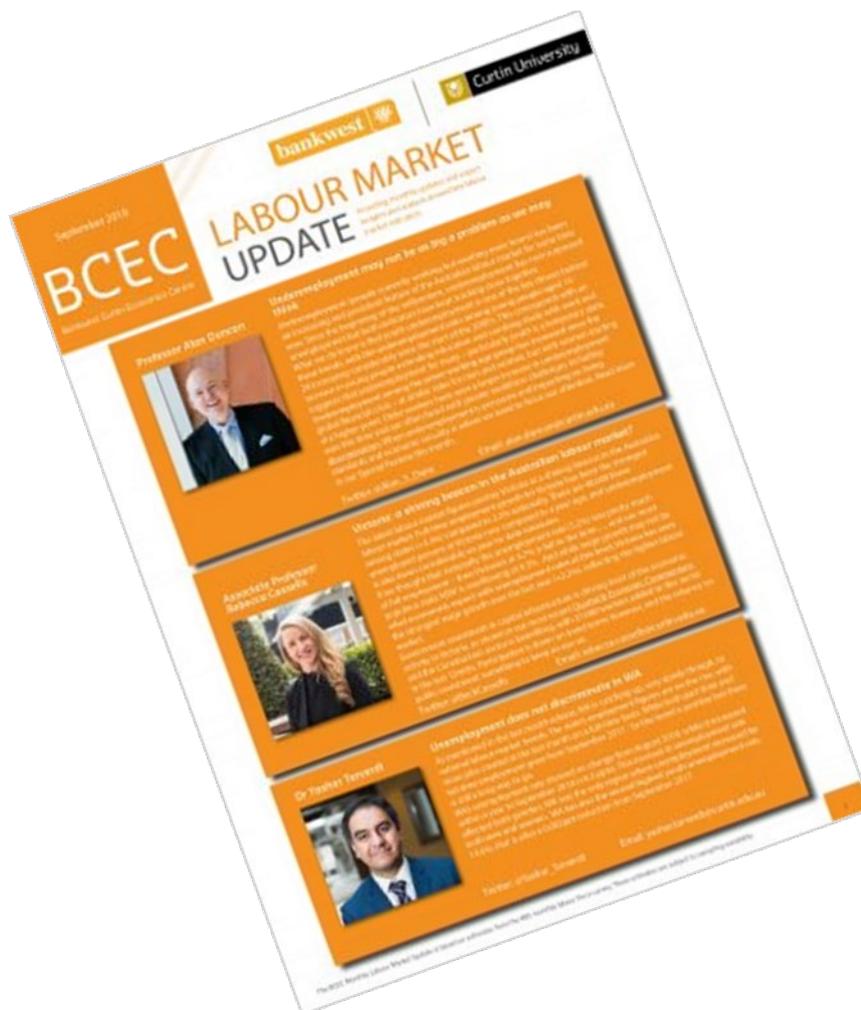




Unemployment

Unemployment is regarded as a negative result for those individuals experiencing the lack of work (and their family) as well as on the whole economy.

- Read pages 1 to 3 of the September 2018 edition of the Bankwest Curtin Economics Centre's **BCEC Monthly Labour Market Update** to answer these questions. You can view or download the update at: <http://bcec.edu.au/publications/>
- Use the BCEC Update to assist you with the following tasks.





Finding out

Task 1

- Write down **three** things from your reading that you find interesting about unemployment in Australia.
- Brainstorm the possible sources of the over 26,000 additional employed persons in September 2018.
- A national unemployment rate of 5.2% in Sept 2018 can sound small as it is five persons out of every 100 in the labour force.
 - From the data in the update identify how many persons 5.2% represents.
 - The Perth Stadium holds 60,000 people. Calculate how many times it would be filled by the total number of unemployed people in Australia in September 2018.
- Brainstorm the ways in which unemployed people can survive?
- Evaluate how similar the unemployment rates were, in September 2018, for:
 - males and females
 - youth as compared to the whole labour force.

Use data to support your determinations.

Task 2

- Think about your local community. As a class, discuss whether the unemployment rate for your Local Government Area would be similar to the rate for Western Australia OR lower OR higher.
- Predict what you think the Australian unemployment rate will be in September 2019.
- Name **three** factors that you consider will cause this change (or perhaps stability) in the unemployment rate over this 12 month period.
- Form a group of three and share your prediction and factors.





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- As a class:
 - create a number line showing all predictions and a list of the factors affecting unemployment
 - discuss which of the predicted unemployment rates are most plausible and which factors are most likely to cause such a result.



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Teacher notes

Purpose

This 'bite' aims to get students thinking about unemployment and how it differs between genders and age groups. It also provides opportunity to use critical thinking skills to make predictions.

Prior knowledge

Students need to have been exposed to the following syllabus content before undertaking this 'bite':

- indicators of economic performance

They also need to be familiar with reading data in tables and reading column graphs.

Answers

Task 1

- There is a huge range of things that students this age may come up with. For example:
 - economic ideas, such as, the large number of people, the similarity between states
 - non-economic ideas, such as, how badly this would affect the person and their family

Hint: Get a few volunteers to share their 'interesting things' with the class.

- Possible sources of additional employed persons include: students leaving school (or TAFE or uni), people returning to work after a break raising children, migrants, previously unemployed workers gaining a job
- $688.5 ('000) = 688,500$

Hint: Discuss the use of the brackets - which is common in Economics due to the size of many macroeconomic statistics - students may find conversion into a number confusing - what is .5 of '000?





- $688,500 / 60,000 = 11.5$ stadiums
- Ways in which unemployed people can survive include: using their savings (if they have any), help from their extended family (food, clothes, accommodation or money), help from charities, social welfare payments - typically the Newstart allowance (if they are eligible), committing illegal activities (such as burglary)
- Similarities/differences:
 - the male and female rates are very similar (M = 5.0%, F = 5.3%)
 - the youth rate is very high compared to the whole labour force (Y = 11.2%, total = 5.2%)

Extension: It would be useful to discuss possible reasons why the youth rate (for 15 to 24 year olds) is comparatively so high, such as: less experience, less qualifications/training/skills, a smaller network to assist in finding work, less geographically mobile.

Task 2

- The unemployment rates across the Local Government Areas in Australia varies greatly. For example, in 2016, the unemployment rate in Bunbury was 8.9% and in Vincent (in Metropolitan Perth) it was 6.1%.

Hint: Data including the unemployment rate for each LGA can be accessed from ABS 1410.0 - Data by Region [type in the name of your LGA, select this from the dropdown list, from the map displayed click on the pin for the LGA, then select 'view data' from the bottom of the summary box and scroll down the data shown – the unemployment rate is near the bottom]

- The unemployment rate can vary over a 12 month period but based on previous data it is not likely to change by more than 2.0% and is not likely to go below 4.0% (see the graph on page 4 of the BCEC Update). In October 2018, the IMF was predicting a very small decrease in Australia's unemployment rate by 2019 and little difference in the rate by 2023.
- Factors that could reduce the unemployment rate over this 12 month period include: reduced migrant intake, increased economic growth in our main trading partners such as China and Japan resulting in more demand for our exports, increased consumer spending, increased wages in Australia resulting in more spending; factors





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that could increase the unemployment rate over this 12 month period include reduced exports due to trade restrictions in countries such as the U.S.A. and China, increased interest rates causing loan repayments to increase and leaving less money for consumers to spend.

Follow-up

Students' skills in comparing data and identifying trends can be further developed by investigating employment and unemployment data across states and/or unemployment rates across countries.

