

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

A large green arrow pointing to the right, containing the text "We call this" in white. The arrow has a slight shadow beneath it.

We call this

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.

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Three Types of Unemployment