

UNEMPLOYMENT SURVEY

Rush
December 2014

TODAY'S COMPELLING QUESTION

- How does the unemployment rate fail as a measure of our nation's health?

TODAY'S OBJECTIVES

- Students will be able to:
 - 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.

U.S. UNEMPLOYMENT DATA

- How does the Bureau of Labor Statistics gather the data needed to calculate the unemployment rate?
- The BLS gathers the data through the Current Population Survey, a nationwide random survey of 60,000 households each month.

YOUR UNEMPLOYMENT DATA

- Today, you're going to reinforce your understanding of the unemployment rate by conducting your own CPS.

YOUR UNEMPLOYMENT DATA

- I am going to hand out a card to each one of you, describing the role you are going to assume today.
- I am also going to give each of you a Survey Reporting Form.
- Fill in the line for your own data and survey five classmates outside your row. You will have 10 minutes to do so.

REPORT BACK

- How did you decide if someone was employed?
- How did you decide if someone was unemployed?
- How did you calculate the employment rate?
- What employment rate did you calculate?

WHO THE BLS LEAVES OUT

- The BLS does not include those who are young (under 16) or institutionalized (in nursing homes or in prison) in their unemployment statistics.

PEOPLE ARE EMPLOYED IF ...

- 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.

PEOPLE ARE UNEMPLOYED IF ...

- 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).

OUR SURVEY SAYS ...

- Look at your cards and see if you were correct in determining your employment status.
 - Unemployed: 4, 7, 10, 14, 18, 24, 28.
 - Employed: 2, 3, 5, 8, 9, 12, 13, 16, 17, 19, 21, 22, 25, 26.
 - Not in labor force: 1, 6, 11, 15, 20, 23, 27.
 - Young or institutionalized: 29, 30, 31.

OUR UNEMPLOYMENT RATE

- If you are unemployed, raise your hand.
(Record on the board.)
- If you are employed, raise your hand.
(Record on the board.)

OUR UNEMPLOYMENT RATE

- We now have all the information we need to calculate the unemployment rate.
- The **LABOR FORCE** is the total number of people who are employed and unemployed. What's our labor force?
- The **UNEMPLOYMENT RATE** is the percentage of the labor force that is unemployed. What's our UE rate?

OTHERS?

- Now raise your hand if you are neither employed nor unemployed but not young or institutionalized. (Young and institutionalized are not included in any of the calculations.)
- Are there any of you whose situations are not measured by the unemployment rate?

WHO ARE THE UNREPRESENTED?

- Discouraged workers (6, 15, 23) want to work, are available for work, and have looked for work in the past year but have given up looking in the past four weeks because they believe no jobs are available or that there are no jobs for which they qualify.

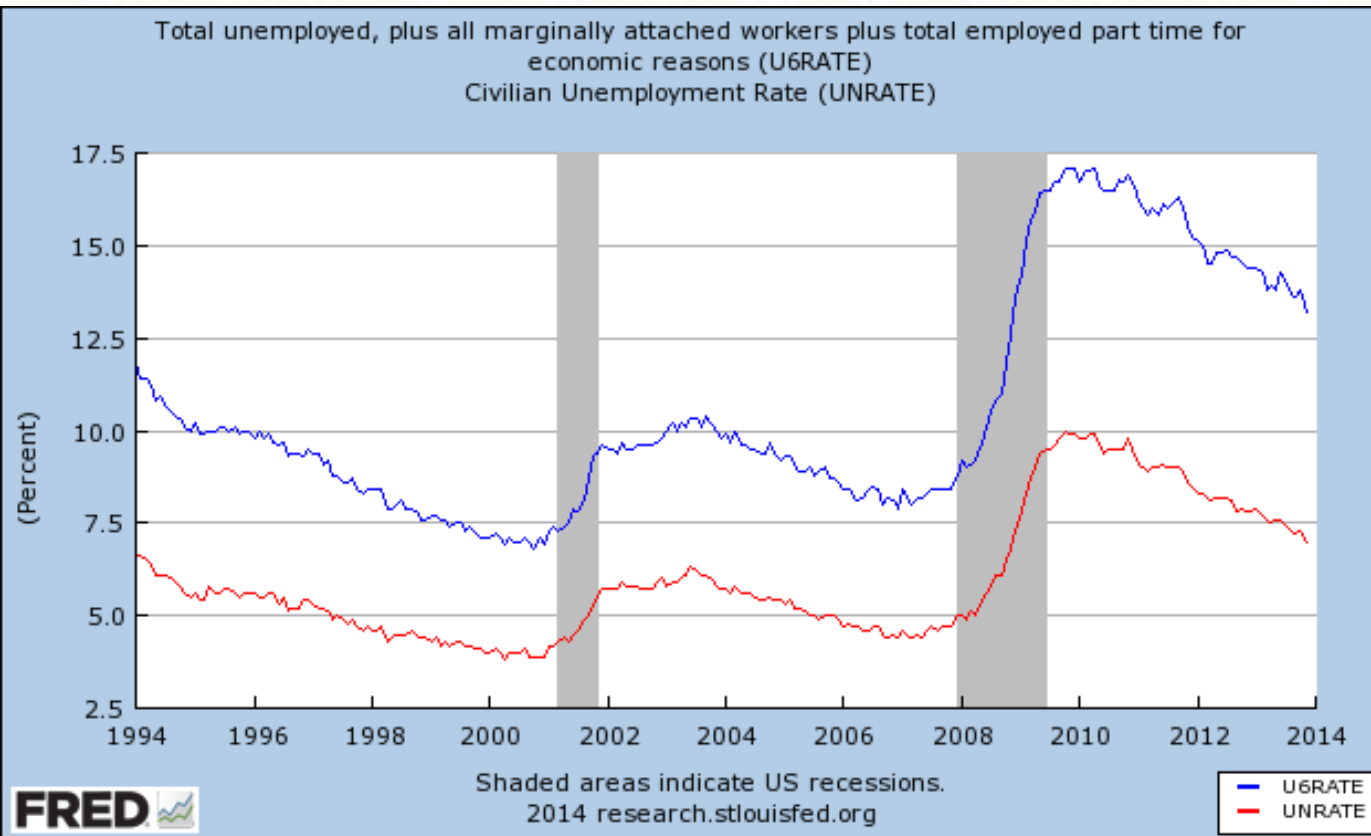
WHO ARE THE UNREPRESENTED?

- Part-time workers (5, 16, 22) who work 34 hours or less per week due to economic reasons: They want to work more, but can't find full-time work, or their employers offer only part-time work.

ANOTHER MEASURE

- The BLS calculates another measure that includes unemployed workers, discouraged workers, and part-time workers who want to work more. This measure is called the U-6 measure and is considered one of the broader measures of problems in the labor force. This number is often considerably higher than the unemployment rate.

Unemployment Rate and the U-6 Rate

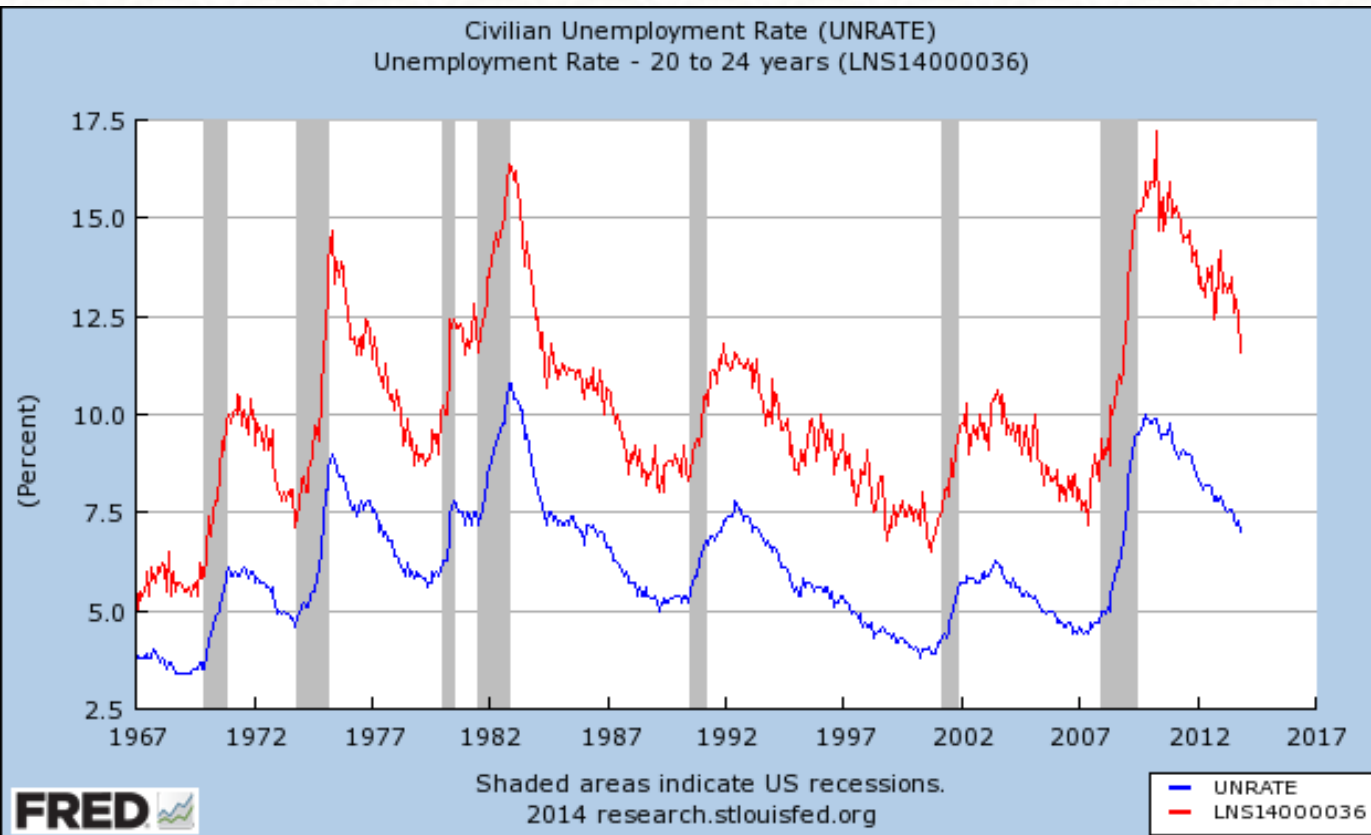


What has been the trend with the two rates, and what is different now?

MORE ABOUT UNEMPLOYMENT?

- Brainstorm: What are other things you might want to know about unemployment that would help you understand how severe an economic downturn is?

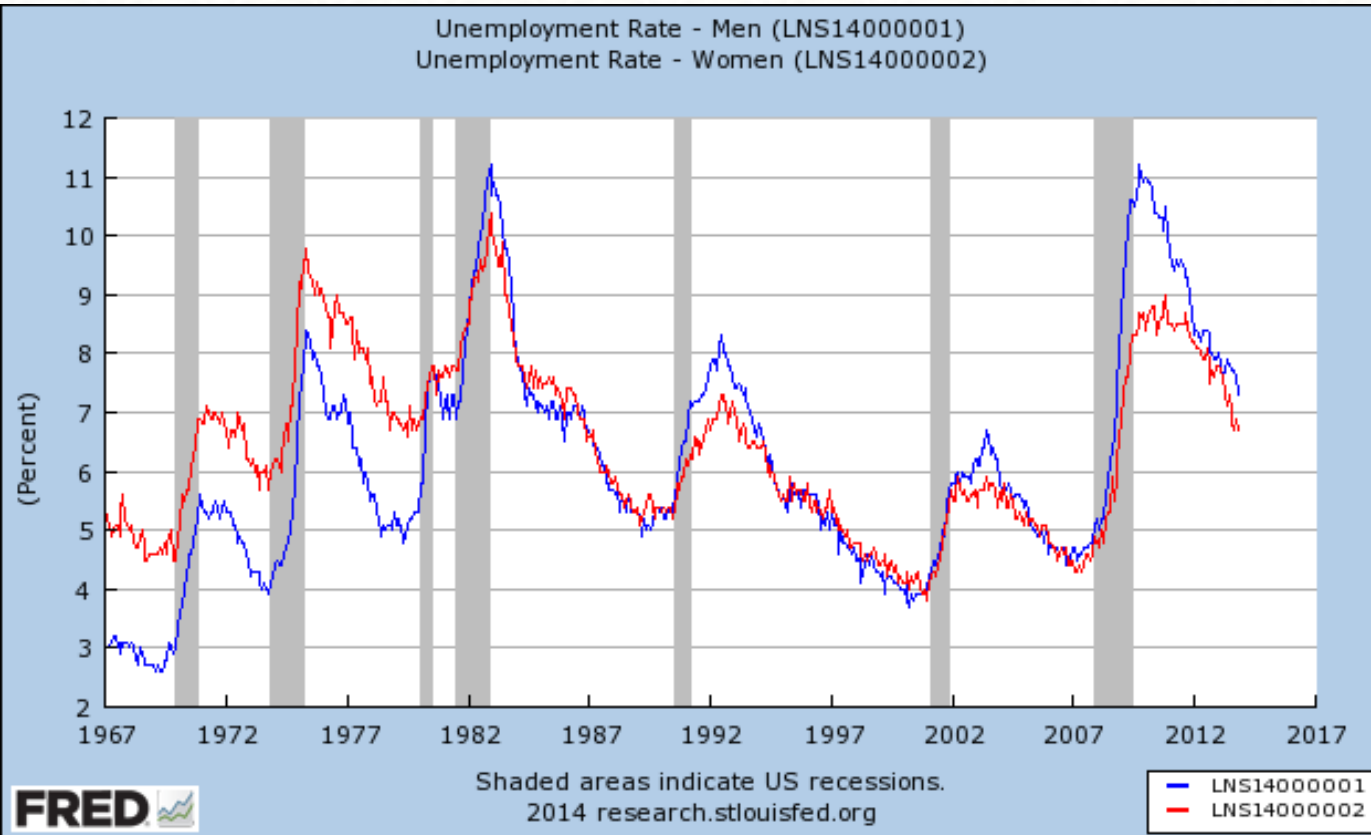
Unemployment Rate, Younger Workers



What else is notable about the latest economic downturn?

Why will this harm young workers in the long run?

Unemployment Rate by Gender



What else is notable about the latest economic downturn?

The unemployment rate for men is considerably higher than that for women. Why do you think?

WORRIES ABOUT UNEMPLOYMENT

- Economists worry about workers losing skills and experience during economic downturns. Based on the evidence you have seen, is this a valid concern?