

Definitions of Employed, Unemployed and Unemployment Rate

Employed = everyone currently working,
including part-time workers

Unemployed = people looking for work or
temporarily laid off from work

Unemployment rate = $\frac{\text{unemployed}}{\text{labor force}}$

Labor force = employed + unemployed

Labor force participation rate = $\frac{\text{labor force}}{\text{population aged 16 and older}}$