Materials for ECON200: Introductory Macroeconomics

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Contents

Preface

This site will include supplemental material to our regular macroeconomics course readings. Mostly this will be used to show you how we can use publicly available data to create tables and figures to help us understand and analyze the economy. This material will accompany Taylor and Weerapana (n.d.) which will be the primary book for the course. We will also be using The CORE Team (n.d.b), and the other materials compiled by CORE including *Economy, Society, & Public Policy* (The CORE Team, n.d.c) and *Doing Economics* (The CORE Team, n.d.a) which act as useful comparisons to the more traditional material presented in Taylor and Weerapana (n.d.).

U.S., Brazil, Mexico & India Unemployment Rates by Year
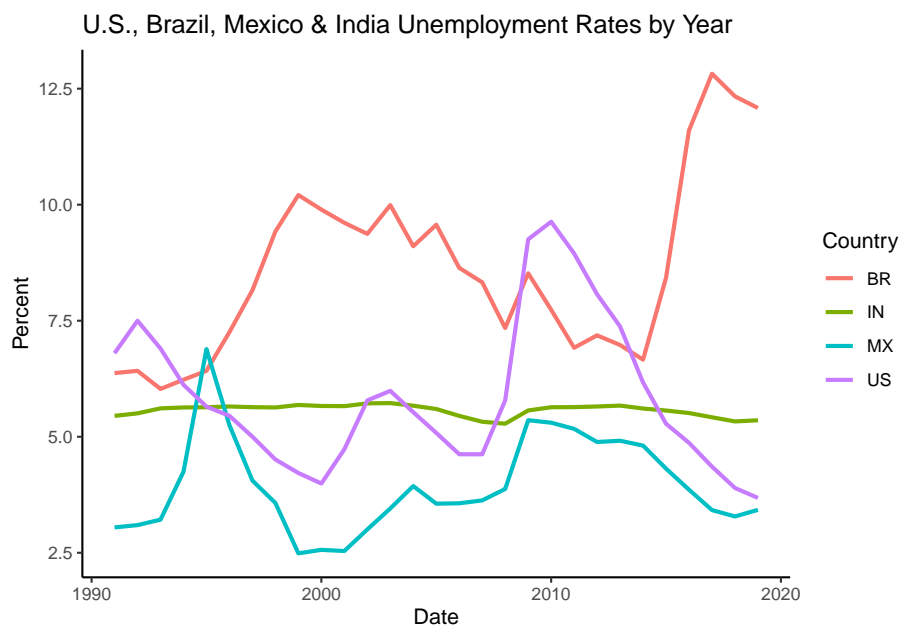
Chapter 1

Introduction

In Figure 1.1 below, you will see the unemployment rate for four countries averaged over each year. The unemployment rate measures the percent of people who cannot find a job in the group of those people either working or looking for work. It seems like a mouthful, but we are estimating the proportion of people who are technically in the *labor force*.
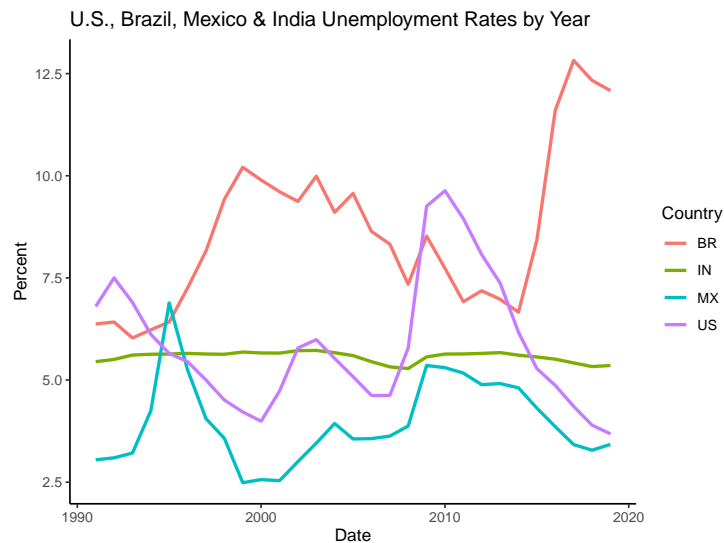

Figure 1.1: Unemployment Rates Around the World

Labor Force is the sum of those who are employed and those actively looking for work.

We measure the unemployment rate as:

$$\text{Unemployment Rate} = \frac{\text{Unemployed}}{\text{Unemployed} + \text{Employed}} \times 100$$

Something important about Figure 1.1 is that we can see in some countries the unemployment rate is much higher than in other countries. Partially this is because we do not all use the same measurements for those who are either technically unemployed or working. However, if we assume countries do a consistent job in measuring these rates, the changes are still somewhat accurate. For example, in the United States a monthly survey of about 60,000 households counts those considered unemployed not just as those people collecting unemployment payments, but also includes all those people who have actively sought work in the past four weeks (Bureau of Labor Statistics).

In recent months the COVID-19 crisis has gripped the world and put our global economy in a precarious position. As we can see from Figures 1.2 and 1.3 people who are newly jobless and travel in the U.S. have moved dramatically in opposite directions.
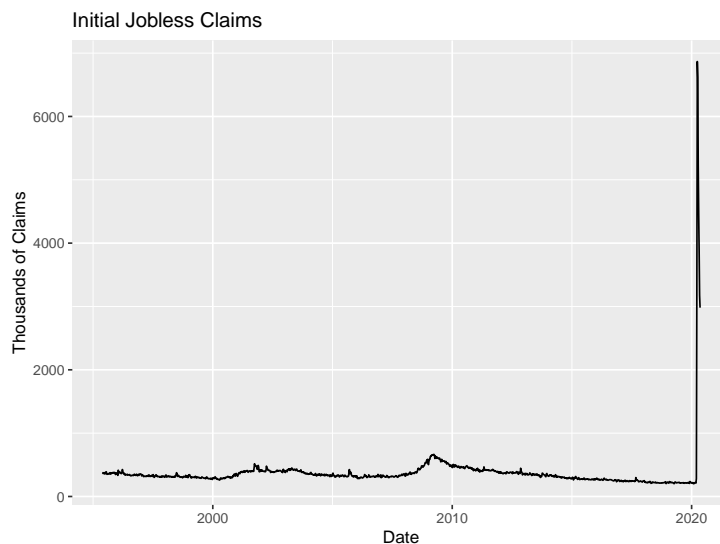

Figure 1.2: Jobless Claims Skyrocket in 2020

Table 1.1 shows the initial claims data for the past fifteen weeks, going back to the first weeks of the crisis in early March. Notice that the number of people filing for unemployment rose by a factor of more than ten! These unemployment claim numbers had literally never occurred in the U.S. before.
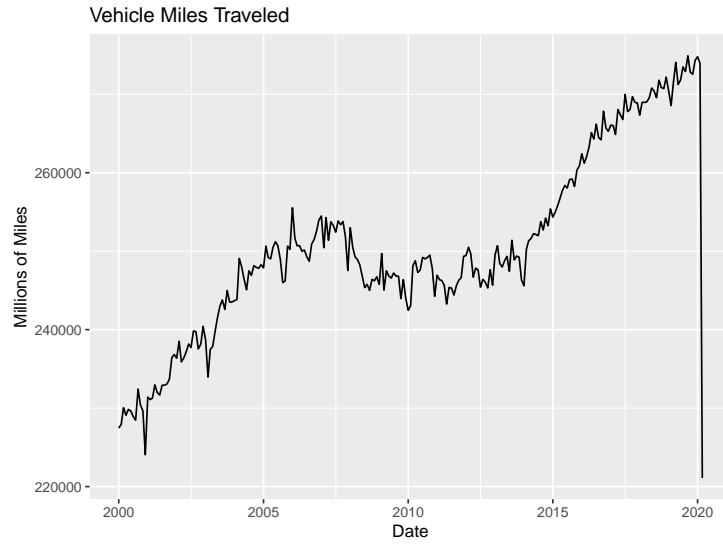
Figure 1.3: Travel Collapses in 2020

Table 1.1: The Last 15 Weeks of Initial Unemployment Claims

Date	Claims
2020-02-01	201000
2020-02-08	204000
2020-02-15	215000
2020-02-22	220000
2020-02-29	217000
2020-03-07	211000
2020-03-14	282000
2020-03-21	3307000
2020-03-28	6867000
2020-04-04	6615000
2020-04-11	5237000
2020-04-18	4442000
2020-04-25	3867000
2020-05-02	3176000
2020-05-09	2981000

Chapter 2

Literature

Here is a review of existing methods.

Chapter 3

Methods

We describe our methods in this chapter.

Chapter 4

Applications

Some *significant* applications are demonstrated in this chapter.

4.1 Example one

4.2 Example two

Chapter 5

Final Words

We have finished a nice book.

Bibliography

Taylor, John B. and Akila Weerapana, *Principles of Economics*, Boston, MA: FlatWorld.

The CORE Team, *Doing Economics*, New York, NY: Oxford University Press.

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_ , *Economy, Society, & Public Policy*, New York, NY: Oxford University Press.