

Three Types of Unemployment

- **Structural** unemployment: workers **do not have skills** currently in demand

* Librarian, travel agent, VCR repairman, Typesetter

- **Frictional** unemployment: workers who have the necessary skills

* Recently graduated, workers who want to relocate

- **Cyclical** unemployment: workers who have the necessary skills, but lack of demand prevents firms from hiring them back

* Workers who lost their jobs during the Covid 19 pandemic

* Workers who lost their jobs during the 2008 financial Crisis

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Unemployment Rate is Never Zero