

Place your name on the back of this sheet of paper and nowhere else. Staple your answers face up on the front of this sheet of paper. Failure to follow these directions will cost you 10 points. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to type it will cost you 10 points. If you use double-sided printing or print on the back of scrap paper, I will give you one additional point.

1) (20 points) According to the article below, what is the current unemployment rate? Is that too low, too high, or just right? Explain your logic. Which of the four types of unemployment do you think is most prominent now? Explain your logic.

<https://www.nerdwallet.com/article/finance/jobs-report-unemployment-rate>

2) (15 points each) For each event, what happens to the unemployment rate and the labor force participation rate? Explain your logic. What type of unemployment is that? Explain your logic.

Answer each part in separate paragraphs.

A) Suppose that you graduate and do not have a job lined up and you are not going to graduate school. Assume that you were not working while at Bethany and you did not start looking for a job until graduation.

B) John has been unemployed for so long, that he quits looking for a job.

C) Jane is a ski instructor. What will happen in a month?

D) A lot of people became unemployed in March of 2020.

3) (20 points) Suppose a country has 1000 adults. 630 of the adults have jobs. 70 people do not have jobs, and are looking for a job. 280 people are retired, and the remaining 20 people do not have a job, and have quit looking. Calculate the unemployment rate and the labor force participation rate. Show all calculations and give a one-sentence explanation of what you did for each of the calculations.