**Selected Problems - Chapter 22**

**1.7** (a-b) Yes, both statements can be true. The labor force of Freedonia may have decreased at a faster rate than did the number of employed, which can lead to a decrease in both the number of people who are looking for work but are currently not working, and a decrease in the unemployment rate.

**1.9** In general, the higher the unemployment benefits and the longer the duration of these benefits, the higher the unemployment rate. The type of unemployment affected most by the amount and duration of unemployment benefits is frictional unemployment. Frictional unemployment is short-term unemployment that arises from matching workers with jobs. The longer the duration of unemployment benefits and the higher the amount of these benefits, the less incentive workers have to find a job that matches their skills. This would tend to result in a higher rate of frictional unemployment in an economy.

**1.10** (a) Samuel is not in the labor force since he is no longer employed and is not actively looking for a job.

(b) Charmaine is structurally unemployed since her unemployment is due to a technological change.

(c) Lucy is frictionally unemployed. Job openings exist for her, but she has yet accepted a job.

(d) Carlos is not in the labor force since he has not looked for a job in the past 4 weeks.

(e) Byron is frictionally unemployed. Job openings exist for him, but he has not found a job.

(f) Arlisha is cyclically unemployed since her unemployment is the result of a recession.