When Jobs Disappear

Causes, measurement, and effects of unemployment

E.C.8.4 "Describe the causes and different types of unemployment, how unemployment is measured, and the impact of unemployment on different sectors of the United States of America's economy."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline each rule for deciding who counts as unemployed, circle the four types of unemployment, and number the sectors affected by a job loss. Use your marks to connect causes, measurement, and effects.

A Job Loss Spreads

1. The U.S. Bureau of Labor Statistics (BLS) measures unemployment through a monthly household survey. A person who works even one paid hour during the survey week counts as employed. An unemployed person has no job, is available to work, and has searched for work in the past four weeks. People on temporary layoff who expect to return can count as unemployed without a recent job search. The labor force includes employed and unemployed people. The unemployment rate equals the number of unemployed people divided by the labor force, times 100. Someone who stops searching is usually outside the labor force, not counted as unemployed.

2. Job losses have different causes. Frictional unemployment occurs while people move between jobs, such as a nurse searching after moving to a new city. Structural unemployment occurs when workers' skills or locations no longer match available jobs. For example, a paper mill may close as buyers switch to digital records. Cyclical unemployment rises when a broad economic downturn reduces demand, leading a furniture store to cut staff. Seasonal unemployment follows predictable changes in hiring, such as a beach resort laying off workers after summer. Government reports often adjust unemployment data to remove usual seasonal swings, making broader trends easier to see.

3. A layoff can reach far beyond one workplace. If a restaurant lays off servers during a broad downturn, lost wages may force their households to delay purchases. Nearby shops may then sell less and cut orders from suppliers. Lower sales can reduce state and local sales tax revenue, while more eligible workers may receive unemployment insurance benefits. Those payments help households buy necessities, but they do not fully replace lost wages. A long job search can also strain housing payments. Thus a job loss in one sector can affect retail, suppliers, and government budgets, even while aid softens the blow.

2 ANSWER WITH EVIDENCE

Use the passage

1. A worker on temporary layoff expects to return, is available to work, and has not searched recently. Can the BLS count this worker as unemployed? Explain why, and name the denominator of the unemployment rate.

2. An accountant leaves a job, moves, and searches for another job. A print-shop worker loses a job as customers switch to online forms. Identify each type of unemployment and explain how the causes differ.

3. Tour boats cut jobs each winter. An airline cuts jobs when spending falls across the economy. Which type of unemployment fits each case, and how do the causes differ?

4. How could the restaurant layoffs in the passage affect a business outside the restaurant and a government budget? Trace one effect on each.

3 YOUR TURN

Your own words

Invent a realistic U.S. job loss not described in the passage. In four sentences, name its cause and unemployment type, state whether the worker counts as unemployed and why, and explain one effect on the worker's household and one effect on another sector.

ANSWER KEY

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HIGH SCHOOL · E.C.8.4

PART 1 · READ AND MARK

Underline each rule for deciding who counts as unemployed, circle the four types of unemployment, and number the sectors affected by a job loss. Use your marks to connect causes, measurement, and effects. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	A worker on temporary layoff expects to return, is available to work, and has not searched recently. Can the BLS count this worker as unemployed? Explain why, and name the denominator of the unemployment rate.	**Yes. A worker on temporary layoff who expects to return can count without a recent search. The denominator is the labor force.**
2	An accountant leaves a job, moves, and searches for another job. A print-shop worker loses a job as customers switch to online forms. Identify each type of unemployment and explain how the causes differ.	**The accountant has frictional unemployment while moving between jobs. The print-shop worker has structural unemployment because demand for that kind of work has changed.**
3	Tour boats cut jobs each winter. An airline cuts jobs when spending falls across the economy. Which type of unemployment fits each case, and how do the causes differ?	**The tour boat layoffs are seasonal because they follow a predictable yearly pattern. The airline layoffs are cyclical because a broad downturn has reduced demand.**
4	How could the restaurant layoffs in the passage affect a business outside the restaurant and a government budget? Trace one effect on each.	**Workers with less income may buy less from nearby shops, which may then order less from suppliers. Lower sales may reduce state and local sales tax revenue, while unemployment benefits may increase spending.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

A warehouse installs sorting machines, and a sorter loses his job because the warehouse needs fewer workers for that task. This is structural unemployment because the work has changed. He counts as unemployed because he is available to work and applied for jobs last week. His household cuts spending, so a nearby grocery store may sell less.

Accept other well-supported classifications and effects. For unemployment status, check that the response accounts for job status, availability, and a recent search or the temporary-layoff exception.