

ECO 2013 – PRINCIPLES OF MACROECONOMICS  
CHAPTER LEARNING OBJECTIVES

CHAPTER 6  
UNEMPLOYMENT

*The Macro Economy Today*, 11<sup>th</sup> edition by Bradley R. Schiller

As you read through Chapter 6 of the assigned textbook, use these objectives as a guide for note taking. Yes, I really expect you to read this chapter! Yes, I really expect you to take notes on what you are reading about within this chapter! That's how you LEARN new subject material! Provide an "answer" to each of the learning objectives listed below, and then cross-reference this list with the in-class lecture notes that you've taken on this chapter. Of course there will be some overlap in the coverage of topics! If it's important for you to know after reading this chapter, then it's on the list below. Remember, I use the lecture period to highlight super-important concepts and to relate them to current events. You HAVE TO read along in the textbook if you want to acquire all of the information you will need for testing purposes!

**After a careful reading of Chapter 6, the student is expected to be able to:**

- (1) Define the term *labor force*.
- (2) Define the term *labor-force participation rate*.
- (3) Describe the relationship between our nation's production possibilities and labor force growth.
- (4) Define the term *economic growth*.
- (5) Discuss some of the institutional constraints we place on our economy and explain whether these constraints enhance or detract from our rate of economic growth.
- (6) Define the term *unemployment*.
- (7) Define the term *Okun's Law*.
- (8) Given sufficient data, compute the Unemployment Rate.
- (9) Explain how unemployment is NOT experienced equally based on: race, gender, age, and level of educational attainment.
- (10) Discuss the duration of unemployment during periods of growth and during periods of recession.
- (11) Discuss the reasons for unemployment.
- (12) Define the term *discouraged worker*.

- (13) Define the term *underemployed*.
- (14) Describe a person who is *phantom unemployed*.
- (15) Discuss the four human costs of unemployment.
- (16) Define the term *seasonal unemployment* and be able to give several examples of a person who would be classified as seasonally unemployed.
- (17) Define the term *frictional unemployment* and be able to give several examples of a person who would be classified as frictionally unemployed.
- (18) Define the term *structural unemployment* and be able to give several examples of a person who would be classified as structurally unemployed.
- (19) Define the term *cyclical unemployment* and be able to give several examples of a person who would be classified as cyclically unemployed.
- (20) Define the term *full employment* and indicate which type(s) of unemployment (if any) exist when the economy achieves full employment.
- (21) Beginning with the passage of the Employment Act of 1946, discuss how our numerical goal for full employment has changed over time.
- (22) Define the term *natural rate of unemployment*.
- (23) Discuss how outsourcing (and in-sourcing) impacts the US economy.

NOTE: Keep in mind that the lecture outline for Chapter 6 will provide more up-to-date statistical data, relative to what is printed in your textbook. For testing purposes, you will be responsible for knowing the most up-to-date statistical data.