

Unemployment and the BLS

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Some Issues

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 - What does the BLS mean by Unemployment?
 - What do economists mean by unemployment?

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- Is unemployment a good thing?
 - Why a healthy economy has unemployment
 - The natural rate of unemployment

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- What do we mean by unemployment?
- Is unemployment a good thing?
- Unemployment and the Business Cycle

The BLS and Unemployment

- The Bureau of Labor Statistics (BLS) publishes monthly unemployment data.
- Interviews a sample of 60,000 workers.

Classification

- Employed (**E**)– worked at least one hour for pay last month.
- Voluntarily unemployed (**VU**)– not employed and not looking for work (including people in college, prisons, military, retired, stay-at-home mothers, etc.)
- Involuntarily unemployed (**IU**) – not employed and actively looking for work

The Unemployment Rate

- Civilian Labor Force (**CLF**)
- Unemployment Rate (**U**)

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A Critique

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- Excluding children and Voluntary Employed makes sense
- The BLS also makes *seasonal adjustments*.
 - Unadjusted U goes up in June and down in December.

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- **E**
- **IU**
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- David was laid off two months ago. Expects to be rehired when demand picks up in a month or two. Doing repairs on the house.

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- Frank, aged 52, was laid off. Knows he cannot get a job in his profession so doesn't try.

Some Issues

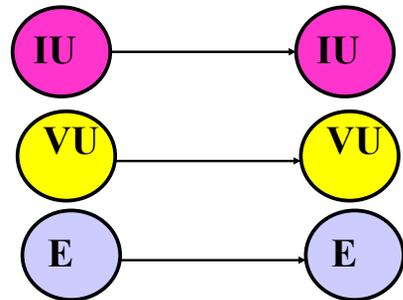
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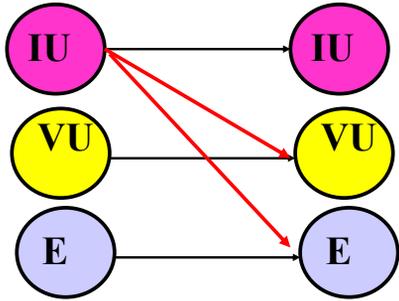
The Process



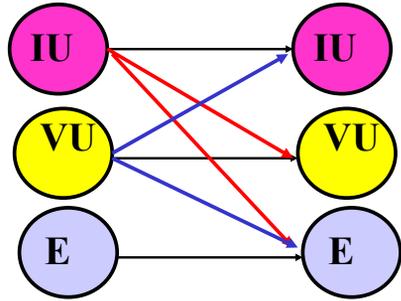
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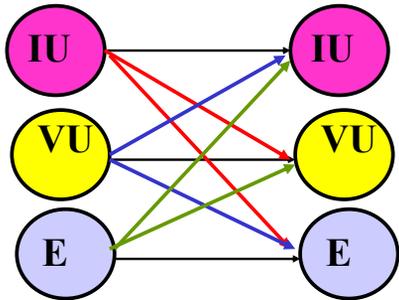
The Process



The Process



The Process



End

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