



# 1. Discouraged Worker Effect

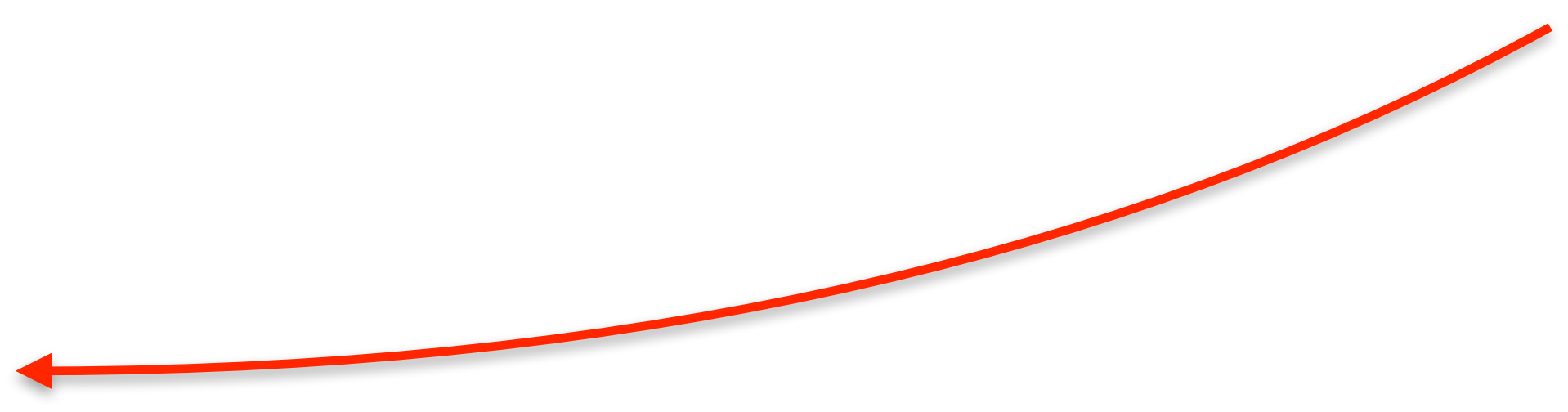
Urate =

$$(16/154)*100 = 10.4\%$$

NewU<sub>r</sub> =

$$(15/153)*100 \equiv 9.8\%$$

An **increase** in the number of discouraged workers results  
in a **decrease** in the unemployment rate!





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The Longer the Recession lasts,