## Unemployment Rates

1. Appledale has 32,000 full-time residents including 4,000 residents either retired or are too young to work. Of the total, 15,000 residents are employed full time while 8,000 work part time. The town has 2,000 residents not currently working but looking for work. The remaining residents have given up looking for work.
   1. What is the size of Appledale’s labor force?
   2. What is Appledale’s employment rate?
   3. What is Appledale’s unemployment rate?
   4. What percentage of the population are discouraged workers?
2. Now suppose a new factory opens in Appledale that hires 1,000 workers, half of those hired had previously given up looking for work.
3. What is the new size of Appledale’s labor force?
4. What is Appledale’s new employment rate?
5. What is Appledale’s new unemployment rate?
6. What percentage of the population is now considered discouraged workers?

## Unemployment Rates

**Answer Key**

1. Appledale has 32,000 full-time residents including 4,000 residents either retired or are too young to work. Of the total, 15,000 residents are employed full time while 8,000 work part time. The town has 2,000 residents not currently working but looking for work. The remaining residents have given up looking for work.
   1. What is the size of Appledale’s labor force?

*15,000 + 8,000 + 2,000 = 25,000*

* 1. What is Appledale’s employment rate?

*23,000 / 25,000 = .92 x 100 = 92%*

* 1. What is Appledale’s unemployment rate?

*2,000 / 25,000 = .08 x 100 = 8%*

* 1. What percentage of the population is discouraged workers?

*3,000 / 32,000 = .094 x 100 = 9.4%*

1. Now suppose a new factory opens in Appledale that hires 1,000 workers, half of whom had previously given up looking for work.
2. What is the new size of Appledale’s labor force?

*a. 16,000 + 8,000 + 1,500 = 25,500*

1. What is Appledale’s new employment rate?

*a. 24,000 / 25,500 = .941 x 100 = 94.1%*

1. What is Appledale’s new unemployment rate?

*a. 1,500 / 25,500 = .059 x 100 = 5.9%*

1. What percentage of the population are now considered discouraged workers? a. *2,500 / 32,000 = .078 x 100 = 7.8%*