



### **Activity 1: Calculating the Unemployment Rate**

The unemployment rate is calculated using the following formula:

$$\frac{\text{Number of unemployed}}{\text{Labor force}} \times 100 = \text{unemployment rate}$$

**Unemployed:** people without jobs who are actively seeking work.

**Labor force:** people who are aged 16 or over and are employed or actively looking for work. In short, the labor force = employed + unemployed.

The number is multiplied by 100 so we can discuss the rate as a percentage.

### **Application**

Calculate the unemployment rate given the following information:

- The total population is 2000
- Number of people employed: 900
- Number of people unemployed: 100

Answer: