

## Where Unemployment Numbers Come From... and the Only Number You Need to Know

Written by Julie Desmond  
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According to a recent press release from the US Bureau of Labor Statistics, “Unemployment rates were lower in June than a year earlier in 185 of the 372 metropolitan areas, higher in 168 areas, and unchanged in 19 areas. In June, 226 metropolitan areas reported over-the-year decreases in nonfarm payroll employment, 135 reported increases, and 11 had no change.”

### What was that?

Americans toss around unemployment statistics like BP tosses oil. The numbers are splattered across newspapers, radios and conversations but most people are unsure about where they originate, or how today’s numbers will impact us long term. Hearing that unemployment is “highest since the depression” is depressing. Why look for a job if there aren’t any? And when the numbers change, and unemployment rates drop, then why is it still so hard to find a job? By learning about where those numbers originate, people can make better personal decisions about how to respond when they hear about them.

Very simply, the unemployment rate is published monthly and gives a broad view of how business is going locally and nationally. If companies are hiring, then business is good, and if not, then the economy is suffering.

The numbers come from a monthly survey of a cross-section of the US population, called the Current Population Survey. Census Bureau workers interview about 60,000 households every month, asking for information on the work-related activities of anyone over 15 in that household.

People are classified as employed if they currently have a paid position or are unpaid but working for a family member. Unemployed means someone doesn’t have a job, has looked for work in the prior 4 weeks, and is available for work if they find it. Everyone else is, generally, considered not in the labor force. This last number includes discouraged workers: people who have stopped looking for work because they don’t believe there is work available to them.

The problem with the numbers is they are not completely reflective of any one person’s unique employment situation. And this is where that all-important other number comes in: One. You only need one job. Across America, unemployment is skyrocketing. However, if your neighbor is looking for someone he trusts to assist in his repair shop or restaurant, then unemployment remains high, but you are 100 percent working.

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The Employment Situation for June is scheduled to be released on August 6, 2010, at 8:30 am Eastern Time. If you are not working, you are already acutely aware of your personal employment situation. Understanding where employment statistics come from can help job seekers put the numbers into perspective, reminding us that the only number anyone really needs to know is: One.

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