**Unemployment**

Homework DUE Friday, 11/14

Read chapter 7

Problems 7-2, 7-4, 7-8

Define Key Terms below:

Unemployment

List the different segments of the labor force and define each

1

2

3

Labor force participation rate (calculation)

Unemployment rate (calculation)

Types of unemployment (4)

1

2

3

4

Full employment

Natural rate of unemployment

1. What are the causes of unemployment at full employment currently?
2. What is a job search defined as?
3. What is the equilibrium of labor? (supply and demand…)
4. Determine labor market status for each of the following:
   1. Ernie is an 18 year old college student
   2. Bert works 20 hours a week at Target and is looking for a full-time job
   3. Elmo was laid off from his job selling VHS tapes and is actively seeking a new job in acting.
   4. Zoe quit her job as an attorney 6 months ago, but, unable to find a comparable job, has stopped actively looking.
5. Assume the US population is 300M, The working age population is 240M. 150M are employed. 6M are unemployed. What is the labor force?
6. To be counted as employed by the BLS, in the week before the survey a person much have work how many hours for pay?
7. Daisy is available and willing to be work in the past 6 mo. Daisy is \_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the labor force and is \_\_\_\_\_\_\_\_\_\_\_\_\_.
   1. Part; counted as unemployed
   2. Part; not counted as unemployed
   3. Not part; not counted as unemployed
   4. Not part; counted as unemployed
8. How does a marginally attached worker relate to a discouraged worker? Why is a discouraged worker not counted as part of the labor force?
9. Classify each by employment status:
   1. Sam lost his job when foreign competition forced his company into bankruptcy
   2. Andrew didn’t like his boss so he quit his job.
   3. Declan just graduated from Harvard.
   4. Jane was fired from her job when her company downsized
   5. Emily was laid off at her job at Walmart because people like Target better.
   6. Buddy sells Christmas trees.
10. Define “reentrants” ?
11. On Happy Island in 2013, the labor force was 12,000, the unemployment rate was 10% and the labor force participation rate is 60%. Happy Island’s labor force survey reports the following labor market flows during 2013:

|  |  |
| --- | --- |
| Hires and recalls | 1350 |
| Job Losers | 550 |
| Job Leavers | 300 |
| Entrants | 200 |
| Reentrents | 500 |
| Withdrawals | 350 |

The working population increased during 2013 by 1000. Calculate the working-age population, the unemployment rate and the labor force participation rate at the end of 2013.