



Cayman Islands Legislative Assembly

Parliamentary Question

May 2015

Date for Answer _____
(For Official Use Only)

Name Mr. Ezzard Miller, MLA
(Member of the Legislative Assembly)

Constituency North Side

To Ask Honourable Tara Rivers, JP, MLA
(Elected Member)

Minister of Education, Employment and Gender Affairs
(Responsible for)

Questions

(Questions being answered are to be typewritten and submitted to the Clerk)

Can the Honourable Minister say what formula is used by the Government to calculate unemployment percentages?

Chief Officer/ EE&GA
Head of Department

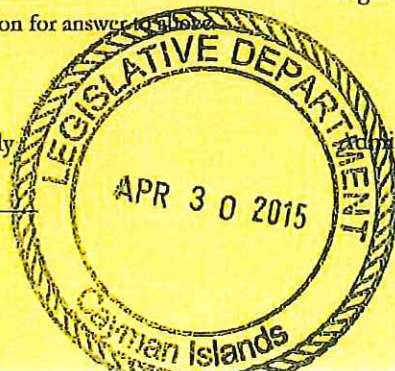
Mr. Ezzard Miller, MLA

Signed: _____
(M.L.A.)

Please assist by supplying information for answer to above

Clerk of the Legislative Assembly

Date: _____



if possible

**PARLIAMENTARY QUESTION ASKED BY
THE ELECTED MEMBER FOR THE ELECTORAL
DISTRICT OF NORTH SIDE
TO
THE HONOURABLE MINISTER FOR
EDUCATION, EMPLOYMENT AND GENDER AFFAIRS**

QUESTION:

Can the Honourable Minister say what formula is used by the Government to calculate unemployment percentages?

ANSWER:

The unemployment rate is calculated using data gathered from the Labour Force Survey (LFS). The LFS captures labour market information for a specified period: this period is termed the reference week. In the most recent finalised LFS, the reference week was the week ended 4th October 2014. The information gathered during the survey pertains to all persons within the sample who are of working age - that is, persons who are 15 years and older.

The survey had a sample of 1,416 household addresses, and had a margin of error of ± 2.5 percent.

To fully understand how the unemployment rate is calculated, it is important to define the components of the formula, which are:

- (a) the number of persons in the Labour Force; and
- (b) the number of persons classified as unemployed.

The definition of these components - which are in accordance with the International Labour Organisation and the LFS manual - are as follows:

The Labour Force, otherwise referred to as the 'current economically active population,' is comprised of persons of working age (i.e. 15 years and older) and who worked (**the employed**), as well as those who at the time of the LFS, did not have a job, but were available and looking for work (**the unemployed**).

The employed consists of those persons in the labour force who worked for pay, profit or family gain for at least one hour during the reference week. Persons who, for whatever reason or the other, did not work during the

reference week, but had a job are also categorised as members of the employed labour force. Such persons are temporarily absent from work.

Based on the International Labour Organisation guidelines, a person of working age is deemed to be **unemployed** if the person is without a job, but was available for work and has been seeking employment during the reference week. Steps taken to find employment during the reference week may include registration at a public or private employment agency; application to employers; checking at worksites or farms; placing or answering newspaper advertisements.

Given the components defined above, the **Unemployment Rate** can be expressed by the following formula:

$$\text{Unemployment Rate} = \frac{\text{Number of Persons Unemployed}}{\text{Number of Persons in the Labour Force}} \times 100$$

Thank you Madam Speaker.