



Unemployed  
due to lack of  
skills

1%

Unemployed  
due to  
recession  
5%

# Between Jobs

4%

Zero Cyclical Unemployment

# Frictional

# 4%

# Cyclical

# 5%

# Structural

# 1%

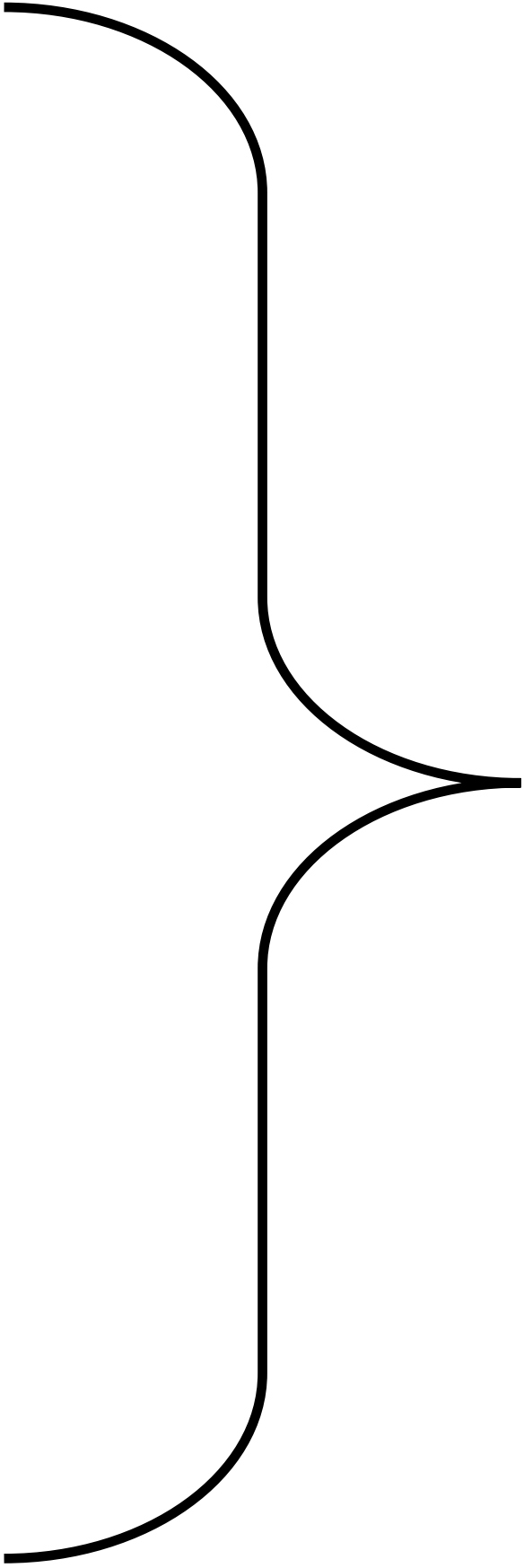


$$U_r = 10\%$$



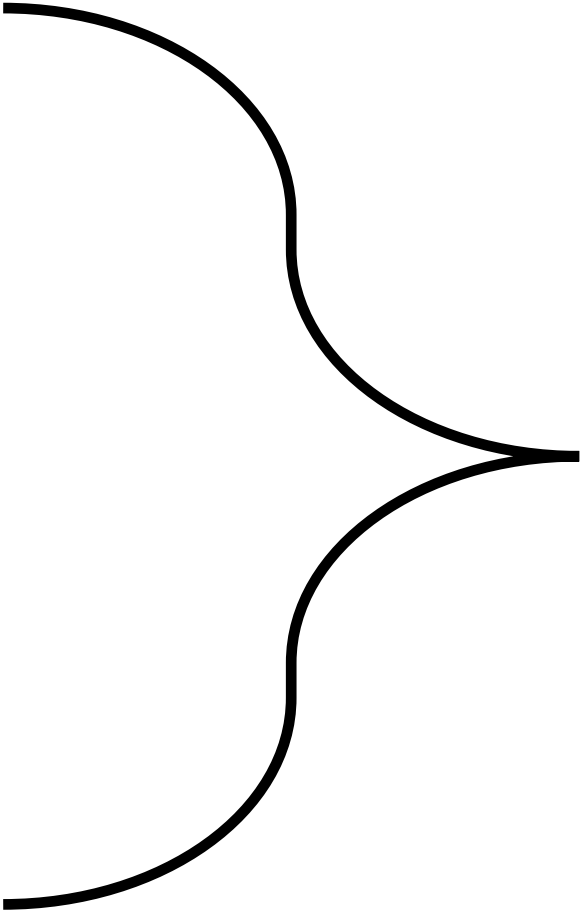
Natural  
Rate of  
Unemployment

Unemployment Rate is Never Zero

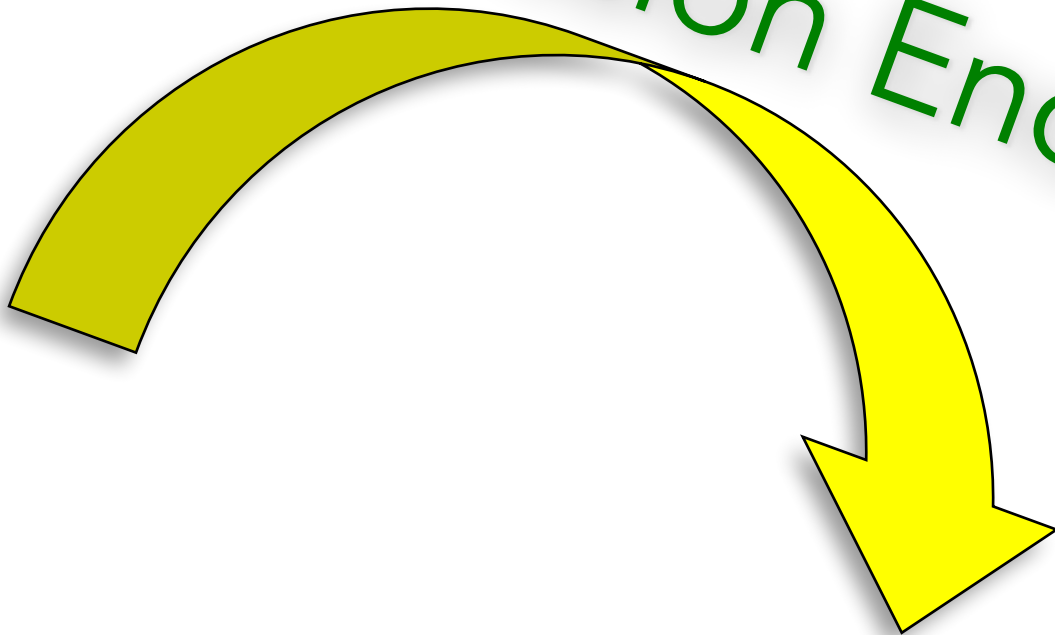


**NRU=5%**





Recession Ends



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



# Unemployment Rate is Never Zero

