1. Macro
   1. Capital
      1. All capital depreciates
         1. We plan ahead and engage in investment
            1. You would be adding new capital to whatever capital stock you have to begin with
            2. Gross vs. net

Gross

The amount of new capital that you add

Net

If you net a loss of 20% on current capital and then add another 20% then you net 0

This number can be negative, zero, or positive.

* 1. Entrepreneur
     1. This specific group of individuals are risk takers
     2. They are the ones that are there to figure out how to do certain things differently
     3. They innovate, create new products
  2. Compensation
     1. Payment
     2. Wages
        1. Types of wages
           1. Nominal wage

In dollars or cents

E.g.

$10 per hour

* + - * 1. Salary

You sign a contract you will receive $80k per year with no hours set

This is also part of wages

* + - * 1. Commission

You may have a base plus a % of what you sell

* + - * 1. Tips

What people may give you after you serve them

* + - * 1. If you a sole proprietor

A person or family that owns a business

Proprietor income

* + - 1. Viewed as an expense
         1. Expense that’s necessary to operate
         2. On **supply** side
  1. Compensation
     1. Land
        1. Rent
     2. Capital
        1. Interest rate
     3. Entrepreneur
        1. Profit
  2. What is the sum of a payment?
     1. You are saying wages + interest + rent + profit

1. **Unemployment**
   1. Requirements
      1. Without a job
      2. You must actively be seeking employment
      3. You must be able to work immediately
   2. What happens when they’re without a job and is expected to be called back?
      1. Since they may be calling them back this still layoff
   3. Bureau of Labor and Statistics
      1. Otherwise known as BLS
      2. Conducts population survey
      3. This is done every month
      4. Because this is extremely costly and not beneficial they do a random sampling
      5. Usually they hit about 60,000 households and about 110,000 individuals
   4. What is employed?
      1. If you work for your family, even if more than 15 hours, you are considered employed
      2. Full time
         1. 35 hours or more
      3. Part time
         1. 34 hours or less
      4. I did not have a job and did not get paid
         1. In the last four weeks have you done anything about it?
            1. Did you go on a job interview?
            2. Did you visit any job fairs?
            3. If you were given a job would you take it?

Yes

You are counted as unemployed

No

You would not be counted as unemployed

* 1. Unemployment Compensation
     1. If you are considered laid off (See II a)
        1. You are qualified
     2. Individuals that are in charge of unemployment compensation is not the same individuals that handle the surveys
     3. Who aren’t counted?
        1. Maternity leave
        2. Injured on job
        3. Not temporary
           1. Depends on severity of illness
        4. If you are under 16 you are not part of the statistic
        5. If you or a family member has been instutionalized, whether mental hospital, regular hospital, or jail
        6. People serving in the armed forces
     4. Who qualify to work?
        1. People in population 16 and over
        2. People who are not institutionalized
        3. People who are not part of the military
     5. Labor Force
        1. Definition
           1. Individuals who are older than 16, not in military, not institutionalized, and wish to work.
        2. Not in labor force
           1. Who qualify to work but don’t

Student

Retire

Stay at home parents

Discouraged workers

* + - 1. In labor force
         1. Those who qualify to work
         2. Wish to work
    1. How long does unemployment last?
       1. 6 months
    2. Complaints towards unemployment
       1. It makes people lazy
       2. If we removed unemployment benefits people would be more motivated to get a job faster
       3. People are using their taxes to pay for these people
    3. Types of unemployment
       1. Why are people ending up unemployed?
          1. Are they unemployed because they chose to?

You don’t have a job

You are applying to places

When you hear back from places you aren’t willing to take the job

* + - * 1. Are they unemployed because it’s out of their control?

Structural Unemployment

Frictional Unemployment

Seasonal Unemployment

Natural Unemployment

Induced Unemployment

Phantom Unemployment