

What is the unemployment rate? How is it calculated? How does it differ from the broadly defined unemployment rate?

1. The so-called "unemployment rate" refers to the unemployed as a proportion of the labor force, and is calculated using the following method:

$$\text{Unemployment rate (\%)} = \frac{\text{unemployed}}{\text{labor force}} * 100 = \frac{\text{unemployed}}{(\text{unemployed} + \text{employed})} * 100$$

2. In comparison with the unemployment rate, the "broadly defined unemployment rate" includes " persons who want to work but not looking for a job, and who can begin to work at any time" in the non-labor force, and is therefore:

Broadly defined unemployment rate (%) =

$$\frac{(\text{the unemployed} + \text{persons who want to work but not looking for a job, and who can begin to work at any time})}{(\text{labor force} + \text{persons who want to work but not looking for a job, and who can begin to work at any time})} * 100$$