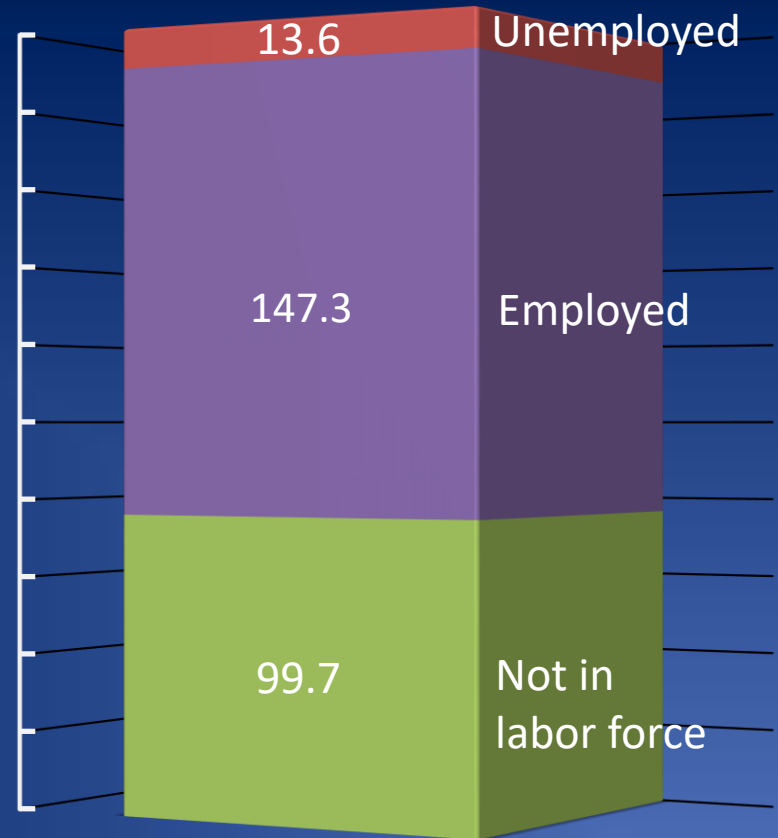
As of August 2020, unemployment was 8.4% of the labor force

Totals in millions, values seasonally adjusted

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”



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

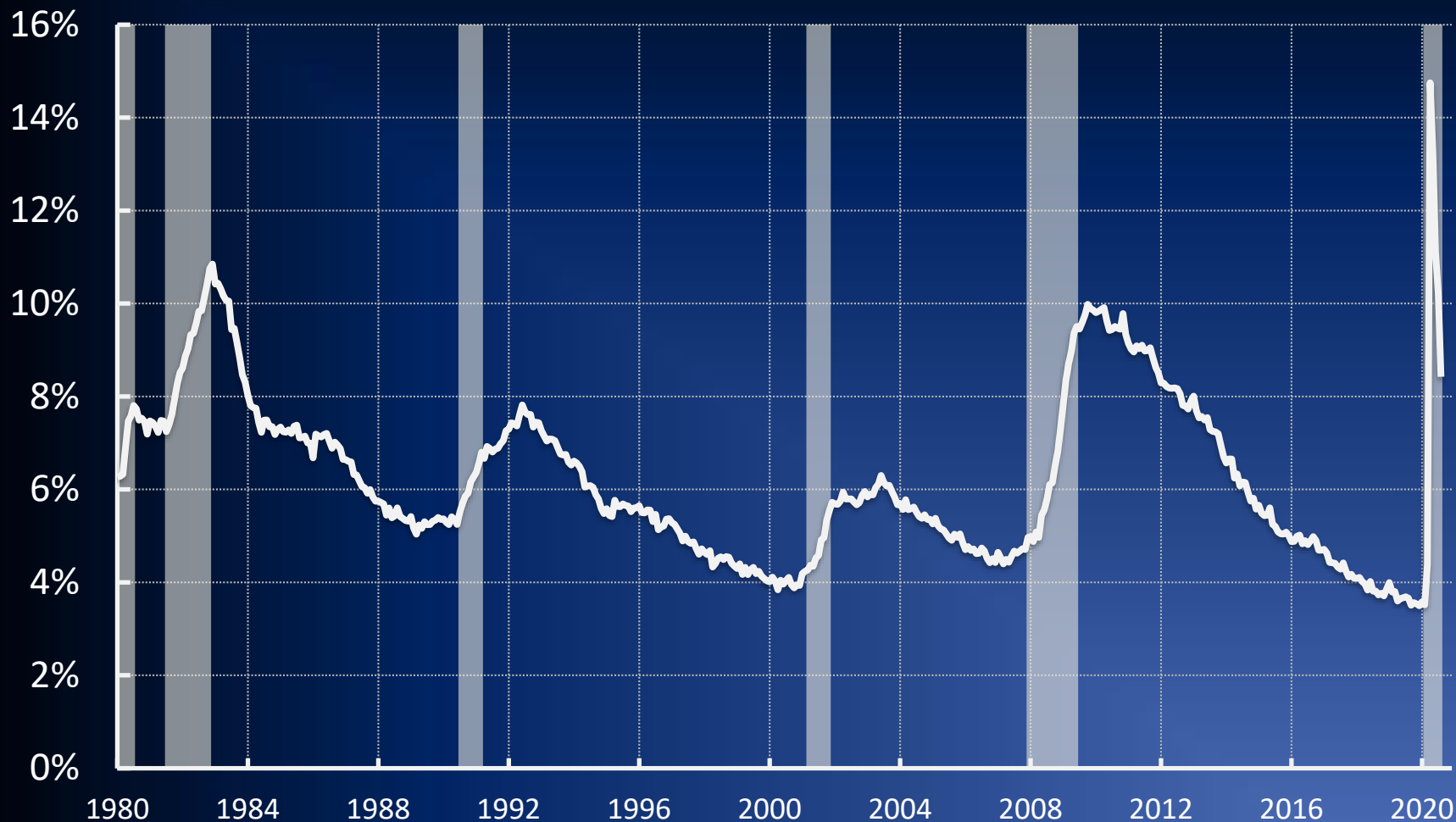
Who Is NOT Counted as unemployed?

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. 2020



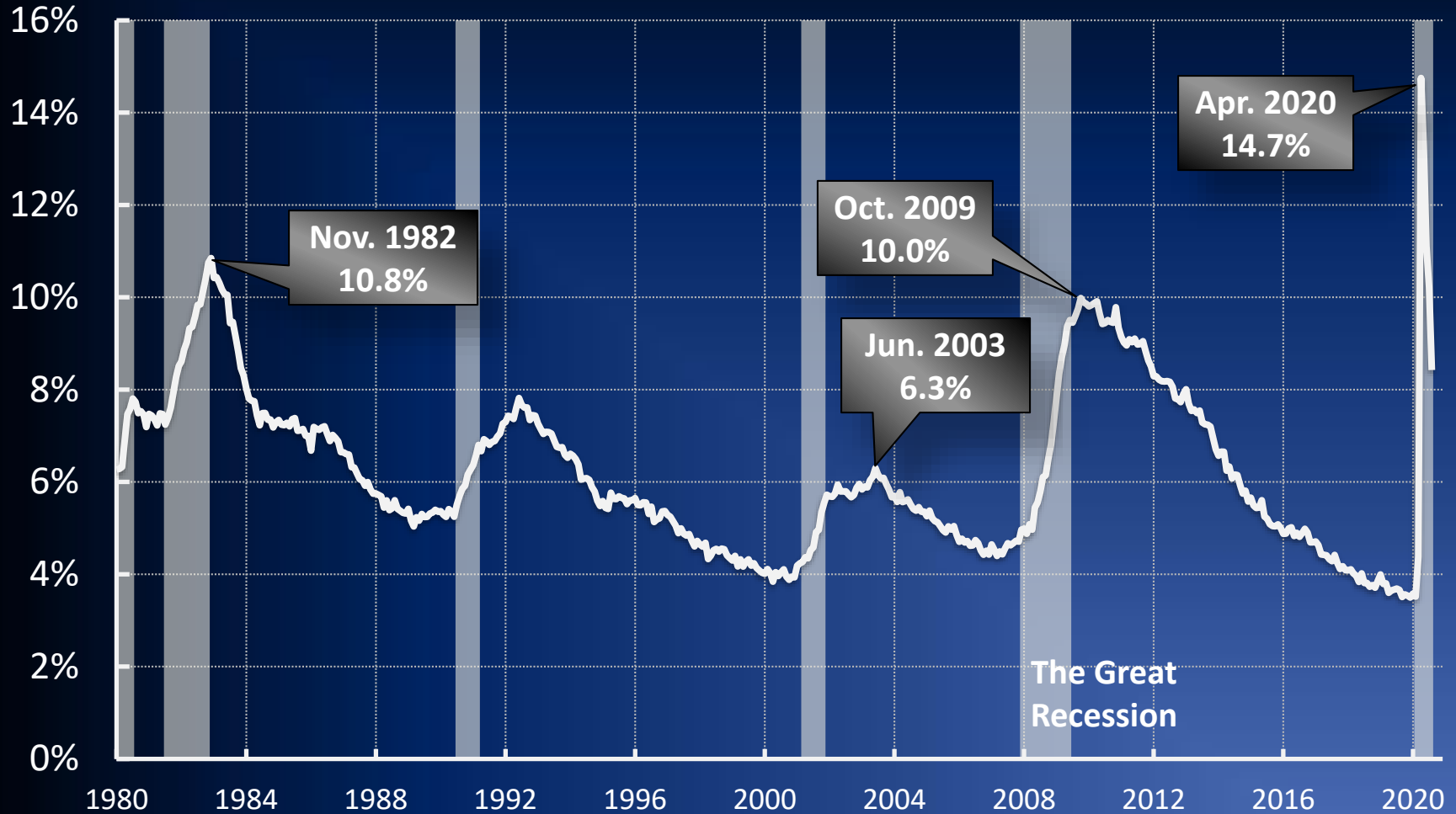
Source: Bureau of Labor Statistics

Note: Gray bars indicate NBER recession dates

Annotated Chart Notes

Unemployment Rate

Seasonally adjusted (%), Jan. 1980–Aug. 2020



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?