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Chapter 8

Unemployment rate

The employment rate is the number of people currently employed in the economy even if its part time and you need a full time job

Unemployment is the people who

1. Don't have a job
2. Are actively looking for work

So if you give up after a few years of not having a job then you are no longer considered unemployed

The labor force is the sum of the employed and unemployed

The people who stopped looking for work are also not considered part of the labor force

Unemployment rate= Number of unemployed workers/labor force x 100

There is another category called discouraged workers.

This is why when recessions get really bad the unemployment rate will strt to fall because people will stop looking for work