Unemployment is never Zero...

Because there are always workers who have the necessary skills but were fired because the economy is going through a recession

Cyclical Unemployment



The cause of this type of unemployment is a recession: firms don't sell enough, so they cut production and employment

This kind of unemployment lasts for months or years depending on how long the recession lasts.

Unemployment is never Zero...

Because there are always workers who have the necessary skills but were fired because the economy is going through a recession

We call this

Cyclical Unemployment

The cause of this type of unemployment is a recession: firms don't sell enough, so they cut production and employment

This kind of unemployment lasts for months or years depending on how long the recession lasts.

Three Types of Unemployment