ECONIFUL

Labor Market Lessons Powered by Inductive Reasoning

About Me

Megan Kirts, Director of Educator Programs at Econiful

Taught high school social studies for 17 years

M.A. in Economics & Entrepreneurship for Educators from the University of Delaware

Session Objective

You will be able to...

Describe and evaluate two Econiful lesson plans focused on the labor force and unemployment.

Econiful Curriculum

SEMESTER PLAN

Economic Foundations	Microeconomics	Macroeconomics	Global Connections	Personal Finance
UNIT 1	**UNIT 2**	**UNIT 3**	**UNIT 4**	**UNIT 5**

Big Ideas

SCARCITY AND DECISION MAKING

- Unlimited wants and desires paired with limited resources require us to make choices.
- Decision–making is complex and changes based on many factors.

OPTIMIZATION AND INCENTIVIZATION

- Competitive markets can lead to optimal outcomes.
- Incentives shape decisions.
- Some market outcomes can be improved through government involvement.

ECONOMIC HEALTH

- Economic health can be evaluated in different ways, each with its own limitations.
- Fluctuations in the economy affect people's standard of living.
- Institutions and government policy play an important role in the economy.

INTERNATIONAL TRADE AND DEVELOPMENT

- Voluntary trade generates benefits for both parties.
- Effective institutions and policies drive economic development and improvements in the standard of living.

INVESTING AND PLANNING

- Investing in yourself is beneficial in the long run.
- Planning is critical to achieving your personal finance goals.

Essential Questions

- Why do we have to make decisions?
- How do people make decisions?

- To what extent is competition beneficial?
- When is the risk worth the reward?
- When are rules helpful?

- How can we determine the overall health of our economy?
- Why does economic health matter?
- How involved should the government be in promoting economic health?

- When does it make sense to engage in trade?
- How does global trade influence the lives of people?
- Why are some countries richer than others?

- How does the "best" decision change over time?
- How do the choices you make today shape your life in the future?

How do you introduce students to the labor force and unemployment?

Econiful
Lesson 3.6

3.6 Thinking About the Labor Force Like an Economist

Overview	Through a hands-on activity and the use of a flow chart, students define key labor force categories.
Sequence	Card sorting exercise Unemployment calculation and recent data Practice scenarios with labor force flow chart Summarizer linking unemployment & GDP

Learning Objectives

You will be able to:

Describe unemployment and how it is measured.

Explain the interdependence of the GDP growth rate and unemployment rate.

Categorizing According to the U.S. Bureau of Labor Statistics (BLS)

Potential Labor Force Sort

THIAGO	GWEN
GRACE	JUAN
HARSHITA	SOPHIA
MARTA	LIAM
DEVON	RAJ

Sort the people into

Potential Labor Force (7)

Not part of Potential Labor Force (3)

Note About Terminology

We use the term "potential labor force"

BLS uses "civilian noninstitutional population"

Some textbooks use "working age population"

Potential Labor Force

GRACE

JUAN

HARSHITA

GWEN

MARTA

LIAM

SOPHIA

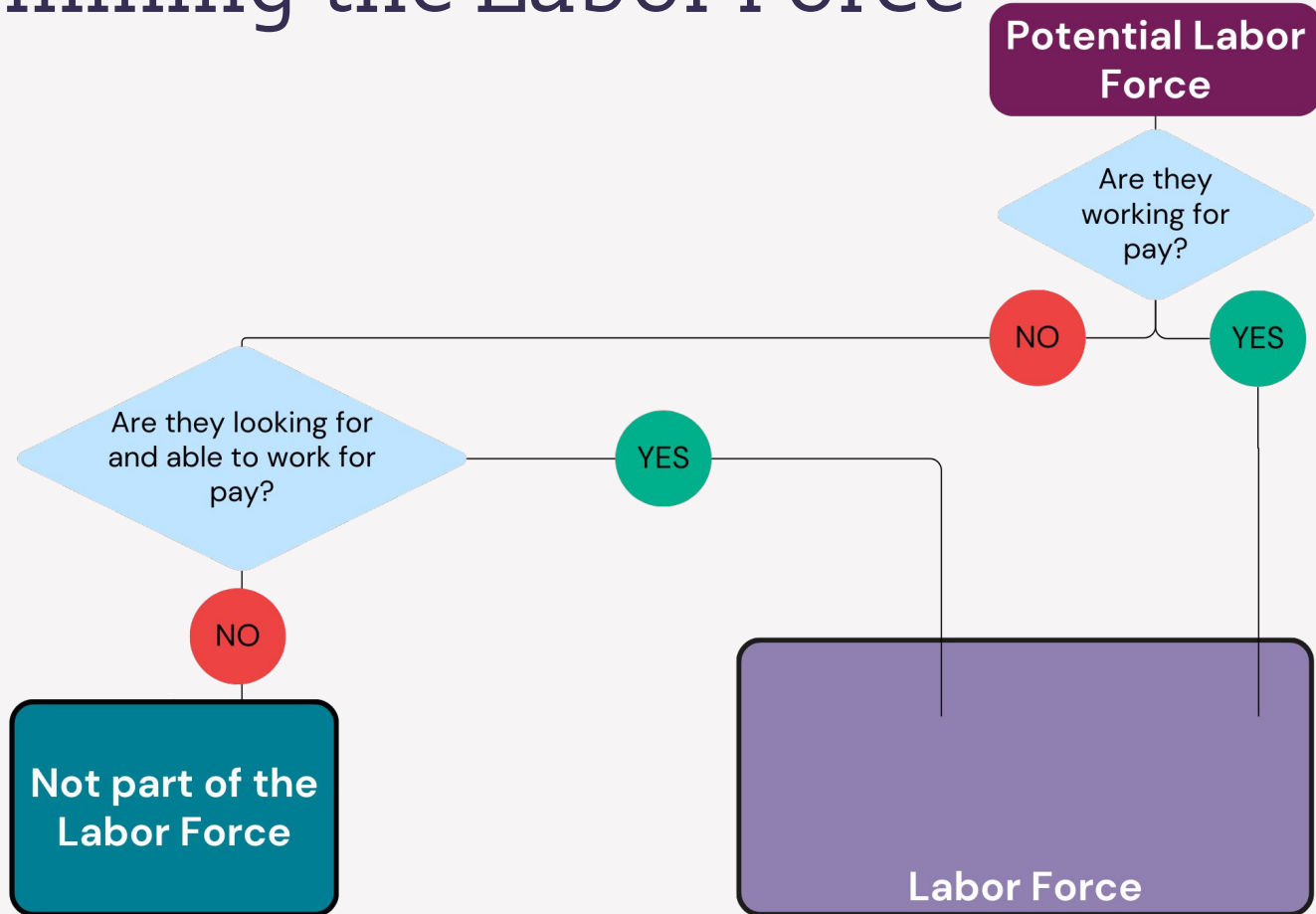## Not part of the Potential Labor Force

RAJ

THIAGO

DEVON

Potential Labor Force

Now that you have the correct categorization of the people...

Establish at least **two** criteria for identifying members of the **potential labor force**.

Hint: Members of the potential labor force must <u>not</u> be _____, _____, or _____.

Determining Potential Labor Force

U.S. Population

Are they under 16, in the military, and/or institutionalized?

YES

NO

Not part of the Potential Labor Force

Potential Labor Force
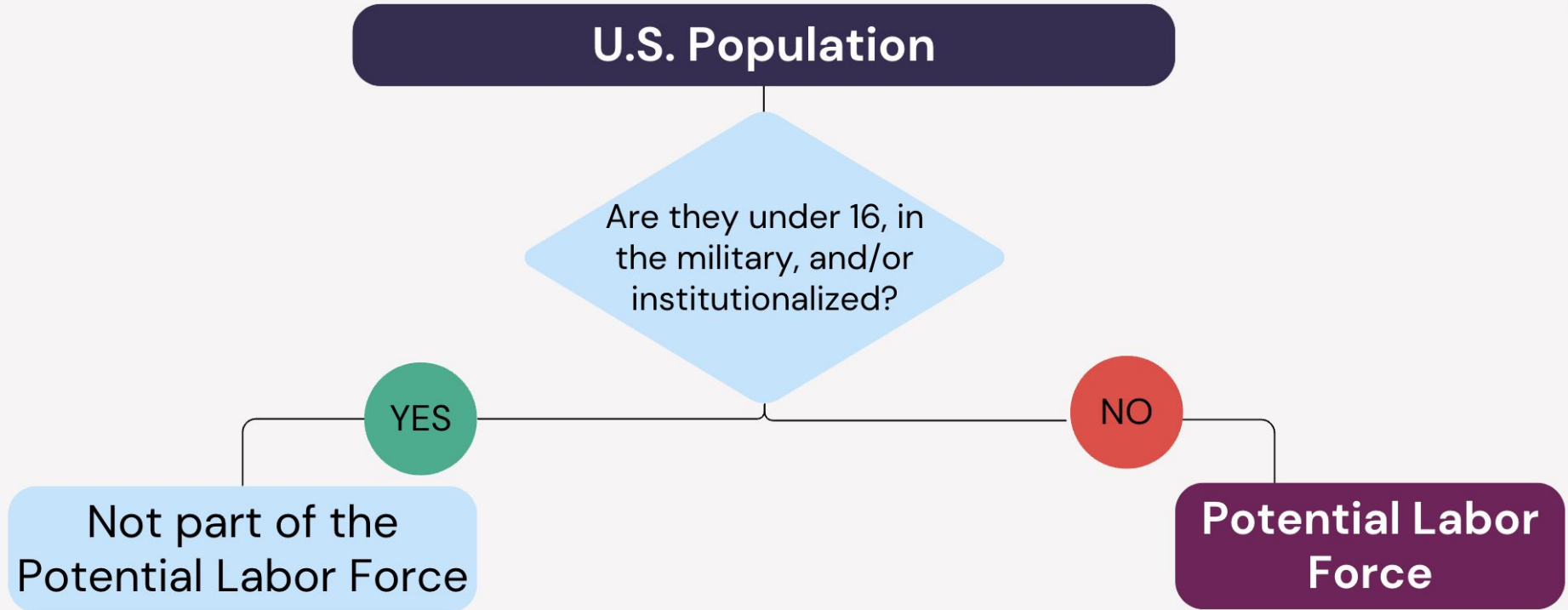
Potential Labor Force

Which of your proposed criteria closely align with the BLS's criteria?

What aspects of the BLS's criteria did you overlook?

GRACE	JUAN
HARSHITA	GWEN
MARTA	LIAM

SOPHIA

Labor Force Sort

Sort the 7 people into

Labor Force (5)

Not part of the Labor Force (2)

Part of the Labor Force

JUAN
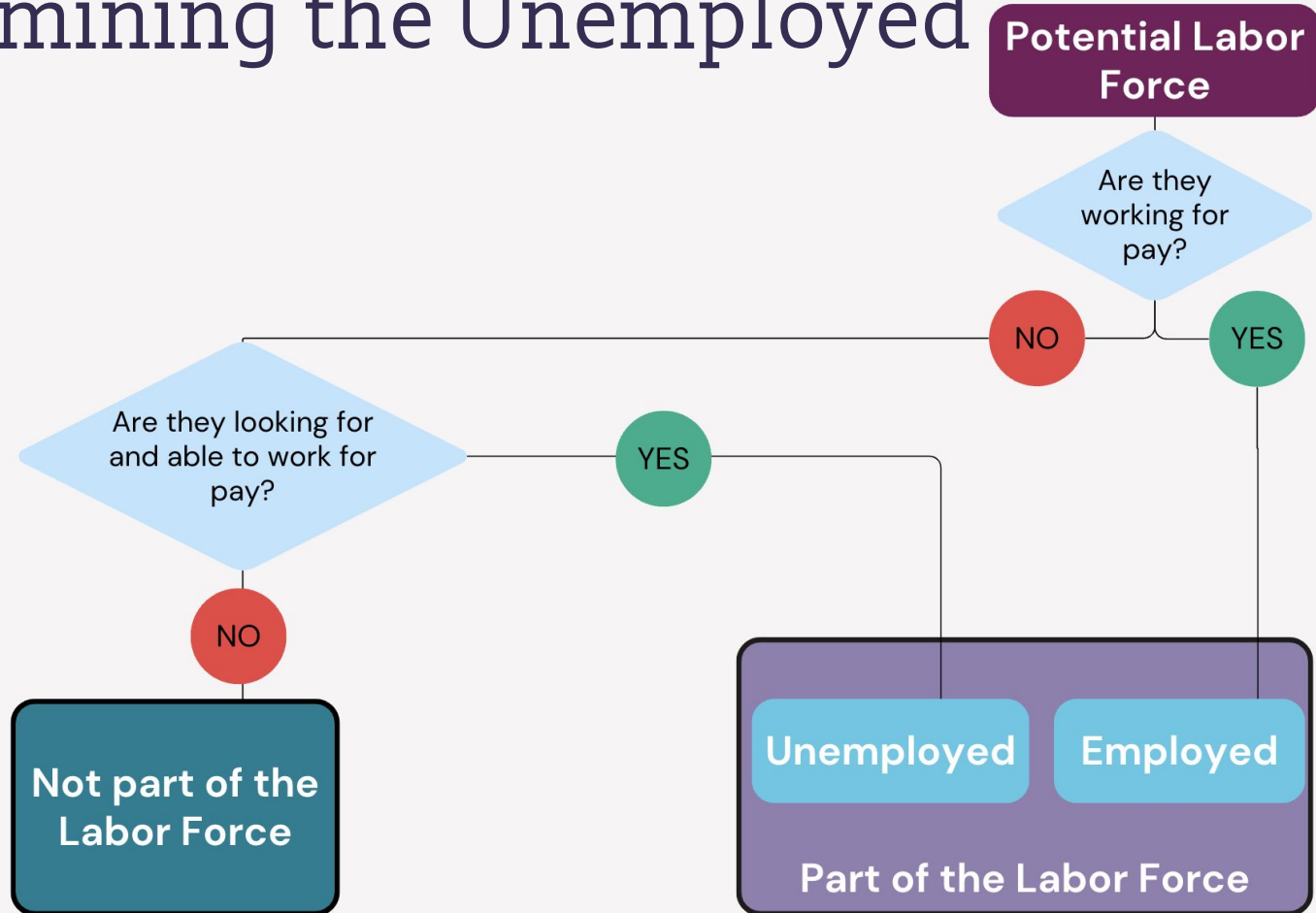
HARSHITA

GWEN

MARTA

LIAM

Not part of the Labor Force

GRACE

SOPHIA

Labor Force

Now that you have the correct categorization of the people...

Establish at least **two** criteria for identifying members of the **labor force**.

Determining the Labor Force

JUAN

HARSHITA

GWEN

MARTA

LIAM

Unemployment Sort

Sort the 5 people into

Employed (3)

Unemployed (2)

Unemployed

Now that you have the correct categorization of the people...

Establish at least **two** criteria for identifying those classified as **unemployed**.

Determining the Unemployed

Potential Labor Force

Are they working for pay?

NO   **YES**

Are they looking for and able to work for pay?

YES

NO

Not part of the Labor Force

Unemployed   **Employed**

Part of the Labor Force

Country Y Population

RAJ
THIAGO
DEVON
GRACE
SOPHIA
GWEN
LIAM
MARTA
HARSHITA
JUAN

Potential Labor Force

GRACE
SOPHIA
GWEN
LIAM
MARTA
HARSHITA
JUAN

Labor Force

GWEN
JUAN
MARTA
HARSHITA
JUAN

Unemployed

HARSHITA
LIAM

U.S. Population
340 million

Potential Labor Force
268 million

Not part of the Potential Labor Force

Labor Force
169 million

Not part of the Labor Force
99 million

Employed
162 million

Unemployed
7 million

Data from June 2024; All values are rounded to the nearest whole million

Source: BLS.gov

Discuss

True or **False**

An unemployment rate of 3.7% means 3.7% of the total U.S. population is unemployed.

False

An unemployment rate of 3.7% means 3.7% of the total U.S. population is unemployed.

An unemployment rate of 3.7% means 3.7% of the U.S. *labor force* is unemployed.

Labor Force Flow Chart

U.S. Population

Are they under 16, in the military, and/or institutionalized?

YES → Not part of the Potential Labor Force

NO → **Potential Labor Force**

Are they working for pay?

NO → Are they looking for and able to work for pay?

YES → Employed

NO → **Not part of the Labor Force**

YES → Unemployed

Labor Force
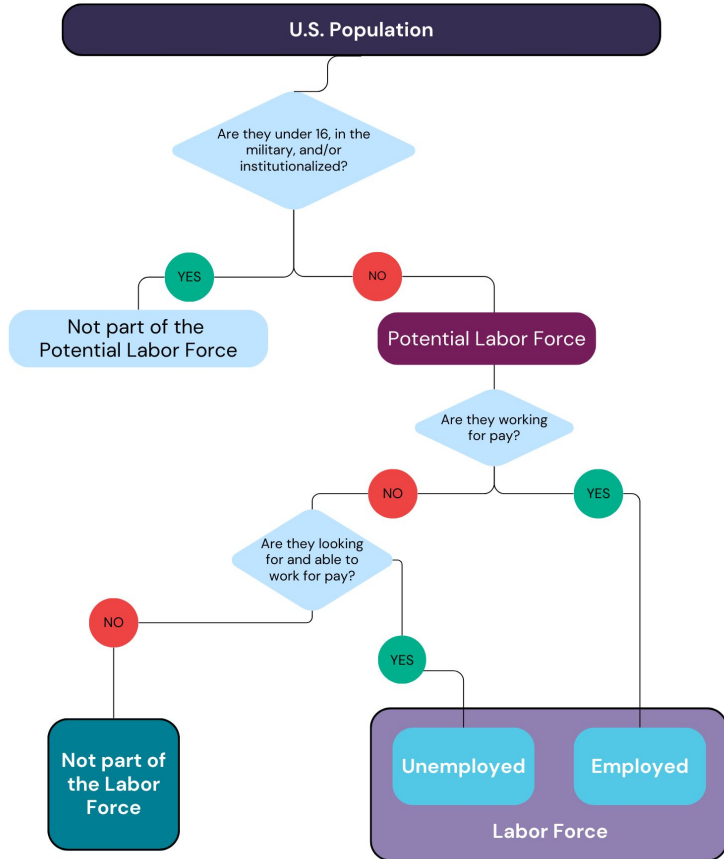
Your Task

You will use the flowchart to determine the correct categorization of different people according to the U.S. Bureau of Labor Statistics (BLS).

Practice

Despite her engineering degree, Lisa (age 32) can only find work as a cashier at an electronics store. Her current position doesn't match her qualifications and skill level.

Employed

Practice

Kai (age 29) is tired of going on interview after interview and has decided to pause their job search and live off of their savings for awhile.

Not part of the labor force

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Lesson 3.7

3.7 A Closer Look at Unemployment Data

Overview	Working in groups, students analyze a variety of sources to evaluate the official unemployment rate.
Sequence	Unemployment retrieval practice Short reading on labor underutilization Data dive on different demographic groups Transferring knowledge to a civic scenario

Learning Objectives

You will be able to:

Explain the causes and consequences of unemployment.

Explain the usefulness and limitations of the unemployment rate.

Students…

1. **Read** "Understanding and Responding to Underutilization of Labor."

2. **Note** information that answers the questions on their handout.

3. **Discuss** the questions with their group.

3.7 Reading (A Closer Look at Unemployment Data)

Understanding and Responding to Labor Underutilization

UNEMPLOYMENT RATE

At some point in their working life, most people are considered unemployed according to the official definition from the Bureau of Labor Statistics (BLS). Economists consider some unemployment circumstances more probl... are looking for their first fu... Economists are much more ... longer exists due to techn... downturns. Those who los... economic cycles (like ma... period.

Along with econom... most widely reported and ... against relying solely on th... because the official unem... gain a more nuanced und... economists analyze additi...

LABOR UNDERUTILIZATIO...

Discouraged worke... not captured by the offici...

Discouraged Work... employment is ava...

Some groups are m... especially those close to ... age discrimination or find... or caregiving responsibilit... employment options. Som... market, leading to higher ... likely to be discouraged w... have been <u>unemployed fo</u>... job offer.

Underemployed W... or available time

Some groups are m... those who are non-native ... with their skills. <u>Women</u> ba... because they offer greate... <u>contract</u> work may only b... job late in their career the... experience and skills.

When all of the cat... underemployed workers, a... unemployment rate increa... rate was 7.9% whereas a ... both figures had improved...

3.7 Student Handout (A Closer Look at Unemployment Data)

Labor Underutilization

Name _____   Period_____

INSTRUCTIONS: To prepare for a discussion with your group, consider the discussion questions below as you read and add notes.

1. What challenges/difficulties do underutilized workers face?	2. What factors contribute to uneven labor underutilization across groups?
3. Why are economists concerned about underutilized labor? Connect your answer to the circular flow model (consider what will happen to firms and households when labor is underutilized).	4. Why is an unemployment rate of 0% unrealistic?

Questions for Students

1. What challenges/difficulties do underutilized workers face?

2. What factors contribute to uneven labor underutilization across groups?

3. Why are economists concerned about underutilized labor? Connect your answer to the circular flow model.

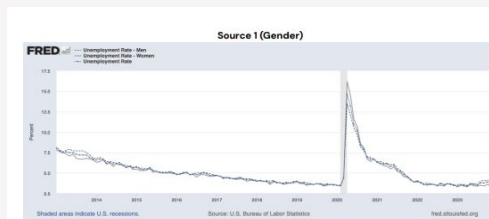4. Why is an unemployment rate of 0% unrealistic?

Data Dive

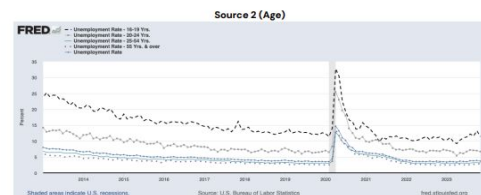In groups, students analyze unemployment data (charts from FRED) broken down by
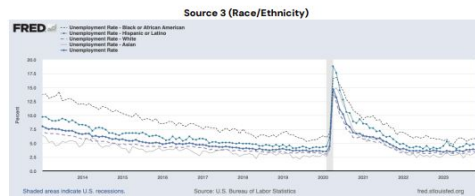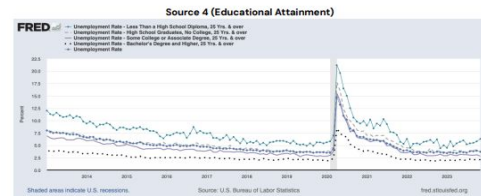
Gender

Age

Race/Ethnicity

Educational Attainment

To what extent is the official unemployment rate a limited indicator of economic health?

Discuss...

1. Would these lessons be appropriate for a class you teach?

2. How might you modify these materials for your classroom?

3. What is your favorite event at the Summer Olympics?

Q&A

Session Objective

You should be able to...

Describe and evaluate two Econiful lesson plans focused on the labor force and unemployment.

Thank You!

For further information contact

Megan Kirts

megan@econiful.org

@econiful