# Chapter 21 – Monitoring Jobs and Inflation

**Employment and Unemployment**

**Why Unemployment Is a Problem**

Unemployment results in

Lost incomes and production

Lost human capital

**Labour Force Survey**

A survey done by Statistics Canada in which it asks 54,000 households.

Population is divided into two categories:

1. The **working-age population -** the total number of people aged 15 years and over
2. People too young too work (under 15 years of age)

The working-age population is again divided into two separate groups

1. People in the labour force
2. People not in the labour force.

The **labour force** is the sum of the employed and unemployed people.

Employed: Temporary layoff with an expectation of recall, without work but has made specific efforts to find a job within previous weeks, has a new job to start within four weeks

**The Four Labour Market Indicators**

*The Unemployment Rate:* Percentage of labour force that is unemployed

*The Involuntary Part-Time Rate (IPTR):* Percentage of the labour force who work part-time but want full time jobs

*The Labour Force Participation Ratio:* Percentage of Working age population who are members of labour force

*The Employment-to-Population Ratio:* Percentage of working-age population who have jobs

**Other Definitions of Unemployment**

The purpose of unemployment rate is to measure the underutilization of labour resources

Imperfect official measure as it excludes:

1. *Discouraged Searchers:* A discourages searcher is a person who is currently neither working nor looking for work but has indicated that is available for a job and has stopped because of repeated failure.
2. *Long-term Future Starts:*  A person with a job to start ion more than four weeks is not counted as unemplyed
3. *Involuntary Part-timers:* Part-time workers looking for full-time jobs but can’t find them

**Unemployment and Full Employment**

**Price Level, Inflation, and Deflation**