

## **Labor Force Concepts and Definitions**

The concepts and definitions underlying labor force data have been modified, but not substantially altered, since the inception of the survey in 1940; those in use as of January 1994 are as follows:

**Civilian noninstitutional population.** Included are persons 16 years of age and older residing in the 50 States and the District of Columbia who are not inmates of institutions (e.g., penal and mental facilities, homes for the aged), and who are not on active duty in the Armed Forces.

**Employed persons.** All persons who, during the reference week, (a) did any work at all (at least 1 hour) as paid employees, worked in their own business, profession, or on their own farm, or who worked 15 hours or more as unpaid workers in an enterprise operated by a member of the family, and (b) all those who were not working but who had jobs or businesses from which they were temporarily absent because of vacation, illness, bad weather, childcare problems, maternity or paternity leave, labor-management dispute, job training, or other family or personal reasons, whether or not they were paid for the time off or were seeking other jobs.

**Unemployed persons.** All persons who had no employment during the reference week, were available for work, except for temporary illness, and had made specific efforts to find employment some time during the 4-week-period ending with the reference week. Persons who were waiting to be recalled to a job from which they had been laid off need not have been looking for work to be classified as unemployed.

**Labor force.** This group comprises all persons classified as employed or unemployed in accordance with the criteria described above.

**Unemployment rate.** The unemployment rate represents the number unemployed as a percent of the labor force.

**Labor Force Participation rate.** This represents the proportion of the population that is in the labor force.

**Employment-population ratio.** This represents the proportion of the population that is employed.

**Not in the labor force.** Included in this group are all persons in the civilian noninstitutional population who are neither employed nor unemployed. Information is collected on their desire for and availability to take a job at the time of the CPS interview, job search activity in the prior year, and reason for not looking in the 4 week period prior to the survey week. This group includes discouraged workers, defined as persons not in the labor force who want and are available for a job and who

have looked for work sometime in the past 12 months (or since the end of their last job if they held one within the past 12 months), but are not currently looking, because they believe there are no jobs available or there are none for which they would qualify.