

Practice Problems for the Labor Market

1. Why is slow, but positive, job growth considered to be a bad sign for the U.S. economy?
2. Team Conrad or Team Jeremiah?

The next few questions are based on the [August household survey](#).

3. Suppose that 1 million unemployed workers find a job in September. How will that affect the U-3 unemployment rate? Is the change in unemployment an accurate reelection of changes to the labor market?
4. How would the change from #3 affect the U-6 unemployment rate?
5. Suppose that 1 million employed workers become part time for economic reasons (underemployed). How will that affect the U-3 unemployment rate? Is the change in unemployment an accurate reelection of changes to the labor market?
6. Suppose that 1 million unemployed workers (actively seeking work) become part time for economic reasons (underemployed). How will that affect the U-3 unemployment rate? Is the change in unemployment an accurate reelection of changes to the labor market?
7. Suppose that 1 million unemployed workers (actively seeking work) become discouraged workers. How will that affect the U-3 unemployment rate? Is the change in unemployment an accurate reelection of changes to the labor market?