

**Unemployed due
to lack of skills
1%**

**Unemployed due
to recession
5%**

Between Jobs

4%

**Zero Cyclical
Unemployment**

Frictional

4%

Cyclical
5%

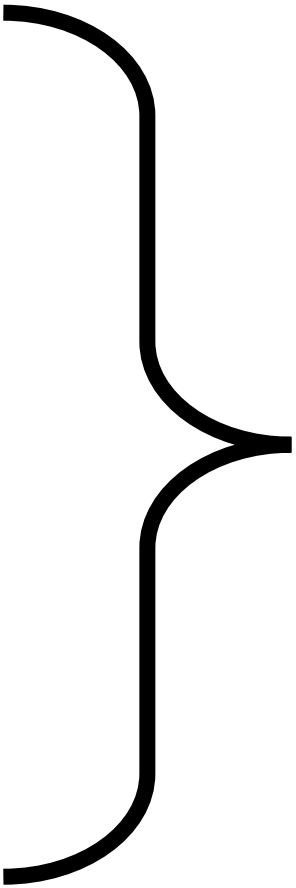
Structural
1%

$U_r = 10\%$

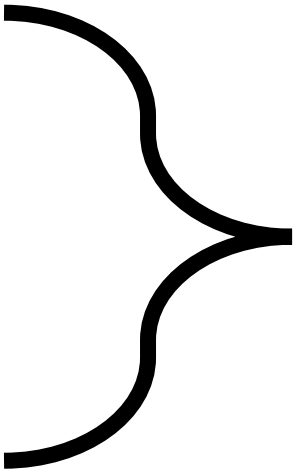


**Natural
Rate of
Unemployment**

Unemployment Rate is Never Zero



NRU = 50%





**Recession
Ends**

NRU = Frictional + structural

Unemployment Rate is Never Zero

$$\text{NRU} = \text{Frictional} + \text{structural}$$

Frictional
4%

Structural
1%

NRU=5%

Natural
Rate of
Unemployment

Recession
Ends

Zero Cyclical
Unemployment

