Why Work Stops

Four causes of unemployment and their effects

E.5.5 "Explain frictional, structural, cyclical, and seasonal unemployment, and analyze the impact of unemployment."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the cause of each worker's job gap and circle the name of its unemployment type. Number two effects of unemployment on a household or community.

Different Paths Out of Work

1 On a busy street, two people can be out of work for very different reasons. After moving to a new city, Maya leaves her cafe job and spends three weeks applying to other cafes. She has useful skills, but matching with a new employer takes time. This is frictional unemployment, a gap while a worker searches for a job. Across town, a print shop closes as customers switch to online ads. Luis knows the old presses, but nearby employers need digital design skills. His former work has changed or disappeared, so finding work may require retraining. This is structural unemployment.

2 When summer ends, a coastal pool shuts down, and its lifeguards lose their jobs until warmer months. This seasonal unemployment follows a recurring change in demand for work. Workers may expect the gap, but they can still struggle without regular pay. By contrast, a furniture factory lays off workers when a nationwide downturn makes customers postpone large purchases. This cyclical unemployment follows a decline in overall economic activity, not the calendar. Factory workers may not know when orders will recover. Although both groups have lost income, the timing and cause of each job loss point to different types of unemployment.

3 Unemployment reaches beyond a single paycheck. If a laid-off factory worker's family cuts grocery spending, a neighborhood market may sell less and reduce its workers' hours. Lower earnings can also mean less tax revenue for local services, while more families may need public assistance. The worker might fall behind on rent or lose health coverage tied to a job. A short search between jobs may cause little lasting damage if savings cover expenses. A long search can drain savings and make it harder to keep skills current. The effects depend partly on how long the job gap lasts.

2 ANSWER WITH EVIDENCE

Use the passage

1. Why is Maya's unemployment frictional while Luis's is structural? Explain what each needs to find work.

2. The lifeguards and factory workers both lose income. What makes one job loss seasonal and the other cyclical?

3. Trace how a factory layoff could affect both a neighborhood market and local services.

4. Why might a short job search cause less lasting harm than a long one? Use two details from the passage.

3 YOUR TURN

Your own words

Invent an unemployed worker in an industry not mentioned in the passage. In four or five sentences, name and explain the type of unemployment, say why one other type does not fit, and describe one effect on the worker's household and one on the community.

Why Work Stops

PART 1 · READ AND MARK

Underline the cause of each worker's job gap and circle the name of its unemployment type. Number two effects of unemployment on a household or community. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Why is Maya's unemployment frictional while Luis's is structural? Explain what each needs to find work.	**Maya is searching for a new employer after moving, and her skills still fit cafe jobs. Luis's former work has disappeared, and nearby jobs may require him to learn digital design.**
2	The lifeguards and factory workers both lose income. What makes one job loss seasonal and the other cyclical?	**The lifeguards lose work when the pool closes for the season, a recurring change. The factory lays off workers because a nationwide downturn reduces purchases.**
3	Trace how a factory layoff could affect both a neighborhood market and local services.	**A laid-off worker's family may buy fewer groceries, causing the market to sell less and cut hours. Lower earnings may also reduce tax revenue for local services.**
4	Why might a short job search cause less lasting harm than a long one? Use two details from the passage.	**Savings may cover expenses during a short search. A long search can drain savings and make it harder for a worker to keep skills current.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

A medical records clerk loses her job when a hospital adopts software that automates routine filing. This is structural unemployment because the hospital no longer needs her old tasks, and she may need training for a different role. It is not cyclical because her job loss was not caused by a broad drop in spending. Her household may delay paying bills, and reduced spending at nearby stores may hurt other workers.

Accept plausible invented situations when the cause supports the named type and the explanation rules out another type. Household and community effects should follow logically from the job loss.