

FREE ENTERPRISE



ACTIVITY 19

TYPES OF UNEMPLOYMENT

The four types of unemployment are: cyclical unemployment, which is associated with ups and downs of the business cycle; structural unemployment, which is caused by changes in the economy such as new technology; seasonal unemployment, which is related to weather patterns; and frictional unemployment, which is temporary unemployment between jobs. Can you identify these patterns when they occur?

Directions: For each scenario below, write **C** if the unemployment is cyclical, **ST** if it is structural, **SE** if it is seasonal, and **F** if it is frictional. Underline the key words that support your conclusion.

- _____ 1. Fifteen hundred workers in Georgia lost their jobs because textile companies have moved their factory operations outside the country.
- _____ 2. People in a resort area that is busy in the summer and winter try to make enough money during these times of the year to tide them over during the fall and spring.
- _____ 3. Lumber companies laid off hundreds of workers after reducing their projected output due to a slow-down in housing starts.
- _____ 4. Hundreds of Mexican immigrants moved to California in the last year, but many remain unemployed because their English is not yet adequate for most jobs.
- _____ 5. A Broadway musical show had its final run, leaving all the actors unemployed.
- _____ 6. Hundreds of Texans lost jobs when a jeans manufacturer closed its border town factories and moved its operations to Mexico.
- _____ 7. Many travel agents have left the field because their former customers now go to the Internet for the lowest fares.
- _____ 8. National unemployment rose to 6% as the economy slumped for the third straight month.
- _____ 9. Workers at many nuclear power plants lost their jobs when power companies decided not to replace aging plants.
- _____ 10. A typewriter company let go all of its workers and shut down after one hundred years in business because computers made its product obsolete.