Name:

Date:

School:

Facilitator:

5.02 Unemployment

Total Points: 52

# Part 1: Overview

**Answer the following questions.**

1. Define unemployment.

1. What is the definition for frictional unemployment

1. What is the definition for structural unemployment?

1. What tends to cause structural unemployment?

1. What is cyclical unemployment?

1. During the expansionary phase of the business cycle, cyclical unemployment tends to be      . During the contractionary phase of the business cycle, cyclical unemployment tends to be      .
2. Full employment is considered to be between      % unemployment.
3. What types of unemployment will always be prevalent in the economy?
	1.
	2.
4. What type of unemployment can be zero during a growth period for the economy?

1. What is the definition of a discouraged worker?

1. Is a discouraged worker considered to be unemployed?

1. Go to the Bureau of Labor Statistics website (http://www.bls.gov/) and determine the current unemployment rate.

1. What was the highest unemployment rate during the Great Depression?

1. Use the following chart to determine the unemployment rate.

|  | **Employed** | **Unemployed** | **Unemployment Rate** |
| --- | --- | --- | --- |
| **2001** | 25 | 4 |       |
| **2002** | 27 | 5 |       |

1. Why is unemployment a closely watched figure by the government?

1. Briefly explain the connection between a person’s level of education and his or her potential for employability and earnings.

# Part 2: Types

**Determine the category of unemployment for each person.**

1. Frictional Unemployment
2. Structural Unemployment
3. Seasonal Unemployment
4. Cyclical Unemployment
5. Not in the labor force and not unemployed
6. The snow has thawed and Adam has lost his job at the Vail Ski Resort Company.

1. After many years of teaching, Bernice has retired.

1. Shakira, a skilled glass blower, became unemployed when a new machine does her job faster.

1. Devon and Justin lost their jobs at the sock factory in Ft. Payne, Alabama, because the business was outsourced to Mexico.

1. Jake, a computer programmer, is laid off work for lack of business orders.

1. Virginia, a literary editor, leaves her job in New York to look for a new job in San Francisco.

1. Twinkle the elf lost his job in January.

1. Charlie is a full time student at State University majoring in engineering.

1. Mitch is leaving his part time job to seek a job that offers full time employment.

1. Workers at GM and Ford plants are losing their jobs due to slow c**ar sales.**