You are going to read the Bureau of Labor Statistic’s newest release on the U.S. Employment and Unemployment Rate. This will help you see how we use these figures! Go to <http://www.econedlink.org/lessons/index.php?lid=1142&type=student> and answer the following questions.

**Introduction**

What kind of data does the BLS release each month?

What is the CES and what kind of information does it gather?

**Process**

**The Employment Situation – December 2012**

According to the BLS, what was our unemployment rate in October 2009? Why was this number significant?

What happened:

* Between November 2008 and October 2009?
* From May 2007 to November 2009?

Summarize our current employment and unemployment figures released in this report:

**Who are the Unemployed?**

List the criteria that the BLS uses in order to consider someone “unemployed”:

Why do you think that those under 16, in school, incarcerated or institutionalized are not counted as part of the labor force?

**What is the unemployment rate?**

Fill in this division equation: Unemployment rate = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 **Who are the “employed?”**

According to the BLS, what does it mean to be “employed?”

If a person works just one hour for pay during the survey week, was he or she considered “employed?”

If you gave up looking for a job, are you considered “unemployed?”

What is your opinion on these two issues?

How would you change the definitions of employment/unemployment, if at all?

**Types of Unemployment – BLS Definitions**

Briefly define and **provide your own example** of each type of unemployment:

* Frictional
* Structural
* Cyclical

Which type(s) of unemployment do you think are NORMAL and we can expect to see anytime? Should the government be concerned about these?

Which type(s) of unemployment do you think suggests that something is wrong with the economy? Should the government be concerned about this?

**Full Employment**

What is the consensus on an estimate of full employment today?

How is the labor force participation rate calculated? What is it currently? Will it ever be 100%???

Who are “marginally attached” people, according to the BLS? Why are they not counted as unemployed?

What are “discouraged workers”? Are they considered unemployed? Do you think they should/shouldn’t be considered unemployed?

**Employment Data by Industry Group, December, 2012**

In December, which industries experienced the greatest job gains? Job losses?

Which industries do you think are the most important to our area? Do you think Pittsburgh’s unemployment situation has been better or worse than most cities in our country?

Between 2008 and 2011, why did federal laws extend eligibility for unemployment compensation in certain states? Do you think that this would discourage people from seriously seeking employment?

How does the BLS define “part-time” work?

Do you think that people who are working part time but want to work full time be somehow counted as unemployed?

**Labor Force**

What people in our country are counted as NEITHER employed nor unemployed?

 **Alternative Measures of Unemployment**

Look at the six possible ways of calculating unemployment. Which do you think is the most meaningful measurement of unemployment in our country? Why?

 **Conclusion**

Read about the “Misery Index.”

What does this index measure?

Do you think it is a good measure of the economy’s well-being?

What is our Misery Index now, and how does this compare with recent times?

What was the highest Misery Index in the last few decades? What kind of conditions was our economy experiencing then?

Why has our Misery Index been lower during this recent recession than, say, during the recession of the 1980s? (If you can’t figure this out on your own, you will find the answer in the next section.)