

1. Discouraged Worker Effect

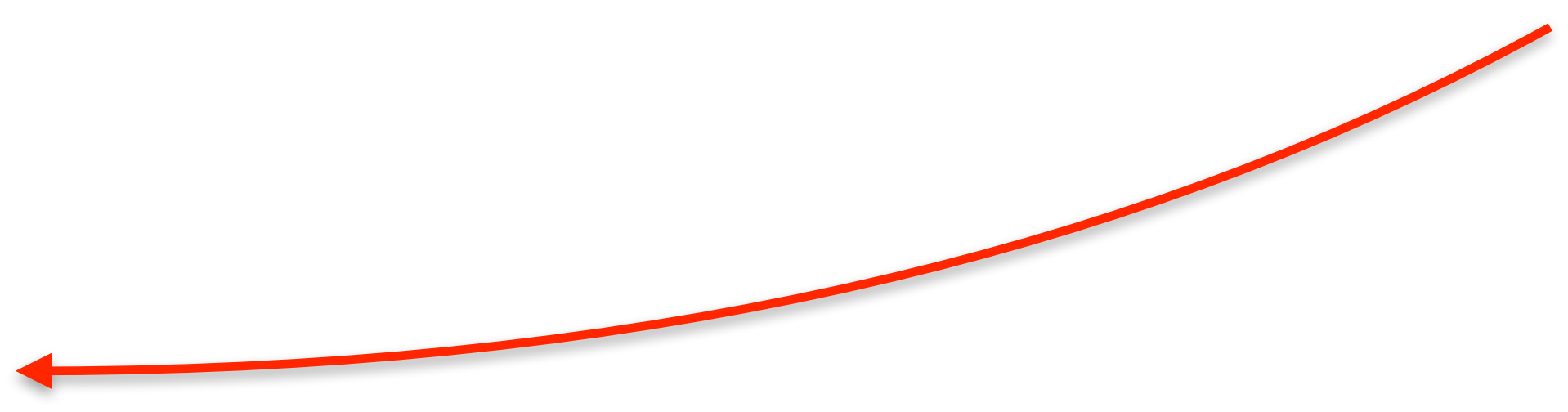
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NewU_r =

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in a **decrease** in the unemployment rate!



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The Longer the Recession lasts,