

## Factsheet #2 - The Labour Market Defined



### WHAT DO WE MEAN BY LABOUR MARKET?

Simply put, the labour market is the interaction between the supply (number of persons available for work) and the demand (number of jobs available).

### THE LABOUR MARKET

#### DEMAND

The number of jobs available in industries/companies

We can look at the DEMAND in different ways, for example:



By region



By industry



By occupation



#### SUPPLY

The number of people who can work, who are working or seeking work

We can look at the SUPPLY in different ways, for example:



Age



Sex



Education /  
Training



Region

## SOME COMMON LABOUR MARKET DEFINITIONS AND CALCULATIONS:

### Working-age Population (15+) (POP)

*People 15 years of age and older*

=

### Labour Force (LF)

*People 15 years of age and over who, are either employed or unemployed*

+

### Not in the Labour Force (NILF)

*People who are 15 years or over who are neither employed nor unemployed, and or not looking for a job (ex: retired, "stay-at-home" moms and dads)*

### Labour Force (LF)

*People 15 years of age and over who, are either employed or unemployed*

=

### Employed (E)

*People who work for pay or profit*

+

### Unemployed (U)

*People who are without employment but are actively seeking employment*

### Labour Force Participation Rate (LFPR)

- the total labour force expressed as a percentage of the population 15 years of age and over

$$\text{LF} \div \text{POP} \times 100 = \text{LFPR}$$

### Unemployment Rate (UR)

- the total number of unemployed expressed as a percentage of the labour force

$$\text{U} \div \text{LF} \times 100 = \text{UR}$$

### Employment Rate (ER)

- the total number of employed expressed as a percentage of the working age population

$$\text{E} \div \text{POP} \times 100 = \text{ER}$$

Source: Guide To Using Labour Market Information In Ontario, Ministry of Training, Colleges and Universities – 2005