# Classifying Unemployment

## For each of the following scenarios, classify the worker as employed, unemployed, or out of the labor force. If the worker is unemployed, classify his or her type of unemployment.

1. Jamal has been working 3 hours a day after school at the local convenience store.
2. Freddy  has  been  working  on  the  weekends  for  his  mom’s  restaurant.  Rather  than  paying

Freddy a wage, his mom has agreed to make his monthly car payment.

1. Samantha recently quit her job at the landscaping business and has been trying to get hired at Home Depot, but has not received a reply to her application.
2. Raquel was laid off at the Toyota plant because the weak economy has meant fewer people are buying new cars. Her supervisor has assured her that she will be rehired if the economy gets better.
3. Dr. Chan recently sold his medical practice and has retired to a house in the mountains.
4. Tina has decided to not get a job after school because she wants to improve her grades before graduation.
5. Luis has been searching for a full-time job in marketing, but has only been able to find a part-time job at the grocery store.
6. Margaret  doesn’t  have  a  job,  but  has  been  looking  for  work  since  last  July.  Recently  she

decided to stop searching for a job until the economy improves.

1. Eric has worked in the tobacco fields since he was a little kid. Because fewer people are smoking, demand for tobacco has fallen, and Eric can no longer find work in this occupation.
2. When Dorothy had children, she decided to quit her job in advertising to stay home and raise them until they went to grade school.

# Classifying Unemployment Answer Key

## For each of the following scenarios, classify the worker as employed, unemployed, or out of the labor force. If the worker is unemployed, classify his or her type of unemployment.

1. Jamal has been working 3 hours a day after school at the local convenience store.

*Employed*

1. Freddy  has  been  working  on  the  weekends  for  his  mom’s  restaurant.  Rather  than  paying

Freddy a wage, his mom has agreed to make his monthly car payment.

*Out of the Labor Force*

1. Samantha recently quit her job at the landscaping business and has been trying to get hired at Home Depot, but has not received a reply to her application.

*Unemployed - Frictional*

1. Raquel was laid off at the Toyota plant because the weak economy has meant fewer people are buying new cars. Her supervisor has assured her that she will be rehired if the economy gets better.

*Unemployed - Cyclical*

1. Dr. Chan recently sold his medical practice and has retired to a house in the mountains.

*Out of the Labor Force*

1. Tina has decided to not get a job after school because she wants to improve her grades before graduation.

*Out of the Labor Force*

1. Luis has been searching for a full-time job in marketing, but has only been able to find a part-time job at the grocery store.

*Employed*

1. Margaret  doesn’t  have  a  job,  but  has  been  looking  for  work  since  last  July.  Recently  she

decided to stop searching for a job until the economy improves.

*Out of the Labor Force – Discouraged Worker*

1. Eric has worked in the tobacco fields since he was a little kid. Because fewer people are smoking, demand for tobacco has fallen, and Eric can no longer find work in this occupation.

*Unemployed - Structural*

1. When Dorothy had children, she decided to quit her job in advertising to stay home and raise them until they went to grade school.

*Out of the Labor Force*