

TYPES OF UNEMPLOYMENT

Directions: *Read each example of unemployment and match it to which type of unemployment you think it represents, based on the definitions below.*

Structural unemployment – structural unemployment arises when the qualification of a person is not sufficient to meet his job responsibilities.

Frictional unemployment – frictional unemployment occurs when a person is out of one job is searching for another. It generally requires some time before a person can get the next job. During this time he is frictionally unemployed. The problem of frictional unemployment is minimized with the development of efficient labor markets.

Cyclical unemployment (also known as Demand deficient) - occurs when the economy is in need of low workforce. This type of unemployment occurs due to economic disequilibrium. This form of unemployment is most commonly known as cyclical unemployment since unemployment moves with the trade cycle. The demand for labor increases with the economy in the boom phase. Again, when the economy passes through recession, demand for labor contracts and the surplus is released as the unemployed labor force.

Seasonal unemployment: there are certain kinds of unemployment that tend to concentrate in a particular time of the year and are known as seasonal unemployment. Seasonal unemployment is most common in industries like tourism, hotel, catering and fruit picking.

Type of Unemployment	Unemployment Example
1.	<p><i>“Steeling Jobs”</i></p> <p>Steel helped to revolutionize life in the late 19th and early 20th century. While steel has been around for centuries, the number of workers needed to manufacture it has steadily dwindled. As recently as 1980, almost 500,000 people were employed making steel. That number fell to about 150,000 workers in 2010. Where have all the jobs gone? Steel production has become much more efficient and advanced engineering has made it possible for firms to replace workers with automated equipment. These changes mean that steel manufacturing is now safer, but fewer workers are needed than before. That trade off is evidence of how people become unemployed because of structural changes in the economy.</p>
2.	<p><i>“Older Americans Unemployed Longer”</i></p> <p>Despite better job market pictures, Americans above the age of 55 have a much more difficult time finding employment. For Americans ages 55 or older who have been unemployed long-term, the prospect of finding work is greatly limited. Workers 55 plus take one year to find a job. Economic correspondent Paul Solman for PBS explored why older workers face joblessness and considerable financial strain.</p>
3.	<p><i>“USPS Cuts 90,000 People”</i></p> <p>The U.S. Postal System. The USPS has cut 90,000 people in three layoffs over the past two decades. It has said it needs to cut another 28,000 people soon because the service loses billions of dollars each year. Unlike most of the other corporations on this list, technology and competition have destroyed the postal system's future. It is easy to make the case that USPS layoffs will continue for several years.</p>
4.	<p><i>“Unemployment in Construction & Tourism”</i></p> <p>Unemployment numbers for December in Southwest Michigan were nothing to write home about. Most area counties saw a slight uptick in the unemployment rate, due mainly to layoffs in construction and tourism industry needing fewer workers in the winter.</p>