





6. With recent improvements in technological automation, automobile production in manufacturing facilities have become increasingly automated. As a result, there has been a permanent reduction in demand for automobile manufacturing employment in the United States. What type of unemployment does this cause? Explain.

7. Suppose the country of LoompaLand has a civilian working-age population of 14,000 Oompa Loompas who are characterized as follows:

- 8,000 are employed at Willy Wanka's Chocolate Factory
- 2,000 are employed as chocolate industry spies by Sluggworth's Chocolates
- 1,500 are employed as vocalists in the local music industry
- 1,000 Oompa Loompas are looking for jobs, but are not yet employed
- 1,200 Oompa Loompas are not employed, but are not looking for jobs because they became frustrated and gave up trying to find a job
- 300 Oompa Loompas are retired, not interested in working.

(a) Define the **labor force participation rate**. Compute the labor force participation rate for LoompaLand.

(b) Define the **unemployment rate**. Compute the unemployment rate for LoompaLand.

(c) Define **discouraged worker**. How many discouraged workers are there in LoompaLand?