

Unemployment

Frictional unemployment

Individuals who are _____ area temporarily without a job. Also called search unemployment, frictionally unemployed workers are “_____” jobs or “searching” for their _____ jobs.

This type of unemployment is somewhat desirable in an economy because it reflects the _____ of workers to change jobs to improve their job status.

Frictional unemployment is also _____. There will _____ be people _____ or changing jobs.

Seasonal Unemployment

_____ unemployment is a type of _____ that occurs due to seasonal changes.

Migrant farm workers, construction workers, and _____ are workers who are often seasonally unemployed.

These individuals’ skills are marketable (**in demand**) only during certain times of year.

Structural Unemployment

_____ unemployment occurs as a result of changes in particular industries or sectors of the economy.

A _____ for a particular product may cause lay-offs.

Structural change may also occur as a result of _____ competition in an industry.

The American automotive industry and steel industry have suffered losses in recent decades due to successful _____

Workers may lose their jobs due to _____ such as being replaced by computers or a robot.

This type of structural unemployment is sometimes called _____

Technological Changes in Unemployment

Technological change has also rendered certain products obsolete such as slide rules being replaced by _____

To obtain marketable skills needed in the new jobs, these workers needed _____

They might also have to relocate to a different geographic area, such as moving from the rust belt (northeast/midwest) to the Sun Belt (southwest/west).

Structural Unemployment

Structural unemployment may entail long term hardships for the _____ involved
i.e. when a large number of workers in an industry lose their jobs it may impossible to find jobs in the same industry.

Structural change is inevitable in a dynamic and _____ economy.
Unfortunately, structural unemployment entails _____ and _____ (stress) to the worker involved.

Cyclical Unemployment

Cyclical unemployment is associated with _____ in the business cycle. During these recessions, unemployment may be _____ in duration.

Unfortunately, this type of unemployment indicates a labor market out of balance: the number of job seekers is _____ than the number of jobs available.

Cyclical unemployment entails _____.

Full employment

Full employment in the U.S. economy does not mean that _____ of the labor force is employed.

At any point in time, some individuals are in-between jobs (_____), just entering the labor force (_____), or forced out of a job due to technological or other change (_____) in the industry.

Because these changes are inevitable in a free economy and to some degree desirable, a
_____.

Recession and Depression

A decline in real GDP (Gross Domestic Product) for two or more consecutive quarters—so about _____ or more.

A _____ is a prolonged and severe recession

Ex. _____ – most severe _____ in U.S. History

In both of these _____!

Inflation

In economics, _____ is a rise in the general level of prices of goods and services over a period of time.

When the general price level rises, each unit of _____ buys fewer goods and services.

Consequently, inflation also reflects erosion in the _____ of money.