**Question Number 1**

A country's labor force is the sum of the number of employed and unemployed workers. The accompanying table provides data on the size of the labor force and the number of unemployed workers for different regions of the United States.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Labor force (thousands) | | | [Unemployment](https://moodle.unive.it/mod/resource/view.php?id=41013) (thousands) | |
| Region | April 2013 | April 2014 | April 2013 | April 2014 |
| Northeast | 28,407.2 | 28,288.9 | 2,174.4 | 1,781.3 |
| South | 56,787.8 | 57,016.4 | 4,089.9 | 3,363.8 |
| Midwest | 34,320.0 | 34,467.0 | 2,473.7 | 2,109.0 |
| West | 36,122.2 | 36,307.3 | 2,940.8 | 2,535.7 |

a) Calculate the number of workers employed in each of the regions in April 2013 and April 2014. Use your answers to calculate the change in the total number of workers employed between April 2013 and April 2014.

b) For each region, calculate the growth in the labor force from April 2013 to April 2014.

c) Compute [unemployment](https://moodle.unive.it/mod/resource/view.php?id=41013) rates in the different regions of the country in April 2013 and April 2014.

d) What can you infer about the fall in [unemployment](https://moodle.unive.it/mod/resource/view.php?id=41013) rates over this period? Was it caused by a net gain in the number of jobs or by a large fall in the number of people seeking jobs?

1. The number of employed people equals the size of the labor force minus the number of unemployed people, as shown in the following table.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Employed (thousands) |  | Change (Thousands) |
| Region | April 2013 | April 2014 |  |
| Northeast | 26,232.8 | 26,507.6 | 274.8 |
| South | 52,697.9 | 53,652.6 | 954.7 |
| Midwest | 31,846.3 | 32,358.0 | 511.7 |
| West | 33,181.4 | 33,771.6 | 590.2 |

1. The accompanying table shows the change in the size of the labor force during the period April 2013 to April 2014.

|  |  |
| --- | --- |
| Region | Growth in the labor force (thousands) |
| Northeast | -118.3 |
| South | 228.6 |
| Midwest | 147.0 |
| West | 185.1 |

1. The unemployment rate is calculated as (Number of unemployed workers/labor force) ×100

|  |  |  |
| --- | --- | --- |
|  | Employed (thousands) |  |
| Region | April 2013 | April 2014 |
| Northeast | 7.7% | 6.3% |
| South | 7.2% | 5.9% |
| Midwest | 7.2% | 6.1% |
| West | 8.1% | 7.0% |

1. In the Northeast the fall in the unemployment rate was caused by a rise in the number of people with jobs and a decline in the labor force. In the South, midwest, and west, the fall in the unemployment rate was caused by both a net rise in the number of jobs and a fall in the number of people seeking jobs. In the South there was both a net rise in the number of jobs and the number of people seeking jobs. But the number of jobs increased more than the labor force, and the unemployment rate fell.