What’s Up with the Current Labor Market?

What’s Up with the U.S. Employment Situation? 1990.01 - 2005.01
Source: Federal Reserve Economic Data Base (monthly values)

66.7% is approximately the "normal" Civilian Labor Force Participation Rate.

63.5% is approximately the "normal" Employment Rate.

The % working I calculated using the establishment data is biased down because the survey only counts non-farm workers. The civilian labor force, however, counts both farm and non-farm.

I'm clueless as to estimates of "normal" Employment Rate based on Establishment data.

1a) The % with jobs fell significantly.
1b) Partially "offset" by a smaller % in the labor force.
2) The % with jobs has shown little recovery.

"Wanting "work" (officially in Labor Force)
Working according to Household Survey
Working according to Establishment Survey
Your Turn!

Calculate the Unemployment Rate for the following months

But wait a second! The unemployment rate is not the % of those “able to work” who don’t have a job. It is the % of those “willing and able to work” who don’t have a job. Hmmm …

1990.02 (Feb. 1990)
66.7%: Labor force participation rate
63.2%: % of Civilians 16+ & non-institutionalized with jobs

Consider a sample of 1,000 people.
_______ How many are in the labor force?
_______ How many of those in the labor force are employed?
_______ How many of those in the labor force are unemployed?
_______% What’s the unemployment rate?

66.0%: Labor force participation rate
61.2%: % of Civilians 16+ & non-institutionalized with jobs

Consider a sample of 1,000 people.
_______ How many are in the labor force?
_______ How many of those in the labor force are employed?
_______ How many of those in the labor force are unemployed?
_______% What’s the unemployment rate?

1995.03 (Mar. 1995)
66.7%: Labor force participation rate
63.1%: % of Civilians 16+ & non-institutionalized with jobs

Consider a sample of 1,000 people.
_______ How many are in the labor force?
_______ How many of those in the labor force are employed?
_______ How many of those in the labor force are unemployed?
_______% What’s the unemployment rate?
67.3%: Labor force participation rate
64.7%: % of Civilians 16+ & non-institutionalized with jobs

Consider a sample of 1,000 people.
_______ How many are in the labor force?
_______ How many of those in the labor force are employed?
_______ How many of those in the labor force are unemployed?
_______% What’s the unemployment rate?

2001.05 (May 2001)
66.7%: Labor force participation rate
63.8%: % of Civilians 16+ & non-institutionalized with jobs

Consider a sample of 1,000 people.
_______ How many are in the labor force?
_______ How many of those in the labor force are employed?
_______ How many of those in the labor force are unemployed?
_______% What’s the unemployment rate?

2004.06 (June 2004)
66.0%: Labor force participation rate
62.3%: % of Civilians 16+ & non-institutionalized with jobs

Consider a sample of 1,000 people.
_______ How many are in the labor force?
_______ How many of those in the labor force are employed?
_______ How many of those in the labor force are unemployed?
_______% What’s the unemployment rate?