

Quiz on Labor Market Facts

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Question 1

Suppose a country has 200 million people, of whom 50 million are retired, 30 million are above 16 and at university, 70 million are below 16, 10 million are in the armed forces, 30 million are working, and 10 million are not working but do not want a job. What is the labor-force participation rate?

- A) 10%
- B) 25%
- C) 30%
- D) 50%
- E) 60%
- F) 70%

Question 2

Since the 1950s in the US, the labor force participation rate has been:

- A) Increasing until today
- B) Decreasing until today
- C) Decreasing for men and increasing for women
- D) Increasing for men and decreasing for women
- E) Increasing until 2000 and decreasing since then
- F) Decreasing until 2000 and increasing since then

Question 3

What was the highest unemployment rate in the US between 1951 and 2019?

- A) About 25%
- B) About 15%

- C) About 11%
- D) About 8%
- E) About 6%

Question 4

In the United States, the average amount of time people spend unemployed is approximately:

- A) Between zero and one month
- B) About two months
- C) About four months
- D) About six months
- E) Greater than twelve months

Question 5

What does the Beveridge curve say about the US labor market?

- A) When the unemployment rate is high, the vacancy rate is low.
- B) When the unemployment rate is high, the vacancy rate is high.
- C) Unemployed workers and vacant jobs cannot coexist.
- D) On average jobs last a long time.
- E) It takes a long time for unemployed workers to find a job.

Question 6

In the United States, the average amount of time people keep a given job is approximately:

- A) Less than one month
- B) Between two and four months

- C) About one year
- D) Between two and four years
- E) More than five years

Question 7

Over the US business cycle, how do the unemployment rate and vacancy rate comove?

- A) The unemployment and vacancy rates are acyclical.
- B) Both unemployment and vacancy rates are procyclical.
- C) Both unemployment and vacancy rates are countercyclical.
- D) The vacancy rate is countercyclical while the unemployment rate is procyclical.
- E) The vacancy rate is procyclical while the unemployment rate is countercyclical.

Question 8

In the US since the 1980s, it seems that unemployment goes up in recessions because:

- A) Unemployed workers take a longer time to find a job.
- B) Employed workers lose their jobs at a faster rate.
- C) Unemployed workers are discouraged and drop out of the labor force.
- D) New workers enter the labor force to increase their household's income.
- E) Firms take a longer time to fill vacant jobs.