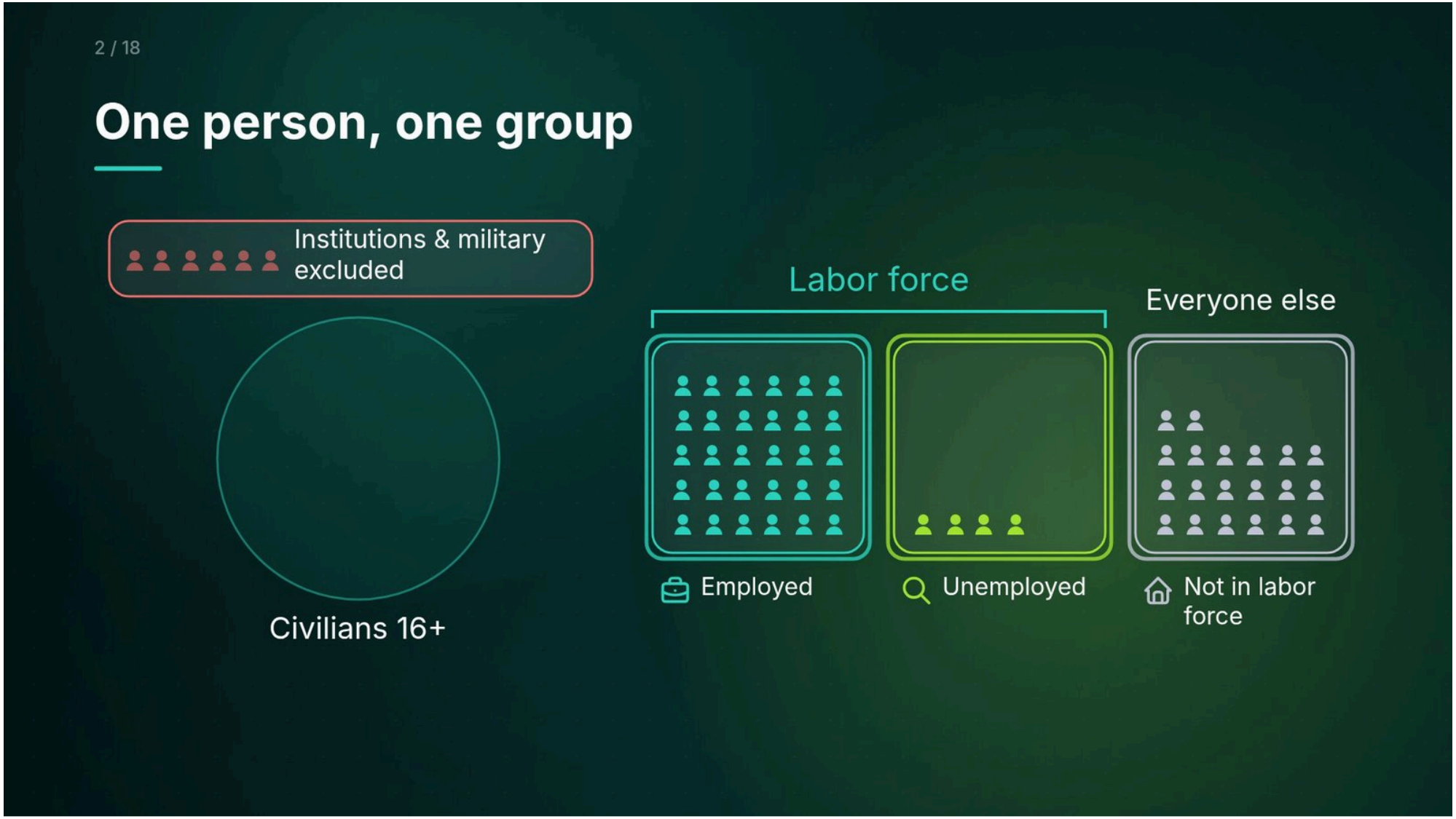


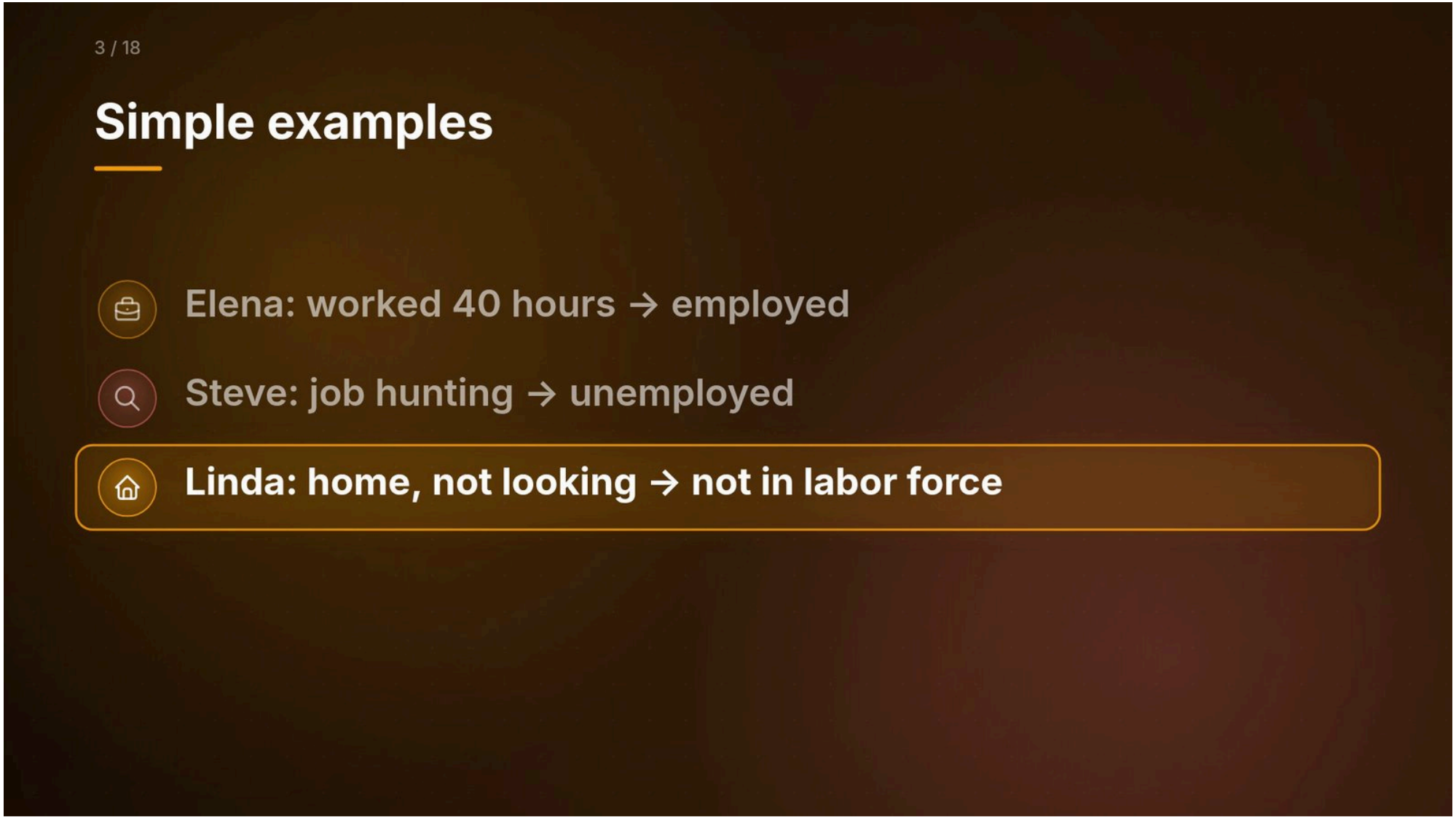
1 / 18 · Who counts as unemployed?

Every month, the government sorts millions of Americans into three groups: employed, unemployed, or not in the labor force. By the end of this video, you'll know exactly how each person gets placed, including the tricky cases.



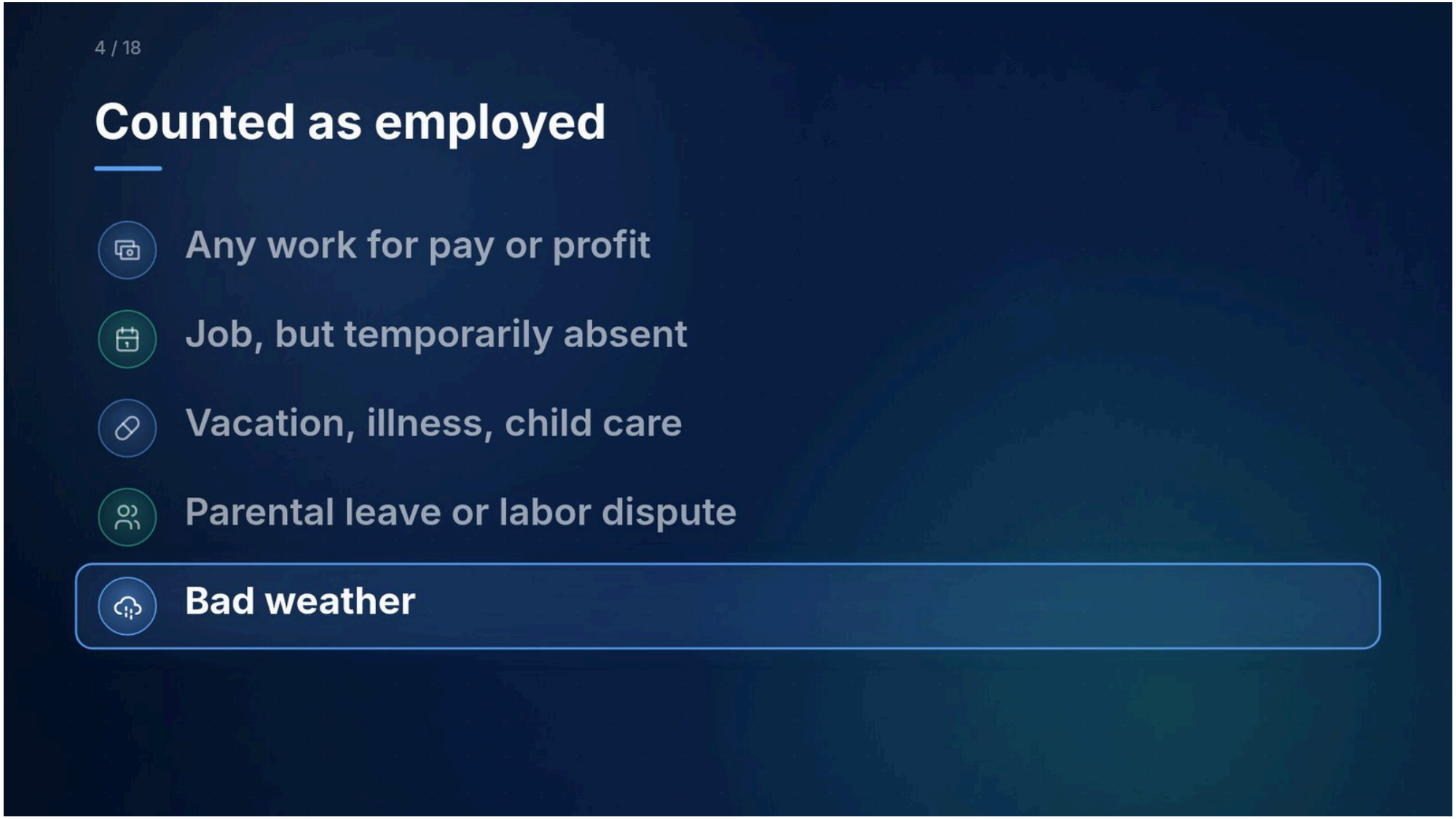
2 / 18 · The basic groups

The survey covers civilians age 16 and over, with no upper age limit, but skips people in institutions like prisons or nursing homes, and active-duty military. Everyone left falls into exactly one group. The employed and unemployed together form the labor force. Everyone else is not in the labor force.



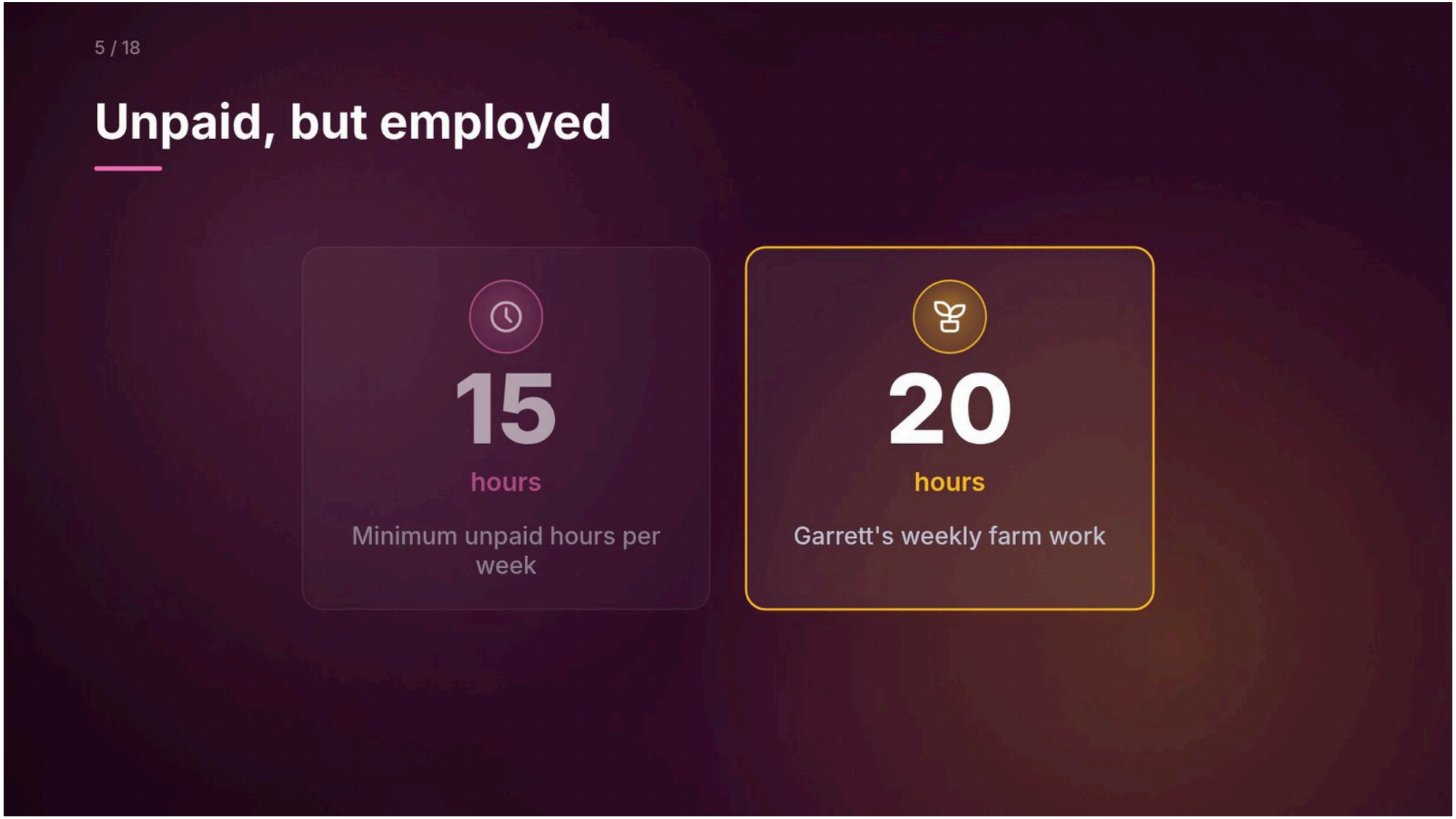
3 / 18 · Three easy cases

Most people are easy to classify. Elena worked 40 hours last week as a sales manager, so she's employed. Steve lost his factory job and has been contacting businesses for work, so he's unemployed. Linda stays home with her kids and isn't job hunting, so she's not in the labor force.



4 / 18 · Who is employed

You're employed if you did any paid work at all during the survey week, part-time or temporary included. You also count if you have a job but were away from it, paid or not. That covers vacation, illness, child care problems, parental leave, a labor dispute, or bad weather.



5 / 18 · Unpaid family workers

Some people work without pay and still count as employed. If you work 15 hours or more a week in a family business or farm run by a relative you live with, you're an unpaid family worker. Garrett, 16, does about 20 hours of chores on his parents' farm, so he qualifies.



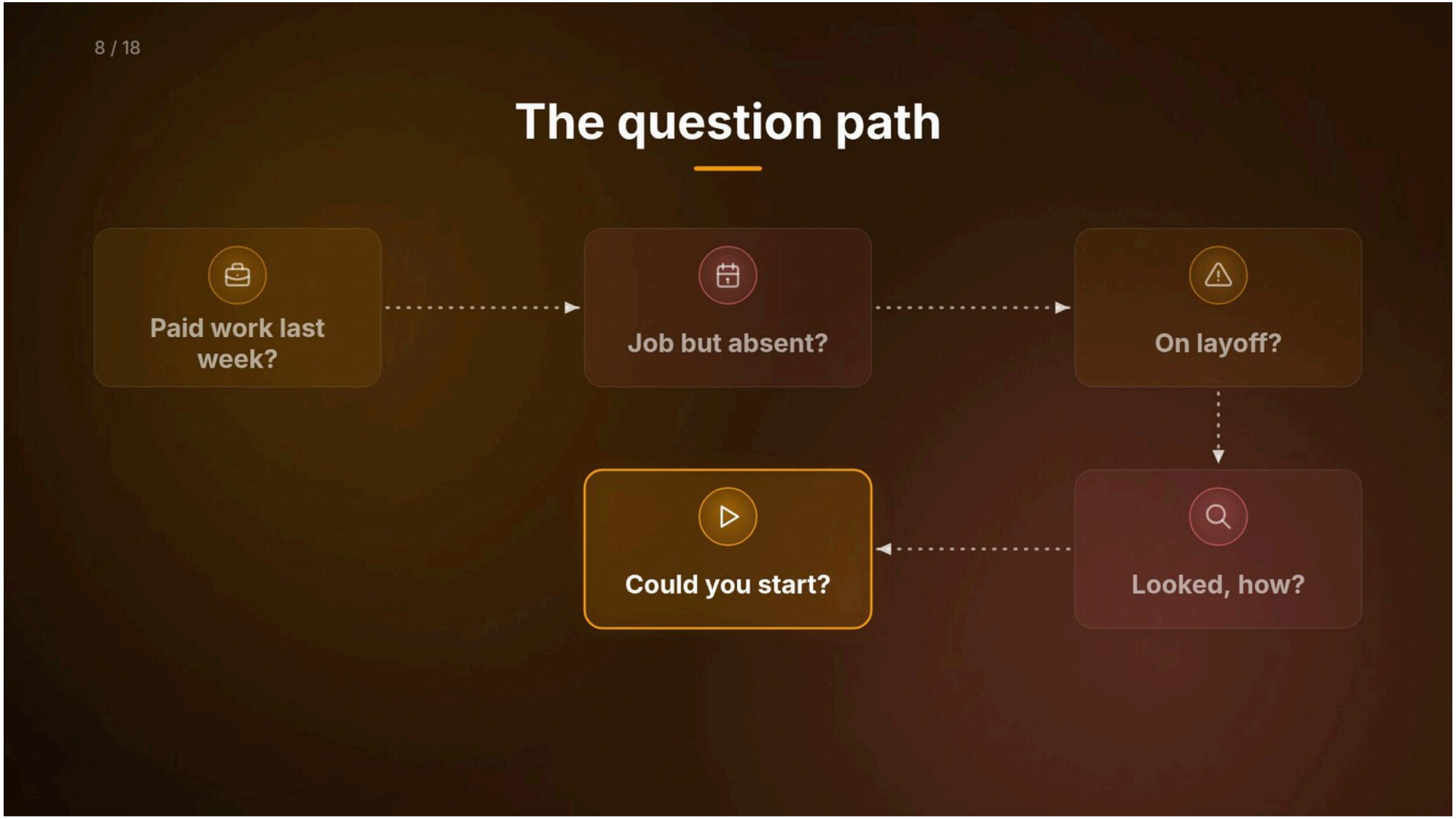
6 / 18 · The three tests for unemployment

To be unemployed, you must pass three tests. First, you have no job. Second, you actively looked for work in the prior four weeks. Third, you're available to start now. Miss any one, and you're not counted as unemployed.



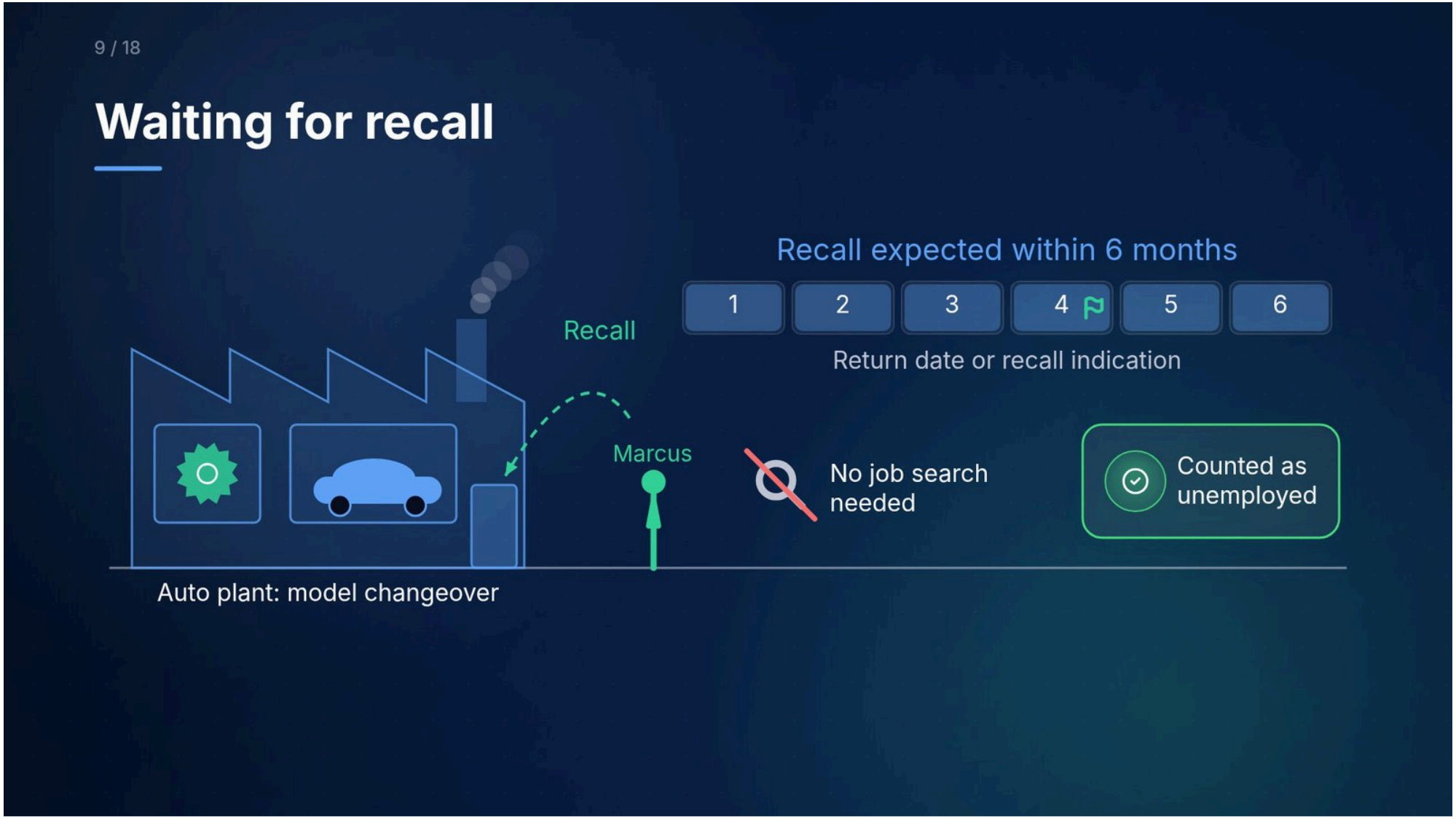
7 / 18 · Active versus passive search

Not every kind of looking counts. Active search could connect you with an employer: contacting employers, agencies, friends or school career centers, sending résumés, or answering job ads. Passive search, like taking a training course or just reading job postings, doesn't count.



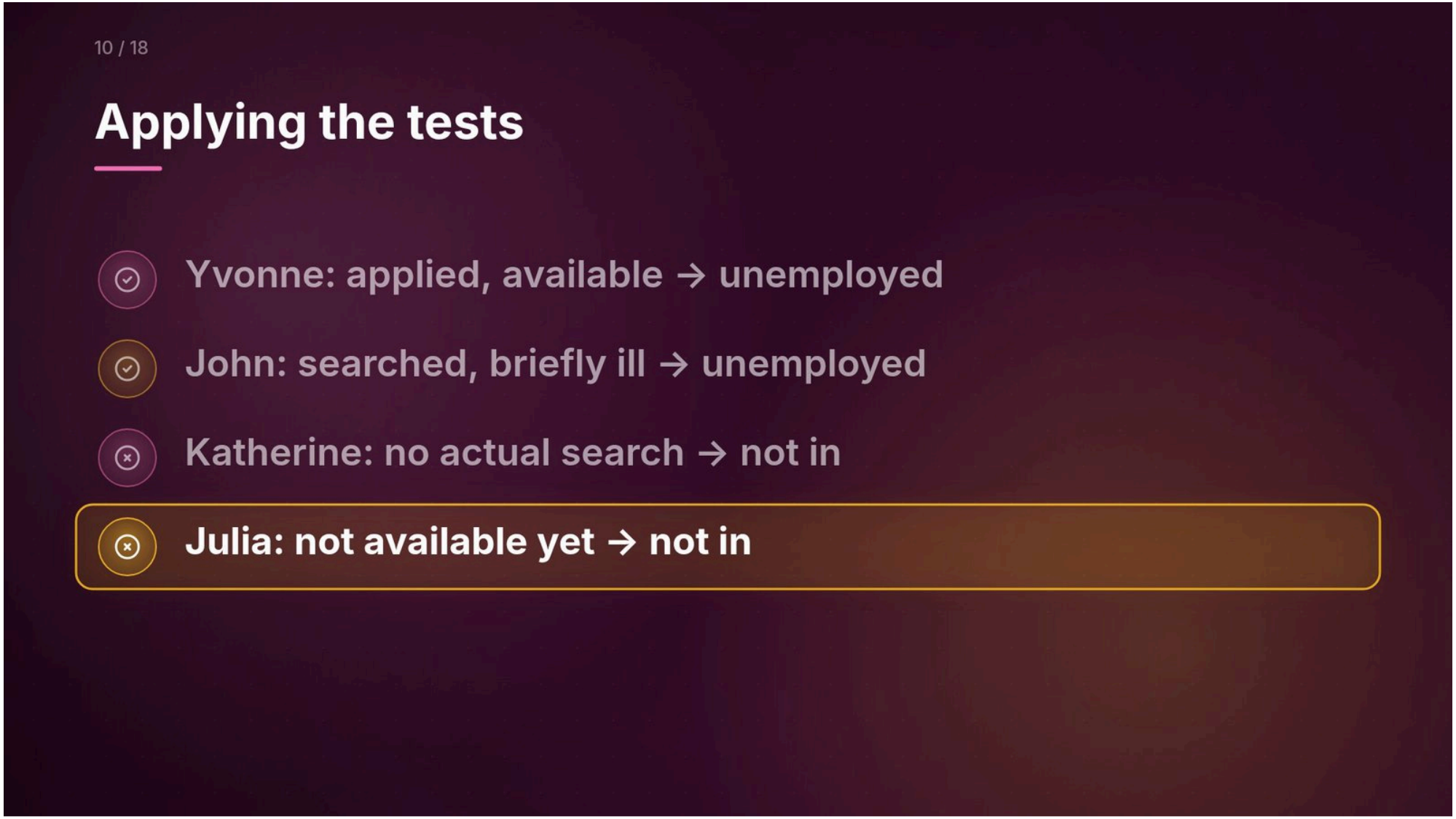
8 / 18 · How the interview decides

Interviewers never ask whether you're unemployed; your answers decide. They ask if you did paid work last week, then whether you had a job you were away from or were on layoff. If not, they ask whether you looked for work in the last four weeks, and how. Finally: could you have started a job last week?



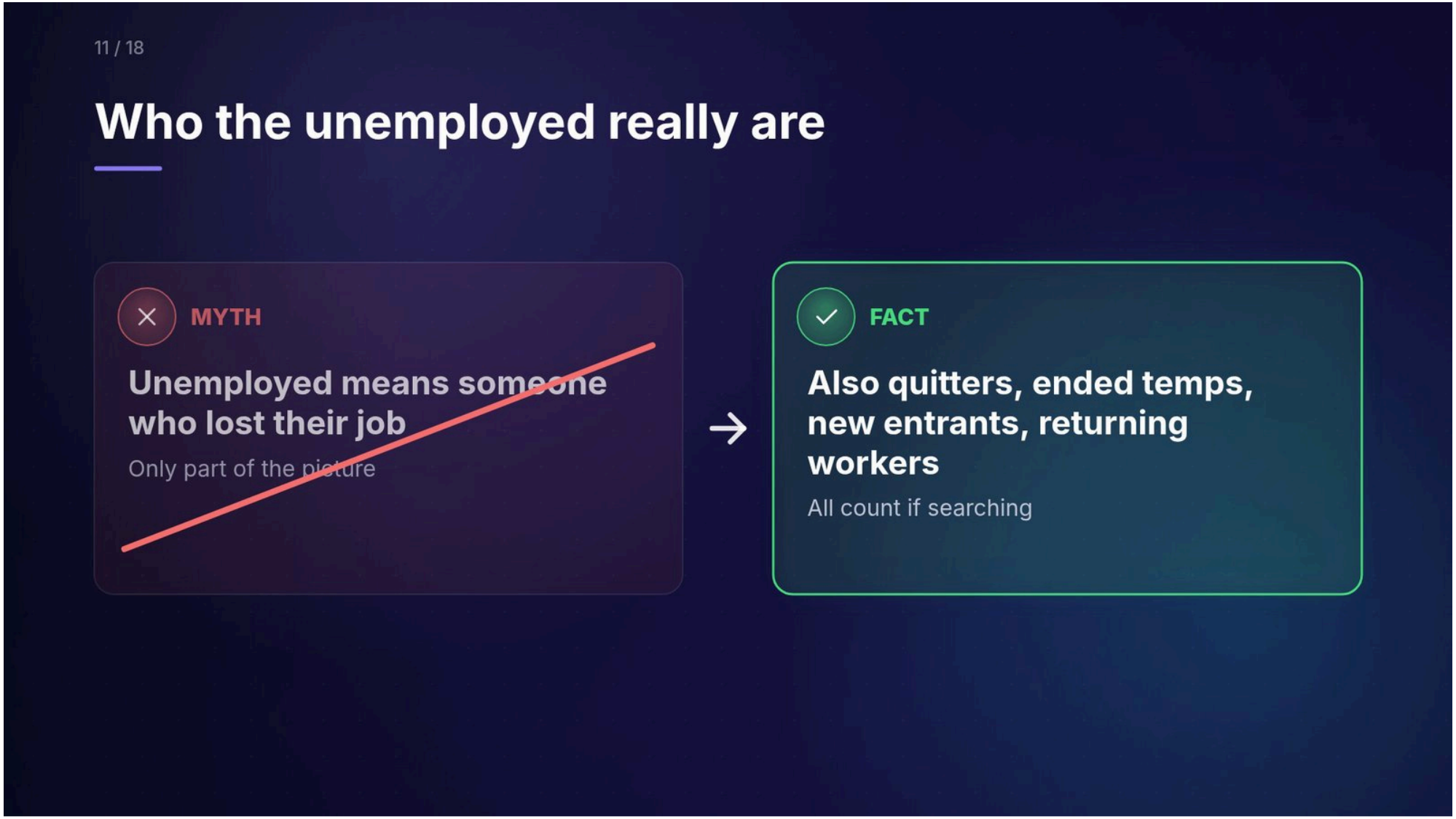
9 / 18 · The layoff exception

There's one exception to the search rule. If you're on layoff and expect to be recalled, because you have a return date or an indication of recall within six months, you're unemployed even without looking. Marcus, waiting out an auto plant's model changeover, counts as unemployed.



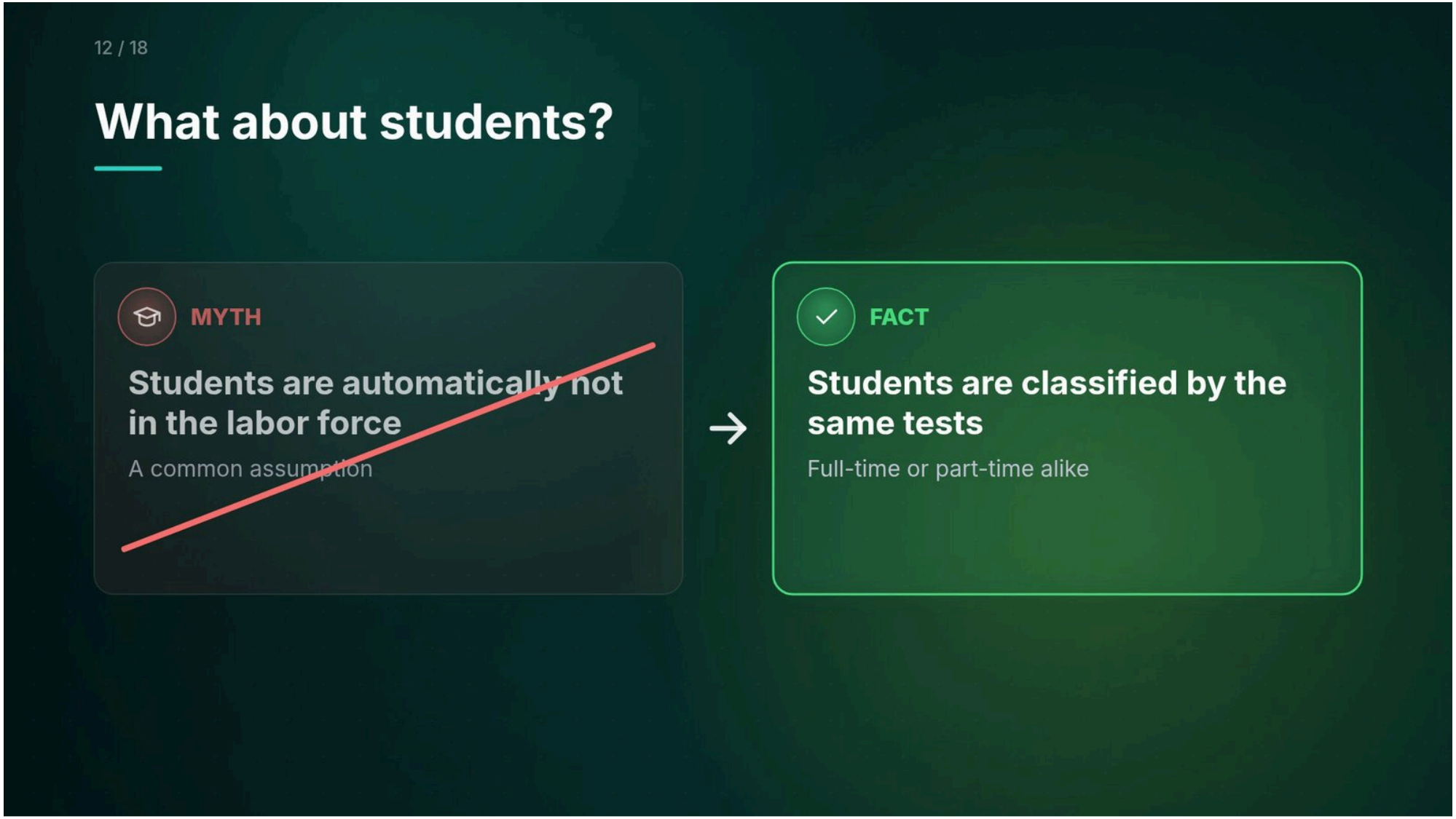
10 / 18 · Unemployment examples

Yvonne applied at a bank two weeks ago and can start, so she's unemployed. John searched for weeks but had the flu last week; temporary illness is allowed, so he's unemployed too. Katherine only thought about looking, so she's not in the labor force. Julia applied for summer jobs but can't start until June, so she isn't either.



11 / 18 · More than lost jobs

Many people assume the unemployed are just people who lost their jobs. In fact, the count also includes people who quit to find other work, workers whose temporary jobs ended, first-time job seekers, and people returning to work, like parents once their kids start school.



12 / 18 · Students follow the same rules

Another common belief is that students are automatically outside the labor force. Not so. Students are treated like anyone else: full-time or part-time, they're employed or unemployed if they meet the criteria.

Groups outside the labor force



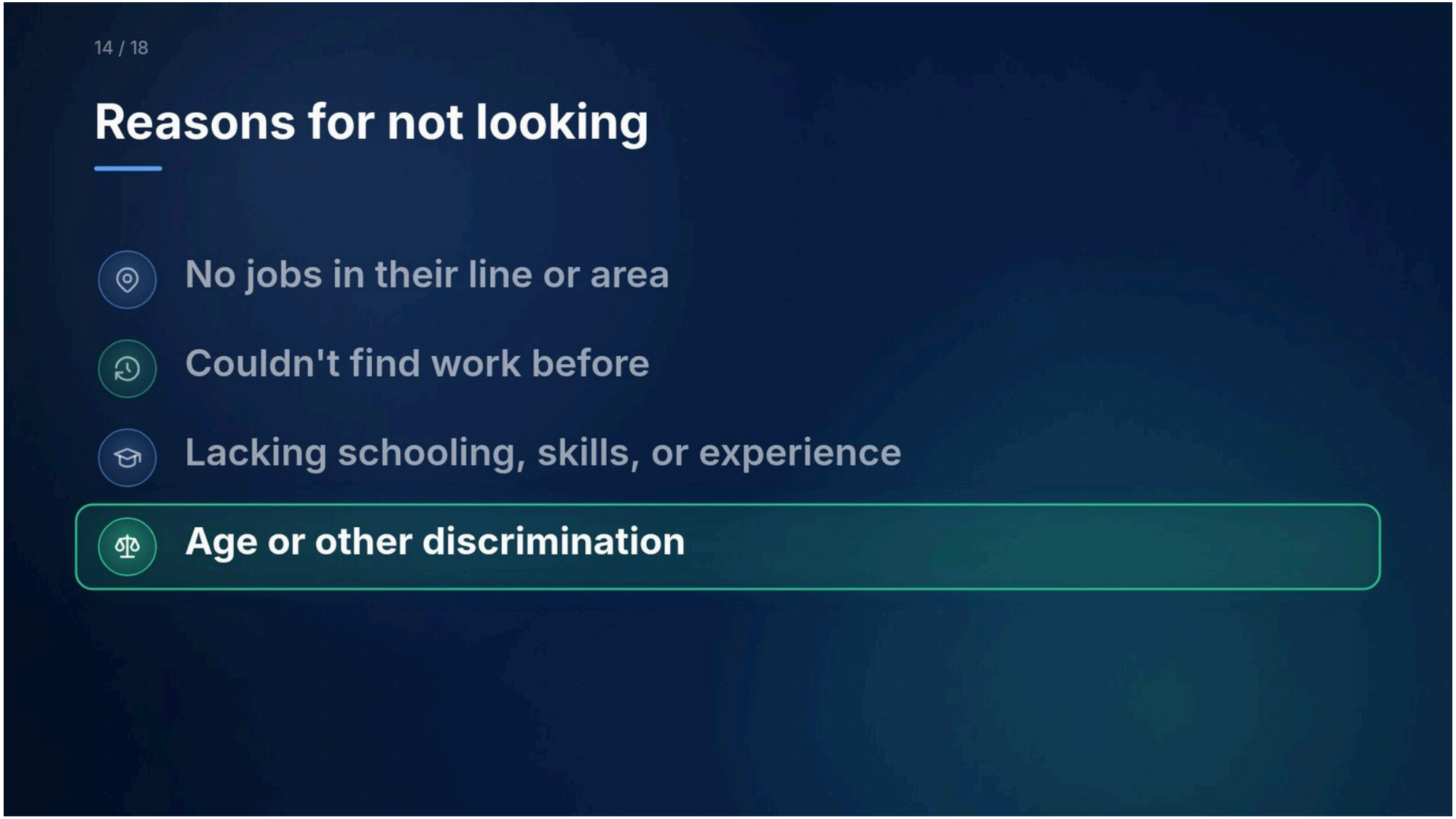
Not in labor force
School, retirement, family duties

Fewer than 1 in 10
say they want a job

Marginally attached
Want job, looked, available

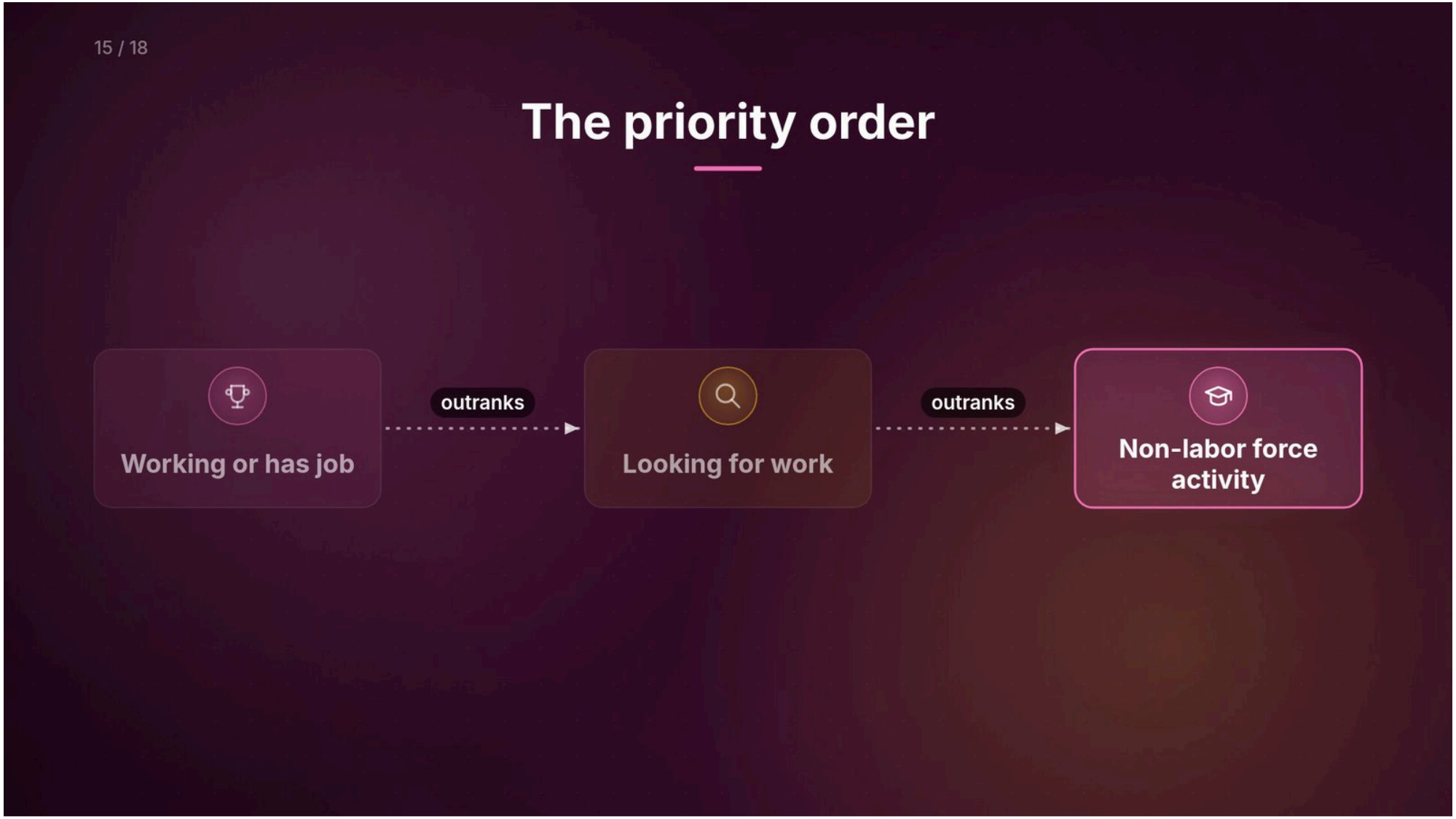
Discouraged workers
A subset of marginally attached

People with no job who aren't looking are not in the labor force, often because of school, retirement or family duties. Since the mid-1990s, fewer than one in ten have said they want a job. Those who want one, looked in the past 12 months, and are available are called marginally attached. Discouraged workers are a subset of them.



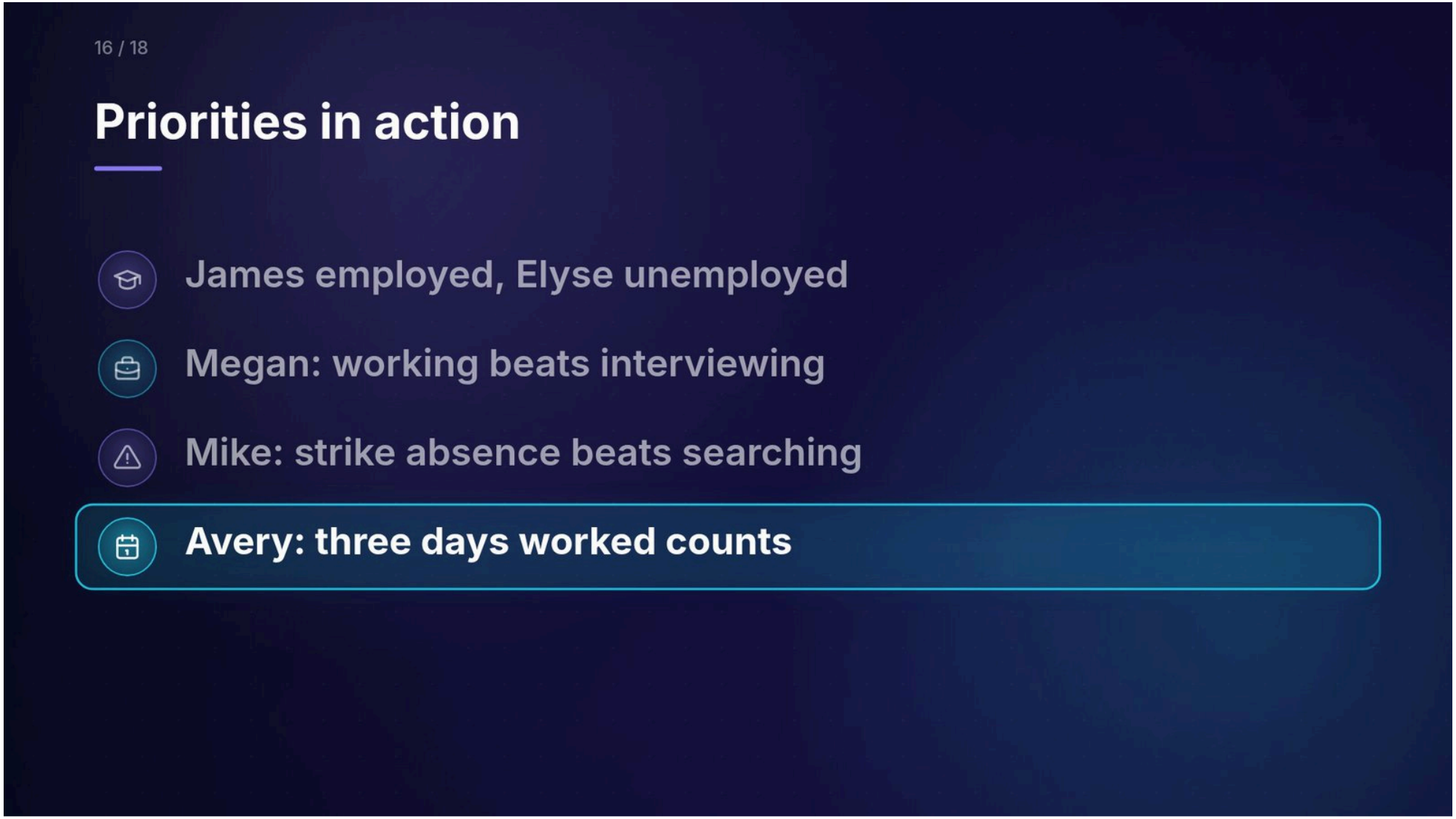
14 / 18 · Why workers get discouraged

Discouraged workers have stopped looking for specific reasons. They believe no job is available in their field or area, or they couldn't find work before. Others feel they lack the training or experience, or that employers see them as too young, too old, or face other discrimination.



15 / 18 · When activities overlap

Sometimes a person does several things in one week, but they can only be counted once. So there's a priority order. Working or having a job beats looking for work, and looking for work beats non-labor force activities like going to school.



16 / 18 · Overlap examples

James works after school, so he's employed; Elyse is job hunting, so she's unemployed. Megan interviewed for a better job on her lunch break, but she's employed. Mike was on strike while seeking temp work, still employed. Avery lost her job midweek but worked three days, so she's employed too.

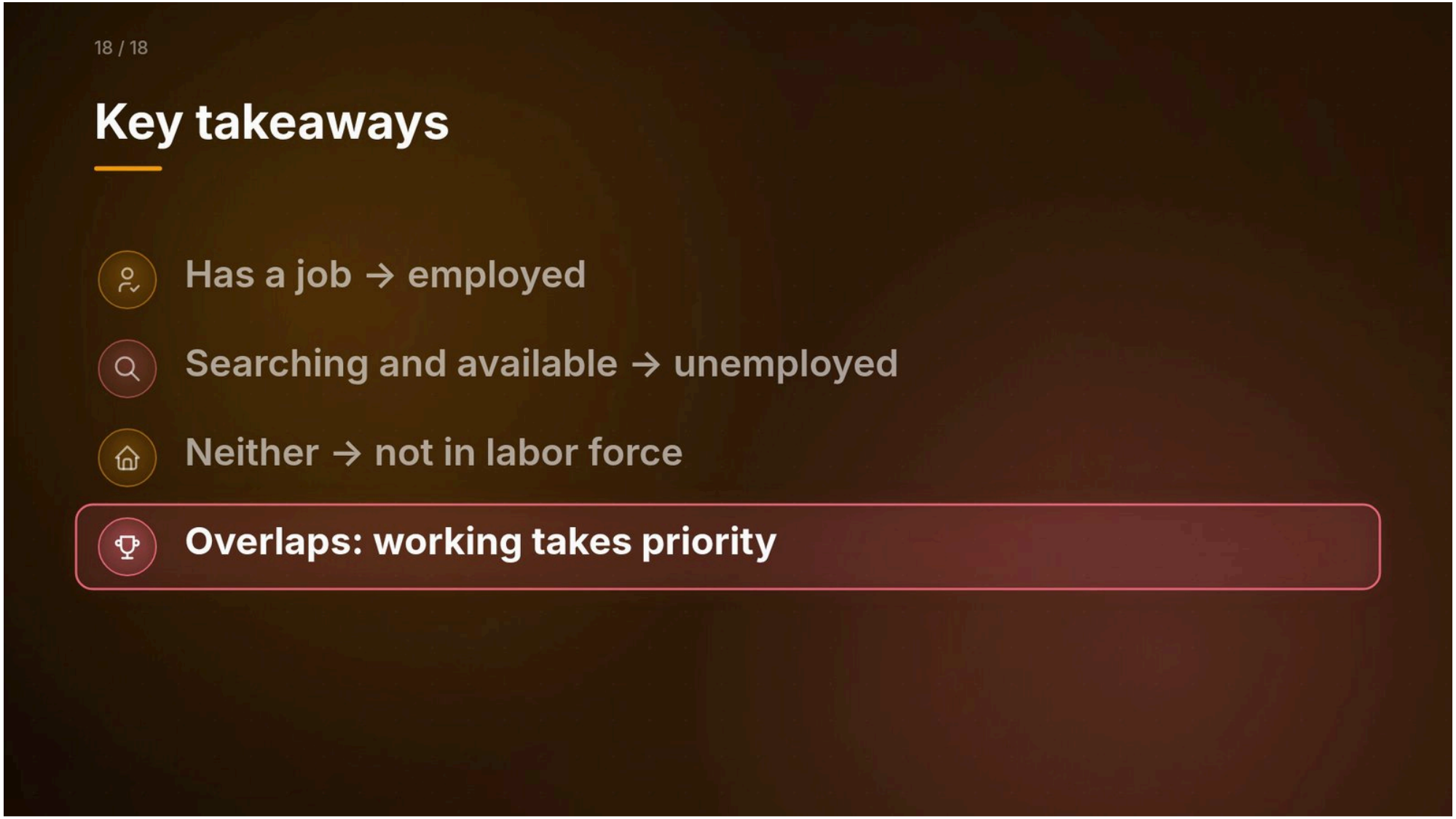
Statistics built from the groups





17 / 18 · The headline numbers

These groups feed the key statistics. The labor force is the employed plus the unemployed. The unemployment rate is the unemployed as a share of the labor force. The participation rate is the labor force as a share of the population 16 and over, and the employment-population ratio is the employed as a share of that population.



18 / 18 · Recap

So remember: people with jobs are employed, even if temporarily away. People without jobs who actively looked and can start are unemployed, plus those awaiting recall from layoff. Everyone else is not in the labor force. And when activities overlap, working comes first.