The Labor Market: Problems

Consider the following labor market data.

Category	Number
Children	10
Employed, including part-time	50
Part time for Economic Reasons	5
Retirees	20
Unemployed, seeking work	20
discouraged workers	5

1. What is the U-3 labor force?

2. What is the U-3 unemployment rate?

3. Provide two way that U-3 might fall. Make one a case where the labor market gets better and one where it get weaker.

4. What is the U-6 labor force?

5. What is the U-6 unemployment rate?