

Economics in Person Viewing Guide – 3

The U.S. Labor Market and the Great Recession

1. (0:32) What are the four main categories of workers in the labor force?
2. (1:08) What is the longer term trend in labor force participation rates? How did the recent recession magnify this trend?
3. (1:36) How is the dependency ratio defined? Name the two groups that are considered non-working.
4. (2:18) Mary mentions that in the future we will be looking at approximately how many retired people per 100 workers? How does this compare to our current dependency ratio?
5. (3:00) In the 1990s, what was the potential output for the U.S. economy? What is it currently?
6. (3:20) Mary mentions two options for increasing potential output. What are they?
7. (3:27) What are two issues that will challenge policy makers?
8. In what way does a declining labor force participation rate impact the dependency ratio?