

ACTIVITY 13

# Types of Unemployment

There are four types of unemployment.

- *Frictional unemployment* includes people who are temporarily between jobs. They may have quit one job to find another, or they could be trying to find the best opportunity after graduating from high school or college.
- *Cyclical unemployment* rises in a recession. For example, it may be caused by too little spending in the economy. People are not buying many goods and services, so workers are laid off.
- *Structural unemployment* involves mismatches between job seekers and job openings. Unemployed people who lack skills or have a poor education are structurally unemployed.
- *Seasonal unemployment* affects workers who have worked during the past year but are unemployed during other parts of the year due to changes in the weather.

For each of the following situations, put the appropriate letter before the example.

- F** if it is an example of *frictional unemployment*.
- C** if it is an example of *cyclical unemployment*.
- St** if it is an example of *structural unemployment*.
- S** if it is an example of *seasonal unemployment*.

- \_\_\_ 1. A Wisconsin construction worker cannot find work in the winter.
- \_\_\_ 2. A steelworker is laid off because of a long recession.
- \_\_\_ 3. A computer programmer quits her job in Chicago to look for a new job in San Diego.
- \_\_\_ 4. A store clerk loses her job because sales are slow during a business slump.
- \_\_\_ 5. A high school dropout applies for several jobs but is told each time that he is not qualified.
- \_\_\_ 6. An unemployed college senior is looking for her first job.
- \_\_\_ 7. An unemployed auto worker has been replaced by a robot.
- \_\_\_ 8. A person rejects a job offer because the wage is too low.