UNIVERSITY OF THE PEOPLE

BUS 1104-01 Macroeconomics- AY2024-T1

Learning Journal Unit 2

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Understanding the complexities of the working-age population is necessary to comprehend labor dynamics and its effects on the economy. The whole population of people between the ages of 16 and 65 who can work lawfully is referred to by this term. It only counts people of working age and makes no distinctions between those who are employed, those who are looking for employment, or those who are choosing not to work.

Employment, conversely, represents a contract between employers and employees. Employees commit to specific tasks in exchange for compensation like wages or salaries. Employers must honor agreed terms, provide resources, maintain safety, and fulfill financial obligations.

On the other side, unemployment denotes joblessness despite active job searching. The unemployment rate, a percentage determined by dividing the number of jobless by the total labor force, serves as a measure of it. Those without a job who are actively looking for one and are available for employment right away are considered unemployed.

The working-age population and the labor force differ. The former sets the age range for potential workers, but many within this group may not participate in the labor market for various reasons. The labor force participation rate measures the percentage of the working-age population either employed or actively job seeking, offering insights into labor market engagement.

In essence, the labor market depends on both employment and unemployment. These ideas are crucial to comprehending labor dynamics and economic health, from the working-age population defining the potential workforce through employment contracts and the economic ramifications of the unemployment rate.

Data provided.

Working age population = 235,900

Unemployment rate = 9.4%

Labor force participation rate = 65.5%

As we know, Greenlaw stated that "To determine the percentage in the labor force: First divide the number of people in the labor force by the working-age population. Then multiply by 100 to obtain the percentage." In addition, "To determine the percentage out of the labor force, divide the number of people out the labor force by working-age population. And multiply by 100 to obtain the percentage." Finally, "To determine the unemployment rate first, divide the number of unemployed people by the total labor force and Multiply by 100 to obtain the rate)." Greenlaw & Shapiro, 2011).

First, we need to calculate the labor force.

Labor Force Participation Rate = (Labor Force / Working Age Population) x 100

0.655= (Labor force / 235900) X 100

= Labor force = (0.655 X 235,900)

Labor force = 154,514.5

Labor force = 154,515 (Approximately)

Now, we need to find out about unemployment.

Unemployment Rate = (Unemployed Workers / Total Labor Force) x 100

9.4%= (Unemployment/ 154515) X 100

Unemployment = (0.094 X 154515)

= 14524.41

Unemployment = 14,524

And finally, we can easily calculate employment.

Total Labor Force = Employed + Unemployed Workers

Employed = Total Labor Force - Unemployed Workers

= (154515-14524)

Employment = 139,991

Reference:

Greenlaw, S., & Shapiro, D . (2017). Principals of macroeconomics 2e. Openstax. Licensed under CC-BY 4.0. https://openstax.org/details/books/principles-macroeconomics-2e

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