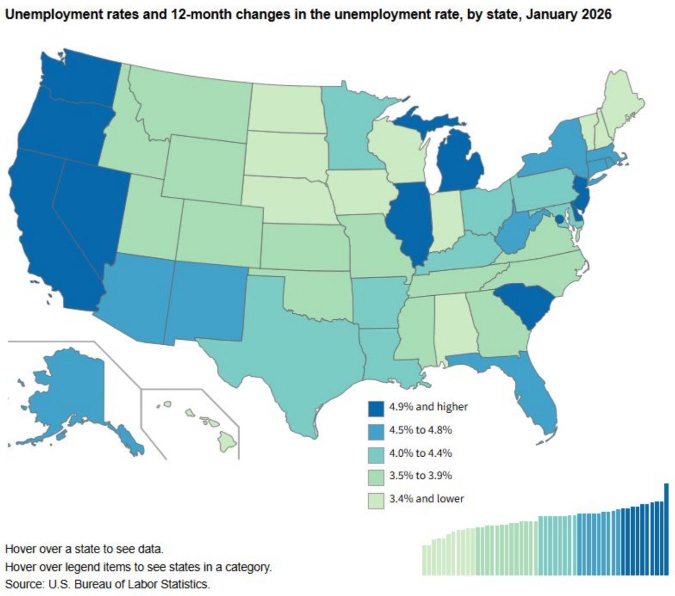
Unemployment

By: John Kim | YCB Civics Fair

What is Unemployment

- Occurs when a person of a working age (16+) does not have a job, available for work, and have actively looked for work in the past 4 weeks
- Measured in Unemployment Rate: (# of unemployed people/labor force) x 100
  - A “normal” unemployment rate nationally is ~4-5%.

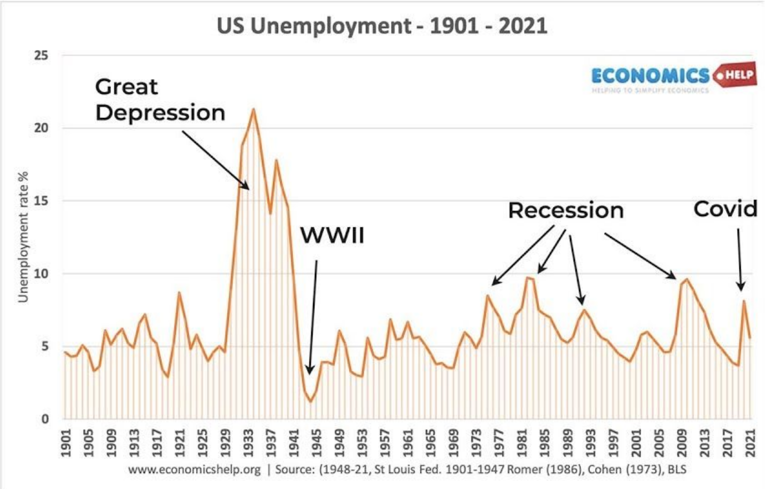


Why is Unemployment Important?

- Without a job, it is difficult to make a steady income
- Lack of money can lead to many other societal issues
- Currently, the introduction of new technology is threatening to take more jobs
- Can affect anyone at any time

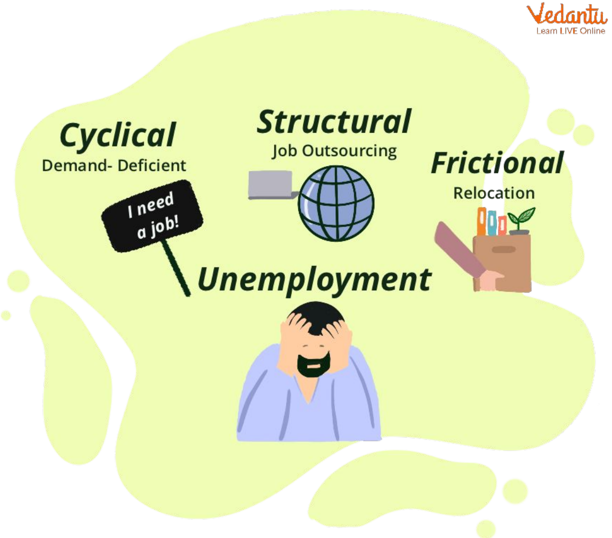
The History of Unemployment

- Great depression (1929 to 1939)
- Official unemployment rate tracking begins (1930)
- Unemployment all time high (~24.9%) (1933)
- Unemployment insurance (1935)
- WWII (1939 - 1945)
    - All time unemployment rate low (0.8%, October 1944)
- 1982 recession
    - Caused by high interest rates
- Great Recession (2007-2009)
    - Housing and financial crisis that took many people's jobs
- COVID-19 pandemic
    - Public health crisis that caused many businesses to fail and many people to be laid off

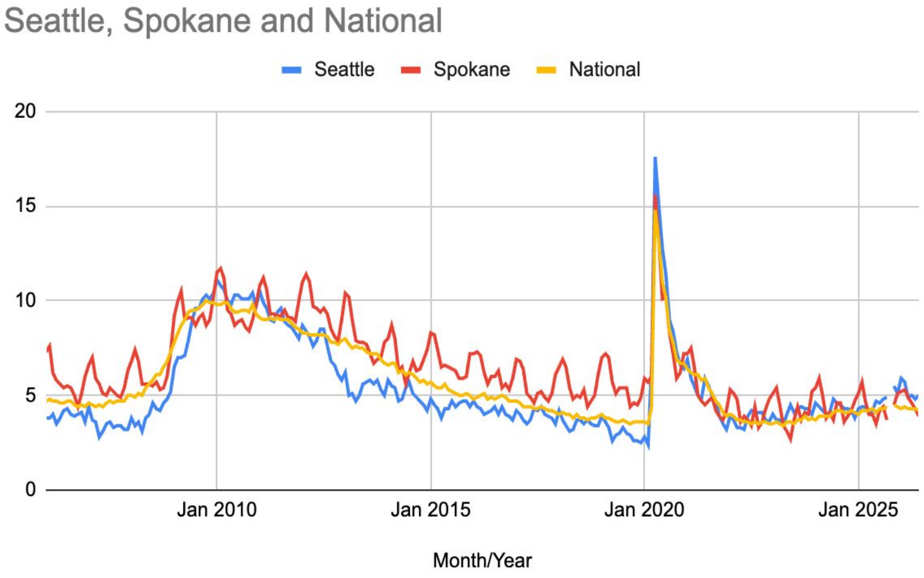


Why Do Unemployment Rates Increase?

- Unemployment rates increase for many different reasons such as:
  - Seasonal jobs
  - Lack of jobs in the economy
  - Rising interest rates
  - Technological advancements
  - National and consumer debt
  - Public health crises
  - Housing and financial crises
  - Natural disasters

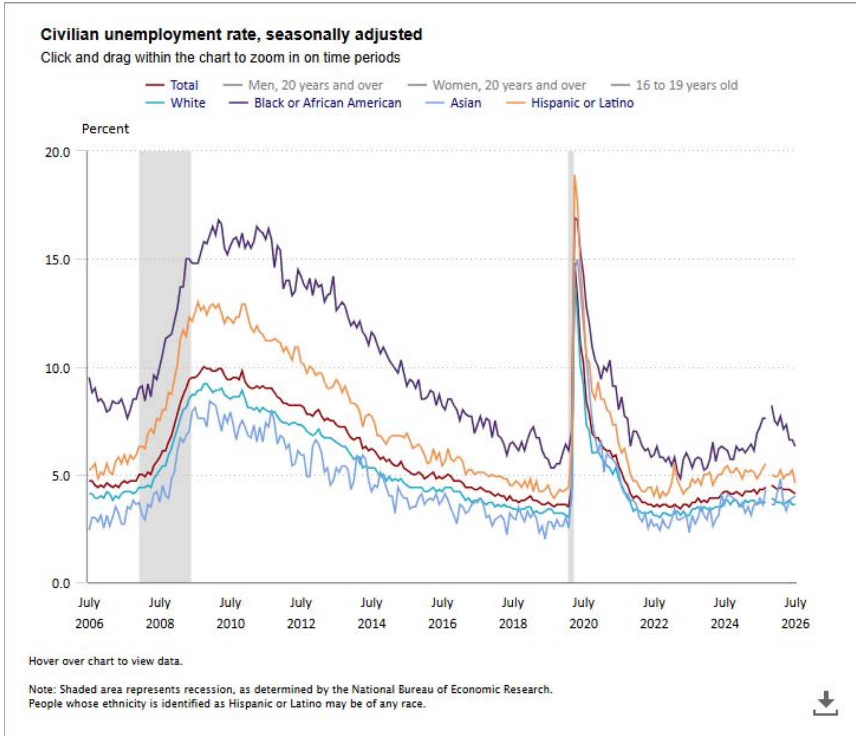


What does the Data Say? - **Local Comparison**



- Spokane workforce smaller than Seattle
  → Spokane has larger unemployment spikes
- Spokane's economy largely based off of seasonal jobs such as agriculture or construction
  → larger seasonal spikes in unemployment
- Seattle has almost no seasonal unemployment rate spikes
  → Seattle's economy is less dependant on seasonal jobs
- Seattle has a higher unemployment rate during the Covid era
  → large tech companies started to layoff workers by the masses; Seattle's economy is largely tech focused
    → Big parts of Seattle's economy such as Tourism were damaged during COVID
- Seattle's unemployment rate near the present time is rising quicker than the unemployment rate of Spokane
  → technological advancements such as AI taking jobs; Mass layoffs by big tech companies

What does the Data Say? - Demographic Comparison

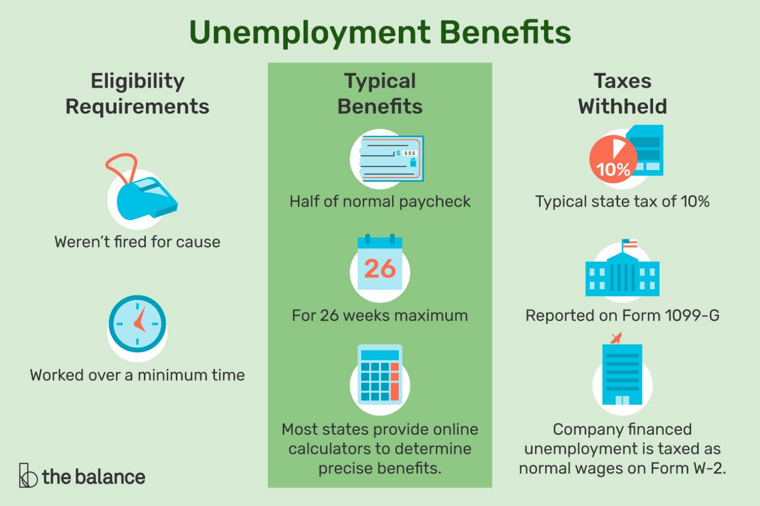


- African Americans have a significantly higher unemployment rate compared to any other demographic of people
  → racial discrimination.
- Hispanic people also have a significantly higher unemployment rate than the global average, but less than the African American unemployment rate.
- Hispanic people have the highest unemployment rate during the COVID pandemic
  → According to data from the U.S. Bureau of labor statistics, about 50% to 60% of people working construction, agriculture, and service works are Hispanic, and those industries were hurt greatly during the pandemic
  → racial discrimination and language barriers.
- Asian and White people both have an unemployment rate that is lower than the national average, with White unemployment rates being higher than Asians
  → unemployment rates for Asians spiked more than the unemployment rate of White people during the COVID pandemic

What is Being Done Now?

Many things are being initiated to reduce unemployment, but some notable solutions include:

- Unemployment insurance
  - State managed program that gives unemployed people a temporary income until they find a job
  - Requirements:
    - Must be able to work
    - Must complete a minimum of 680 hours of work in a regular base year (18 months)
    - Must lose a job through no fault of your own (ex. layoff)
- Workforce retraining programs
  - Helps unemployed workers to gain new skills to return to work quickly
  - Eligibility (only requires one):
    - Received/receiving UI benefits
    - Facing a impending layoff
    - Exhausted UI benefits within past 48 months
    - Recently discharged veteran within the past 48 months



Steps for the Future

- Supporting small businesses
- More funding for schools
  - Creates better job opportunities
- Make college/trade school more affordable
- Use new technology to make jobs instead of replacing them

Thank you for listening