

What are the basic concepts of Employed and Unemployed?

Employed persons consist of:

- All persons who did any work for pay or profit during the survey week (the week of the 12th of the month).
- All persons who did at least 15 hours of unpaid work in a family-operated business.
- All persons who were temporarily absent from their regular jobs because of illness, vacation, bad weather, industrial dispute, or various personal reasons.

Unemployed persons consist of:

- All persons who did not have a job at all during the survey week, made specific active efforts to find a job during the prior 4-week period, and were available for work (unless temporarily ill).
- All persons who were not working and were waiting to be called back to a job from which they had been temporarily laid off.

People who are neither Employed nor Unemployed are out of the labor force.

- Persons under 16 years of age are automatically excluded from the official labor force measurements.
- Residents of institutions and persons on active duty in the Armed Forces are excluded.
- Persons who have no job AND are not looking for one are excluded. Many who do not participate in the labor force are going to school, retired or have family responsibilities.

The Major Types of Unemployment

Unemployment is characterized into five basic types: frictional, cyclical, seasonal, structural and technological.

Frictional Unemployment - The continuous flow of individuals from job to job and in and out of employment. There will always be some frictional unemployment as resources are directed in the market.

Cyclical Unemployment - Occurs during a major downturn in business cycle caused by a low demand for goods/services. (An example is September 11th)

Seasonal Unemployment - Comes and goes with seasons of the year in which the demand for particular jobs rises and falls. (An example is construction or agriculture)

Structural Unemployment - Results from fundamental changes in the structure of the economy. Occurs when demand for a product falls drastically so that workers specializing in the production of that product find themselves out of work.

Technological Unemployment - Caused by technological changes reducing labor demands for specific tasks.

Interested in Learning More about Labor Market Information?



Call or write to the
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a guide to Understanding the Terminology
used in Labor Market Information

Why do we collect statistics on the unemployed?

When workers are unemployed, they, their families, and the country as a whole lose. Workers and their families lose wages, and the country loses goods and services, which could have been produced. In addition, the purchasing power of these workers is lost, which can lead to unemployment for yet other workers.

To know about the extent and nature of unemployment requires information. How many people are unemployed? Who is counted as unemployed? How did they become unemployed? How long have they been unemployed? Are the unemployment numbers growing or declining? These statistics are collected and interpreted along with other economic data and are used by policymakers in making decisions that influence the course of the economy.

**Civilian Non-Institutional Population, 16 +
(excludes military and institutionalized persons)**

**Civilian Labor Force
(65.6%)**

Out of Labor Force (33.4%)

- Persons under 16 years old,
- Have no job, are not looking for work,
 - Military,
 - Family Responsibilities,
 - Physical or Mental Disability,
 - Inmates of Prison,
 - Homeless

Employed

- Any work at all for pay during the Reference Week,
- At least 15 hours of unpaid work in family business,
- Temporary Absence for vacation, illness, labor dispute, bad weather, child care, personal reasons, etc.

Unemployed

- No work for pay/profit during reference week,
- Actively looked for work in prior 4 weeks,
- Available for work

Do Not Want a Job Now

Want a Job Now

Full Time

- Usually worked 35 hours or more in Reference Week

Part Time

- Usually worked less than 35 hours in Reference Week

**Voluntary Part Time
Noneconomic Reasons**

- Does not want to work full time, or not available for F.T.,
- Child care problems, personal obligations, school or training

**Involuntary Part Time
Economic Reasons**

- Wants & available for F.T.
- Can't find full time work, seasonal declines in demand, slack work, unfavorable business conditions

Job Losers

**Permanent
Job Losers**

- Employment ended involuntarily and began looking for work

**Temporary
Job Losers**

- Given a return to work date or expect to return in 6 months

Job Leavers

- Employment ended voluntarily and began looking for work

New Entrants

- No prior work experience

Reentrants

- Previously worked but were out of the labor force prior to beginning their work search

Discouraged Workers

- Want a job, have looked for work in past 12 months, are available, but feel that no jobs are available

**Did Not Look
Last Year**

- Retired,
- Disability,
- Family Responsibilities,
- Attending School, keeps them from participating in the Labor Force

Nationally, the labor force statistics are derived from the **Current Population Survey (CPS)**, which is conducted by the Bureau of Census for the Bureau of Labor Statistics (BLS). This monthly survey is based on a selected sample of the working-age population 16 years of age and over. The national CPS sample currently consists of approximately 60,500 households; there are 1,250 in Rhode Island. Each household in the sample represents about 1,600 households throughout the United States.