Additional LMI Resources

Useful Definitions

WHY DEFINITIONS ARE IMPORTANT

Definitions are beneficial because they help ensure two or more people discussing a labour market indicator are talking about the same thing. Having consistent definitions, for instance, offers a means of reducing confusion when different people compare their results (since people need to be measuring the same thing to make their results truly comparable). This is why many researchers strive to use consistent, or *standardized*, definitions when analyzing labour market indicators. **Note:** Although many data sources use well-established definitions for labour market indicators such as employment and unemployment, not all of them necessarily do; for this reason you should try to familiarize yourself with the specific definitions a source is using in a data set, particularly if the source is giving very different results for an indicator than your other sources.

COMMON LMI DEFINITIONS

- **Administrative Data -** Administrative data are information collected by governments or private sector organizations as part of their ongoing operations. Examples include records of births and deaths, taxation records, records about the flow of goods and people across borders, and data collected by satellites. Administrative data are especially helpful to obtain data pertaining to populations or topics that may be difficult or costly to obtain by survey.

- **Core Working Age Population –** Refers to a subset of the overall working age population. The Labour Force Survey defines this group as those between the ages of 25 to 54 years.

- **Employment –** Generally refers to individuals who are actively engaged in work, either for an employer or on a personal level. The Labour Force Survey defines employed persons as those in the civilian population who do any work for pay or profit, or have a job but are absent for some reason (e.g., illness, vacation, labour dispute, etc.). It also includes employees and self-employed people as well as unpaid family members working at a family business.

- **Historical Analysis –** Refers to an examination of indicators over a longer time period than one month or year. The more months or years included, the better able the historical analysis is to account for fluctuations over time (e.g., seasonal shifts in employment, changes due to major project activity and economic development, economic downturns, etc.).

- **Labour Force –** Refers to those who are actively participating or seeking participation in the labour market. The Labour Force Survey defines the labour force as everyone in the civilian non-institutional population 15 years of age and over who is willing, seeking and able to work. Essentially, it includes anyone who is employed or unemployed and actively seeking a job.

- **Older Workers –** This refers to workers (or potential workers) in the older age demographics. The Labour Force Survey defines this group as those workers who are 55 years of age or older.

- **Rates –** Rates are calculations used so that labour market indicators can be compared across different groups and geographies (since different groups will have vastly different levels of, for example, employment). The most common rates used for the labour market are: the participation rate (the percentage of the population in the labour force), the employment rate (the percentage of the population who are employed) and the unemployment rate (the percentage of the labour force who are unemployed).

- **Sample –** A sample is a subset of an entire population of individuals which is carefully chosen to participate in a survey. The aim of sampling is to capture enough individuals in the sample that their results can be considered representative of the population from which they are drawn. For example, Statistics Canada's Labour Force Survey surveys about 2,000 households in its Newfoundland and Labrador sample. Because not all individuals are captured as part of the survey, all surveys have a degree of survey error which makes them less reliable than administrative data or a full census. The advantage of a survey is that it tends to be cheaper and easier to collect, so the goal is to create survey samples which minimize the degree of survey error.

- **Seasonally Adjusted Data –** Seasonal shifts throughout the year can have impacts on labour market conditions (e.g., employment shifts due to climate, holidays, vacation periods, crop cycles, as well as production and retail sales associated with Christmas and Easter). Seasonally adjusted data refers to data in which these seasonal movements have been eliminated mathematically, making labour market data more comparable from month to month. The Labour Force Survey is an example of a data source that includes seasonally adjusted data. The monthly public news release for the LFS is based on this form of data.

- **Unadjusted Data –** This refers to raw data collected from a data source such as a survey, to which no adjustments, such as those for seasonality, have been applied.

- **Unemployment –** This generally consists of those individuals who are looking for work but currently do not have a job. The Labour Force Survey further defines this group as civilian non-institutional persons who are without work <u>and</u> are available to work. Generally, the person must also be actively searching for work to be considered unemployed. **Note:** the Labour Force Survey does allow some exceptions to this rule, such as persons on temporary layoff with an expectation of recall and persons waiting to start a new job. These two groups would not be actively searching for a job but would nevertheless be counted as unemployed under the Labour Force Survey.

- **Working Age Population –** Refers to the entire range of age demographics who are potentially able to work. In the case of the Labour Force Survey, this is considered to be the population 15 years or older; the group most likely to be in the labour market or seeking attachment to it.

- **Youth –** Refers to those who are in the younger age demographics. The actual definition of youth depends not only on the data source used but also the type of indicator being examined. As an example, youth in a population projection could include everyone from one year of age to mid-twenties or even older. In contrast, the Labour Force Survey defines youth as those in the younger range of the working age population, 15 to 24 years of age.

RELATED LINKS

- **Labour Market Information website (Government of Newfoundland and Labrador) –** https://www.gov.nl.ca/labourmarketinformation/

- **Workforce Development Secretariat - Department of Immigration, Population Growth and Skills –** https://www.gov.nl.ca/ipgs/department/branches/workforce/workforce-development/

- **Glossary of terms (Department of Finance) –** https://www.gov.nl.ca/fin/economics/mnglossary/