



## Activity 2: Analyzing Unemployment Data

Use the Unemployment Data Dashboard for your analysis:

<https://research.stlouisfed.org/dashboard/13831>

1. Record the most recent six months of unemployment rate (Box 1):

Month	Unemployment Rate (%)
1.	
2.	
3.	
4.	
5.	
6.	

2. Examine the unemployment rate since 1948 (Box 2).

- Observe the shape of the line. What trends or patterns do you see?
- Recessions are indicated by the gray areas on the graph. What usually happens to the unemployment rate during recessions?
- Describe the recent trend. (Use information from Boxes 1 and 2.)

3. The most recent release of the natural rate of unemployment (Box 4):

- \_\_\_\_\_ percent.

- Compare the current unemployment rate to the natural rate of unemployment. Is the current unemployment rate higher or lower than the natural rate of unemployment? Also make sure you consider the trend (not only the most recent release) in your assessment.
  
  - Is the unemployment rate higher than the natural rate? Is the gap between the unemployment rate and the natural rate of unemployment increasing or decreasing? (Use Box 6.) Explain.
4. What is your diagnosis? The unemployment rate is just one economic indicator but it is an important one. From this data, do you think the economy is currently healthy? Use data as your evidence.