

The best example of a frictionally unemployed individual is

Student response:

Percent Value	Correct Response	Student Response	Answer Choices
0.0%		<input type="radio"/>	a. Charles who has lost his job as an autoworker because of increased imports and can't find a good job that utilizes his skills.
100.0%		<input checked="" type="radio"/>	b. Mary who quit her job to find work closer to her home.
0.0%		<input type="radio"/>	c. Sam who lost his job as a real estate salesperson when the housing market went soft because of a recession.
0.0%		<input type="radio"/>	d. Sandy who has few skills and is no longer looking for work.

Score:

0 / 1

- a) represents "structural unemployment"
 c) represents insufficient aggregate demand or cyclical unemployment
 d) represents discouraged or hidden unemployment.
 b) is frictional. Review the definition ↘

Frictional unemployment is that unemployment caused by information or **search** costs. Usually when a person quits, is fired, or enters the labor market, there are jobs available for which that person is qualified. The person will be frictionally unemployed because it takes time (and effort) to find the jobs that are available.

The division between frictionally and structurally unemployed labor can shift with time. Since the demand for labor (its marginal revenue product) depends on the general demand for goods and services, an increase in the demand for goods and services will increase the value of labor services, and some who were previously structurally unemployed become "employable." Also, it is possible that some people may have such high search costs that even if there are jobs for which they are qualified, finding them may be so expensive that these people may be more properly considered structurally rather than frictionally unemployed. Hence, the division not only shifts, but is a bit fuzzy as well.

Explaining frictional unemployment has led economists to [theories of search](#).

This is
 from one of the online resources — CyberEconomics a free online text book.

<http://www.ingrimayne.com/econ/Labor/TypesUnempl.html>