

ECONOMIC INDICATORS AND POLICY

Interpreting Labor-Force and Unemployment Data

Detailed practice, calculation, decision-making, and assessment

GRADES 9-12	TIME 2 x 42 min	GROUPING I / pairs / whole	PRODUCT Brief
YOUR CHALLENGE Classify labor-force status, calculate major rates, analyze changes, and write a qualified labor-market brief.			

Economic Indicators Are Clues That Must Be Defined, Calculated, and Interpreted Together

The unemployment rate does not count every person without a job. It uses the labor force—employed plus unemployed people who meet active-search and availability definitions. Participation and the employment-population ratio help provide additional context.

Term	Student-friendly meaning
Employed	Person who meets the survey definition of working or temporary absence from a job.
Unemployed	Jobless person who actively sought work and is available under the survey definition.
Not in labor force	Person classified as neither employed nor unemployed.
Labor force	Employed plus unemployed.
Participation rate	Labor force divided by working-age civilian noninstitutional population.
Employment-population ratio	Employed divided by that population.
CLASSROOM USE All people, employers, figures, brackets, and documents in this packet are fictional. Never place a real Social Security number, employer ID, bank number, or tax document in classroom work.	

Part 1 - Classify Labor-Force Status

Use the simplified official-style definitions: employed; unemployed and actively seeking/available; or not in labor force.

Person	Scenario	Status	Reason/evidence
A	Worked 12 paid hours last week		
B	No job; applied to three jobs; available		
C	No job; wants work; no search in four months		
D	Temporarily absent from a job due to illness		
E	Full-time student; no job and not seeking		

Classify the person, not the quality or amount of work.

Part 2 - Calculate Three Labor-Market Measures

A fictional town has 10,000 working-age people: 5,700 employed, 300 unemployed, and 4,000 not in the labor force.

Measure	Formula	Result
Labor force		
Unemployment rate		
Participation rate		
Employment-population ratio		

Use the correct denominator for each rate.

Part 3 - Analyze a Change in Status

Next month: employed falls to 5,650; unemployed falls to 250; not in labor force rises to 4,100.

Measure	Month 1	Month 2	Change
Labor force			
Unemployment rate			
Participation rate			
Employment-population ratio			

Can the unemployment rate fall while employment also falls? Explain using the classifications.

Part 4 - Evaluate Labor-Market Claims

Decide whether each claim is supported.

Claim	Supported?	Evidence	Missing context
A lower unemployment rate always means more people work.			
Participation fell in Month 2.			
Everyone without a job is unemployed.			
Employment-population ratio adds useful context.			
One month proves a long-term trend.			

Rewrite every unsupported claim so it becomes accurate.

Part 5 - Write a Labor-Market Data Brief

Explain what changed and what cannot be concluded.

Brief check	My evidence
Employment	
Unemployment	
Labor force	
Unemployment rate	
Participation rate	
Employment-population ratio	
Classification explanation	
Qualified conclusion	

Write 150-200 words using at least six figures and two limitations.