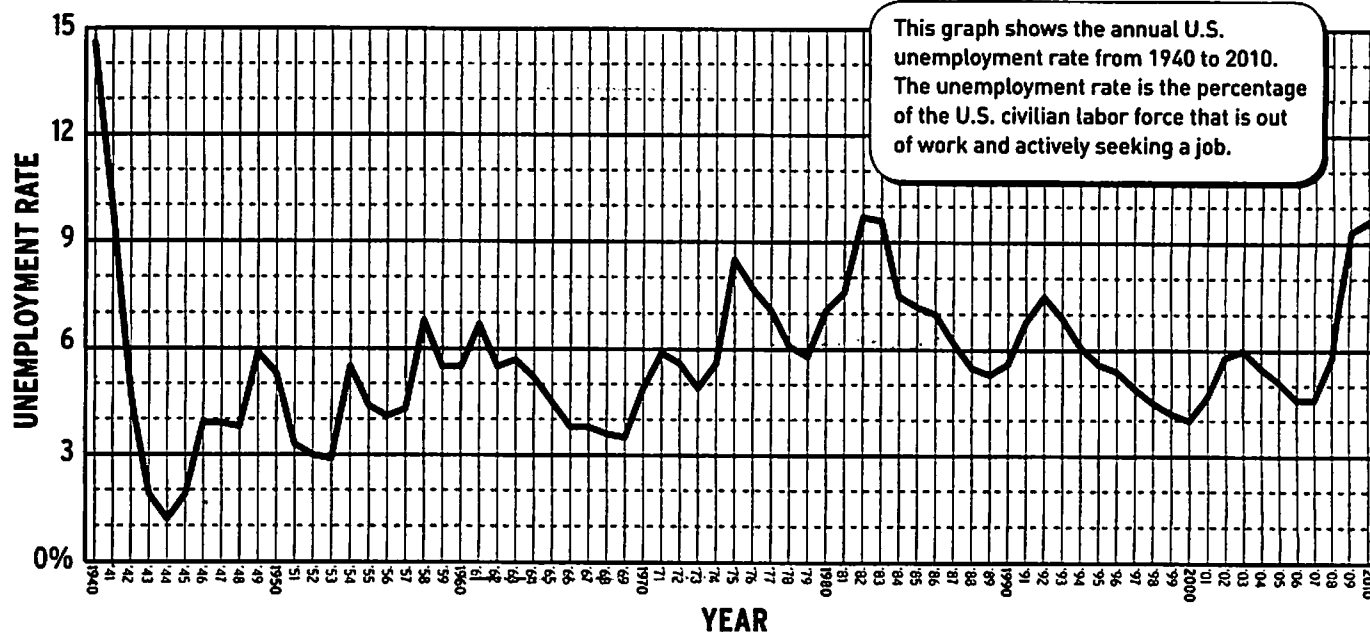


THE UPS AND DOWNS OF UNEMPLOYMENT



The unemployment rate is a key indicator of a nation's economic well-being (see "Econ Speak," p. 8), which is why economists, politicians, and news anchors watch it so closely. During a recession, most businesses scale back on hiring, and many are forced to cut costs by reducing their existing workforce. To calculate the unemployment rate, the U.S. government surveys a random sample of the civilian labor force—Americans age 16 and over who are not in the armed forces or in prison, and who are either working or would like to be working.

BEFORE 1940, THE UNEMPLOYMENT RATE WAS CALCULATED FOR AMERICANS AGE 14 AND OVER.

ANALYZE THE GRAPH

- At the height of the Great Depression in 1933, experts estimate that nearly 25 percent of American workers were unemployed. By 1940, the jobless rate had decreased by about ____ percentage points.
 - 15
 - 13
 - 10
 - 7
- America's entry into World War II in 1941 was followed by a steady ____ in the unemployment rate.
 - 10-year rise
 - 6-year rise
 - 6-year drop
 - 3-year drop
- Since 1940, the longest stretch that the unemployment rate has stayed above 6 percent is about ____ consecutive years.
 - 11
 - 8
 - 5
 - 4
- In 2010, about 14.8 million Americans were unemployed. What was the approximate size of the civilian labor force for that year?
 - 96 million
 - 122 million
 - 150 million
 - 223 million
- You can infer from the graph that an economic recession most likely occurred in the _____.
 - early '80s
 - mid '80s
 - mid '60s
 - late '60s

DISCUSSION QUESTIONS

- Why do you think that America's involvement in World War II had such a positive effect on the unemployment rate?
- Unemployment rates in individual states can vary significantly from the national average. For example, Nevada's unemployment rate for 2010 was more than 14 percent. North Dakota's was less than 4 percent. Why do you think there is such variation? Would you be willing to move across the country to seek job opportunities? Explain.
- Unemployment is often called a "lagging" economic indicator, meaning that it can take many months for unemployment rates to improve once a weak economy begins to bounce back. Why do you think that is the case? What does it tell us about employers?

A FEW GOOD WOMEN (P. 6)

- ❶ Female engagement teams play an important role in Afghanistan because
 - a they allow women to serve out of harm's way.
 - b they protect American military bases.
 - c they interact with Afghan women in ways that male Marines cannot.
 - d they help young Afghans who are thinking about getting married.
- ❷ Official U.S. military policy states that
 - a women are allowed in combat only when absolutely necessary.
 - b women can volunteer for combat units, but they cannot be forced to join them.
 - c women can't serve in units with men.
 - d women aren't allowed in direct combat.
- ❸ Why does Capt. Emily Naslund consider the current policy on women in combat "outdated"?
 - a Women have made great strides toward equality in other areas.
 - b Male officers have requested permission to send women into combat.
 - c The policy doesn't apply in a war without fronts, where combat can happen anywhere.
 - d Studies have shown that most women are as strong as most men.
- ❹ According to the article, Afghan men
 - a will not speak to female Marines.
 - b sometimes speak quite freely with female Marines.
 - c have tried to protect female Marines.
 - d have complained to U.S. officials about female engagement teams.
- ❺ During the Civil War, women _____.
 - a were not allowed to serve at all.
 - b engaged in full combat, before the military changed its policy.
 - c served as nurses.
 - d served in Confederate battalions when there weren't enough men.

IN-DEPTH QUESTIONS

- ❶ Why might military leaders believe that female engagement teams are necessary for the war effort in Afghanistan?
- ❷ What skills and attributes do combat soldiers need? Do men and women seem equally suited to the role? Explain.
- ❸ Do you agree or disagree that women are already serving in combat in Afghanistan and Iraq? Explain.

QUIZ 2 ► NATIONAL

ECON SPEAK (P. 8)

- ❶ What is the Nasdaq?
 - a a stock index that tracks 30 companies
 - b the central bank of the U.S.
 - c the nation's oldest and largest stock exchange
 - d a stock exchange that includes many technology stocks
- ❷ A market in which investors feel optimistic that stock values are on the rise is known as _____.
 - a a bear market
 - b a bull market
 - c a Dow market
 - d a bond market
- ❸ Companies often outsource part of their business to another country, like India or China, because _____ are lower there.
 - a sale prices
 - b interest rates
 - c labor costs
 - d foreclosure rates
- ❹ A homeowner is described as being "underwater" when he or she _____.
 - a owes more than \$200,000 on a mortgage
 - b has had a bank take possession of the home
 - c is paying low interest rates on a mortgage
 - d owes more on a mortgage than the home is worth
- ❺ A stimulus is a government effort to help a sagging economy, often by
 - a spending money.
 - b balancing the budget.
 - c raising interest rates.
 - d restricting exports.

IN-DEPTH QUESTIONS

- ❶ How large a role do you think the economy will play in the next presidential election? Why?
- ❷ Why do you think so many Americans are worried about the size of the deficit and the national debt? Are you worried? Explain.
- ❸ Why do you think the chairman of the Federal Reserve is considered such a powerful person?