**Working with labor force statistics**

You are looking over data on the U.S. [labor force](http://www.bls.gov/cps/lfcharacteristics.htm#laborforce), [employment](http://www.bls.gov/cps/lfcharacteristics.htm#emp), [unemployment](http://www.bls.gov/cps/lfcharacteristics.htm#unemp), persons [not in the labor force](http://www.bls.gov/cps/lfcharacteristics.htm#nlf), and discouraged workers from the January 2012 Current Population Survey. You are particularly interested in the problem of discouraged workers. You make several quick calculations. First, you determine the official unemployment rate. Second, you determine the unemployment rate if all discouraged workers are considered to be part of the labor force (and thus, unemployed). Finally, you calculate what would happen to the official unemployment rate if 500 of the discouraged workers begin actively searching for work. When you write a report on labor market dynamics, which of the unemployment rate measures will you choose as a gauge of the state of the labor market in January 2012?

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|  | **January 2012**  (numbers in thousands) |
| Civilian noninstitutional population | 242,269 |
| Civilian labor force | 154,395 |
| Employed | 141,637 |
| Unemployed | 12,758 |
| Unemployment rate |  |
| Not in labor force | 87,874 |
| Discouraged workers | 1,059 |
| Unemployment rate including all discouraged workers |  |
| Official unemployment rate if 500 discouraged workers re-enter the labor force |  |