

What is the labor participation rate? How is it calculated?

The labor participation rate refers to the labor force as a proportion of the civilian population age 15 and above, and is also the percentage of the civilian population age 15 and above participating in labor. Because the labor force includes both employed and unemployed persons, any increases or decreases in the number of employed or unemployed persons will affect the labor participation rate. The labor participation rate is calculated using the following method:

$$\text{Labor participation rate (\%)} = \frac{\text{labor force}}{\text{civilian population age 15 and above}} * 100$$