

Ch 21: unemployment | practice questions

1. adult population: 237.8 M } ^{in labor force}
 } ^{not in labor force}
 labor force: 153.9 M } employed + unemployed
 employed: 139.1 M

(a) not in labor force: 83.9 M

(b) employed (%) = 58.49%

(c) unemployed (%) = 6.22%

(d) not in labor force (%) = 35.28%

not in LF = population - labor force

$$= 237,800,000 - 153,900,000$$

$$= 83,900,000$$

$$\text{not in LF} = 83.9 \text{ M}$$

$$\text{employed} = \frac{139.1}{237.8}$$

$$= 0.5849$$

$$\text{employed} = 58.49\%$$

unemployed = labor force - employed

$$= 153.9 \text{ M} - 139.1 \text{ M}$$

$$\text{unemployed (\#)} = 14,800,000$$

$$\text{unemployed (\%)} = \frac{14.8}{237.8}$$

$$= 0.06223$$

$$\text{unemployed} = 6.22\%$$

① not in labor force = working age - total labor force

$$= 237.8 \text{ M} - 153.9 \text{ M}$$

$$= 83,900,000$$

not in labor force = 83.9 M

$$\text{② not in labor force (\%)} = \frac{83.9}{237.8}$$

$$= 35.28$$

$$\text{not in labor force (\%)} = 35.28\%$$

2.

(a) 2010 unemployment rate: 9.61%

(b) 2015 UR: 5.3%

3. U.S. unemployment rate: relatively stable (2026)

↳ firms are not hiring or firing

4. higher unemployment

(a) non-white

(b) younger

(c) less education / high school

5. Increase labor force participation

(a) wage rate: ~~drop~~ increase

(b) employment: increase

(c) unemployment: decreased

} over time

6. increase labor force participation

(a) ~~cyclical unemployment~~ natural rate of employment

(b) ~~during a recession~~ not because of a recession

7. college students

(a) frictional unemployment: temporary unemployment

#45. country

↳ population: 8 M
unemployed: 500,000
out of labor force: rest of adult population: 31.25%

(a) unemployment: 9.09%

(b) share of population is in labor force: 68.75%

(c) pie chart

$$\text{unemployed (\%)} = \frac{\text{unemployed}}{\text{labor force}} \times 100$$

empl + unemp

$$= \frac{500,000}{5,500,000}$$

$$= .09090$$

$$\text{unemployed} = 9.09\%$$

(a) employed (#) = labor force - unemployed

$$= 5,500,000 - 500,000$$

$$\# = 5,000,000$$

(b) labor force participation (%) = $\frac{\text{employed} + \text{unemployed}}{\text{working age population}} \times 100$

$$= \frac{(5,000,000 + 500,000)}{8,000,000}$$

$$= .6875 \times 100$$

$$\text{LFP} = 68.75\%$$

pie chart

