

EMPLOYMENT AND UNEMPLOYMENT

- **WHAT IS EMPLOYMENT?**
- **EMPLOYMENT OCCURS WHEN PEOPLE HAVE JOBS.**
- **WHAT IS UNEMPLOYMENT?**
- **UNEMPLOYMENT OCCURS WHEN PEOPLE WISH TO WORK BUT CANNOT FIND JOBS.**

- **THE ADULT POPULATION OF WORKING AGE CAN BE DIVIDED INTO THREE GROUPS:**
- **THOSE WHO ARE "NOT IN THE LABOR FORCE":
THOSE ADULTS WHO DO NOT HAVE JOBS AND
ARE NOT SEEKING JOBS.**
- **THOSE WHO ARE IN THE LABOR FORCE ARE THEN
SPLIT INTO TWO GROUPS:**
 - **THOSE WHO ARE EMPLOYED**
 - **THOSE WHO DON'T HAVE JOBS BUT ARE LOOKING
FOR THEM**

INFORMATION REPORTED BY THE MEDIA ON UNEMPLOYMENT IS NOT AS STRAIGHTFORWARD AS IT MIGHT APPEAR. 1) WORKERS WHO ARE WITHOUT JOBS BUT HAVE STOPPED LOOKING FOR WORK (DISCOURAGED WORKERS) ARE NOT COUNTED AS UNEMPLOYED 2) PART-TIME WORKERS ARE COUNTED AS EMPLOYED, NOT UNEMPLOYED 3) UNEMPLOYED WORKERS WHO ARE LOOKING FOR ONLY PART-TIME JOBS ARE COUNTED AS UNEMPLOYED IN THE SAME WAY AS THOSE SEEKING FULL-TIME WORK.

FRICTIONAL UNEMPLOYMENT

- REFERS TO INDIVIDUALS WHO ARE TEMPORARILY BETWEEN JOBS
 - EXAMPLES: QUITTING ONE JOB TO LOOK FOR ANOTHER, JOB HUNTING AFTER GRADUATING FROM COLLEGE

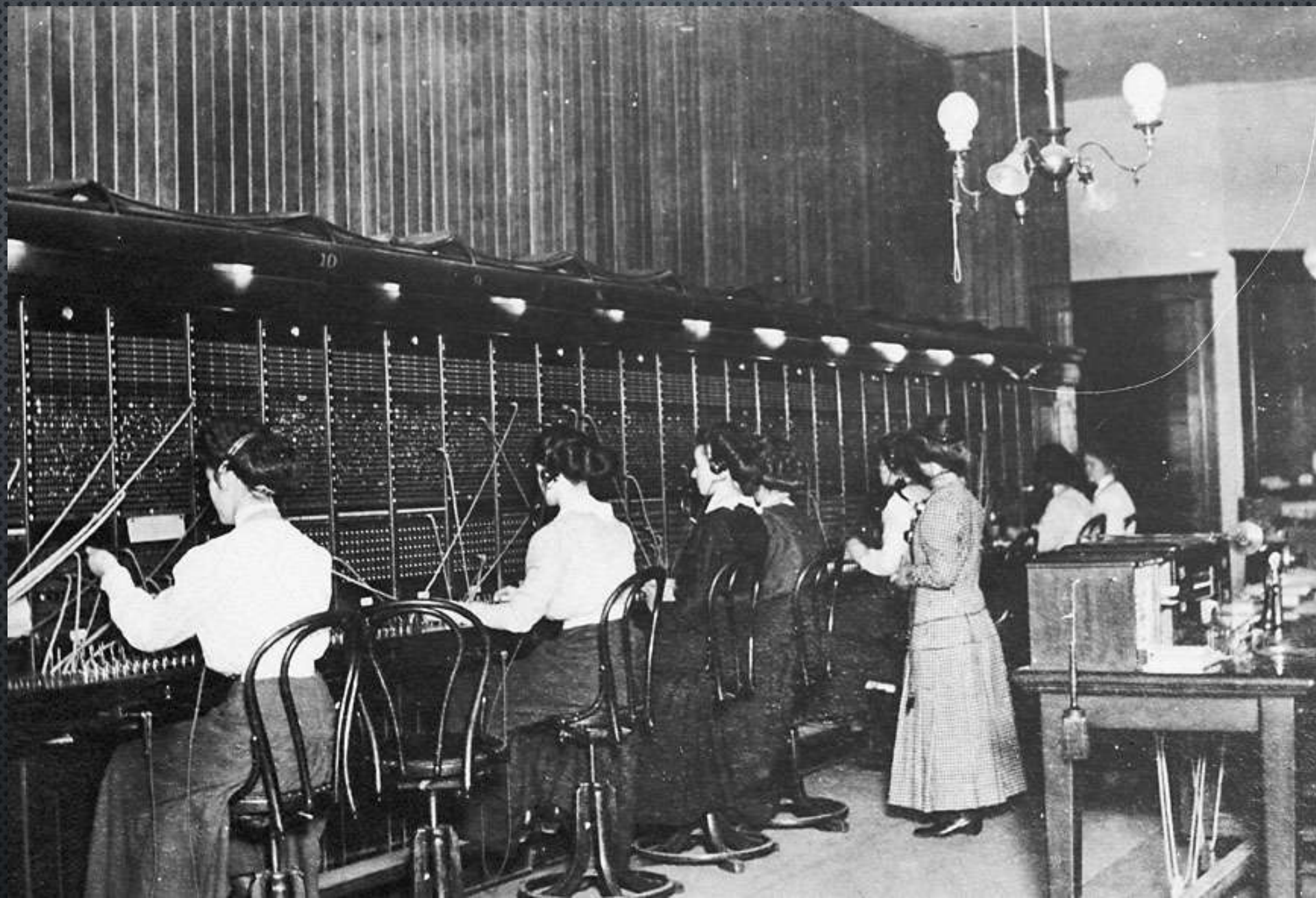


CYCLICAL UNEMPLOYMENT

- REFERS TO INDIVIDUALS WHO AREN'T WORKING BECAUSE BUSINESSES DON'T NEED THEIR LABOR DUE TO A DOWNTURN IN THE ECONOMY
 - EXAMPLE: A WORKER LAID OFF DURING A RECESSION, HOPES TO BE REHIRED WHEN THE ECONOMY IMPROVES

STRUCTURAL UNEMPLOYMENT

- REFERS TO WORKERS WHOSE SKILLS ARE NOT DEMANDED BY EMPLOYERS DUE TO A LACK OF SKILLS TO OBTAIN EMPLOYMENT OR THEIR SKILLS HAVE BEEN REPLACED BY ADVANCEMENTS IN TECHNOLOGY
 - EXAMPLES: A HIGH SCHOOL GRADUATE LACKS THE NECESSARY SKILLS FOR A PARTICULAR POSITION, AN ATM MAKES A BANK TELLER'S JOB OBSOLETE



SEASONAL UNEMPLOYMENT

- REFERS TO INDIVIDUALS WHO WORK DURING A PARTICULAR SEASON OF THE YEAR AND ARE OUT OF WORK WHEN THE SEASON ENDS
 - EXAMPLES: RETAIL WORK DURING THE HOLIDAY SEASON, LIFEGUARDS/CAMP COUNSELORS WORKING DURING THE SUMMER





Farming



Tourism



Retailing



Hospitality

UNEMPLOYMENT RATE:

- THE NUMBER OF
UNEMPLOYED PEOPLE
DIVIDED BY THE NUMBER OF
PEOPLE IN THE LABOR
FORCE

THE BUSINESS CYCLE

- EVEN ECONOMIES WHICH, ON AVERAGE, GROW OVER TIME SOMETIMES EXPERIENCE PERIODS OF RECESSION.
- WHAT IS A RECESSION?
 - A SIGNIFICANT DECLINE IN AGGREGATE ECONOMIC ACTIVITY, LASTING MORE THAN A FEW MONTHS.
- A POPULAR DEFINITION OF A RECESSION IS TWO CONSECUTIVE QUARTERS OF NEGATIVE GDP GROWTH, BUT THIS DEFINITION HAS NO OFFICIAL STATUS.

- **HOW ARE RECESSIONS MEASURED?**
- **WITH STATISTICS LIKE...**
 - **REDUCED GDP**
 - **HIGHER UNEMPLOYMENT**
 - **DECLINE IN INDUSTRIAL PRODUCTION**
 - **LOWER SALES**

RECESSION OF 2007-2009

- DECEMBER 2007-JUNE 2009

- GDP:

 - DECREASED THROUGHOUT 2008 AND HALF OF 2009

- UNEMPLOYMENT:

 - DECEMBER 2007: 5.0%

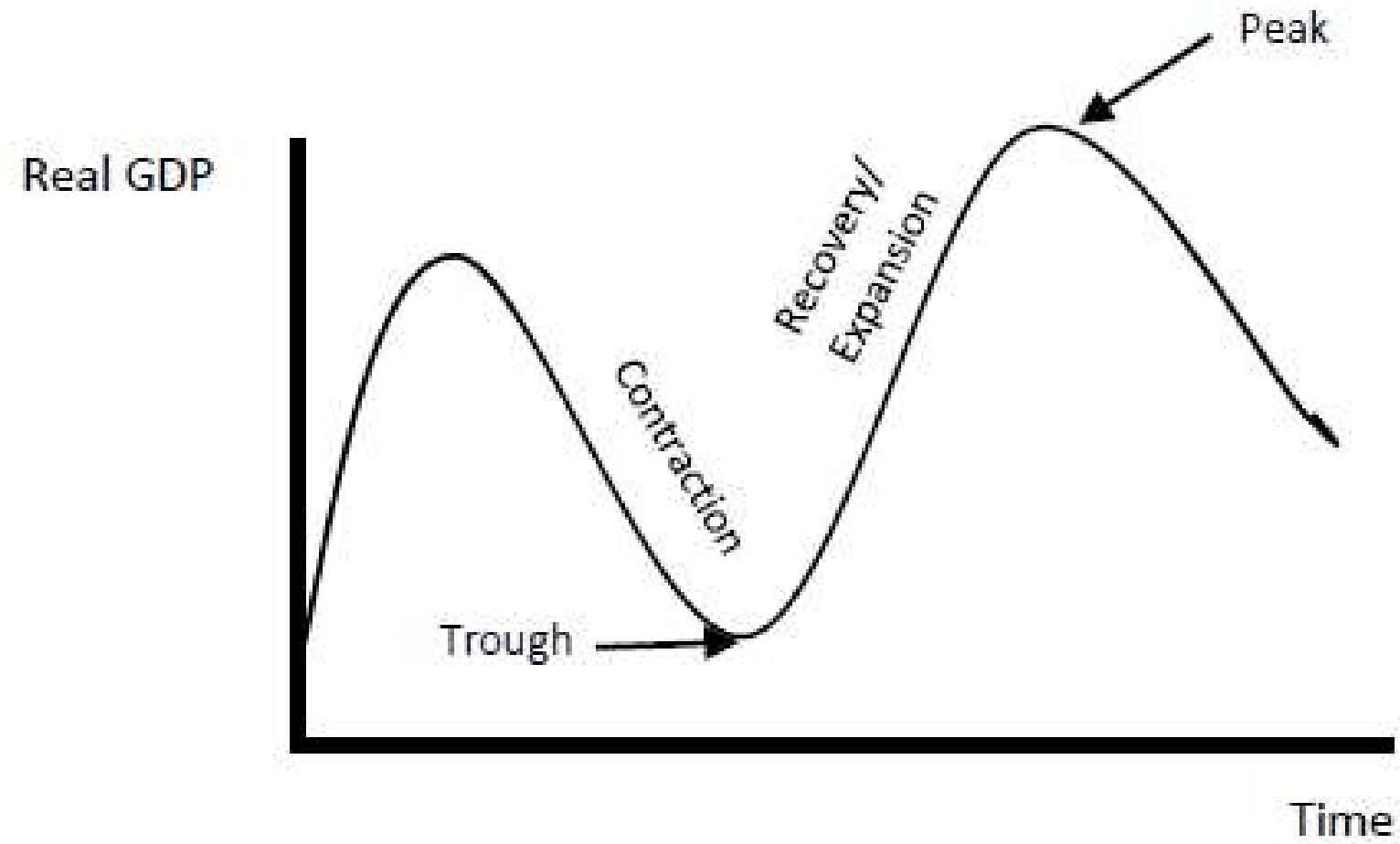
 - JUNE 2009: 9.5%

 - FEBRUARY 2018: 4.1%

- MAJOR DECREASE IN ALL CONSUMER SPENDING (EXCEPT HEALTHCARE)

- **WHAT IS THE BUSINESS CYCLE?**
 - **THE PATTERN IN WHICH ECONOMIES HAVE PERIODS OF RECESSION AND THEN ALSO PERIODS OF ECONOMIC EXPANSION OR RECOVERY.**
- **HOW LONG IS A BUSINESS CYCLE?**
 - **THERE ARE A VARIETY OF LENGTHS.**

- **A PEAK IS THE TIME IN THE BUSINESS CYCLE JUST BEFORE THE ECONOMY TURNS DOWN INTO A RECESSION.**
- **A TROUGH IS THE TIME IN THE BUSINESS CYCLE WHEN A RECESSION HAS ENDED AND AN ECONOMIC RECOVERY OR EXPANSION HAS BEGUN.**
- **THE TIME FROM PEAK TO TROUGH MEASURES THE LENGTH OF A RECESSION, WHILE THE TIME FROM TROUGH TO PEAK MEASURES THE LENGTH OF AN ECONOMIC RECOVERY OR EXPANSION.**



ECONOMIC GROWTH

- **WHAT IS IT?**
 - **REFERS TO THE ABILITY OF THE ECONOMY TO INCREASE ITS GDP**

- **ECONOMIC GROWTH COMES FROM SEVERAL SOURCES:**
 - **IMPROVEMENTS IN THE EDUCATION, EXPERIENCE AND SKILL LEVEL OF THE WORKFORCE (HUMAN CAPITAL)**
 - **GREATER AMOUNTS OF PHYSICAL CAPITAL (FACTORIES, MACHINERY...)**
 - **DISCOVERY OF NEW NATURAL RESOURCES, OR BETTER MANAGEMENT OF EXISTING ONES**
 - **IMPROVED TECHNOLOGY**

- **ECONOMIC GROWTH IS CRITICAL TO JOB-CREATION AND ECONOMIC WELL-BEING.**