

Student's Name

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Course

Date

The Problem of Unemployment in the U.S.A

Unemployment is one of the issues that economists have been struggling to address for many decades. According to Statista, one is considered unemployed if he/she has no job but is available for work (par 2). States in the U.S. have different unemployment rates. The current national unemployment rate averages 3.7% as of September 2018 (Statista par 2). Numerous factors may determine the mentioned problem. For example, the unemployment rates usually reduce at good economic times and reduce significantly at recession times. Consequently, a significant proportion of the American population believes that the government should make it a priority to address matters of unemployment. Thus, it is relevant to identify possible causes and solutions to the problem.

Possible Causes of Unemployment

Technology is one primary cause of unemployment. According to The U.S. Unemployment Offices, many companies in America have replaced human labor with machinery, equipment, and computers (par 2). A single technological device may serve the same work that could be done by several people combined.

Another cause of unemployment is the human population. As the number of births increases, more people are pumped into the job market over time, and since there is no guarantee of new jobs, any people remain jobless. Besides, economic recessions force companies to lay off some employees, combining such situations with the increasing number of grandaunts each year, and the employment rate will naturally increase.

Further, unemployment rates are increasing due to outsourcing. Today, most firms hire employees from other nations whose workforce only require lower salaries, such as South Asia (The U.S. Unemployment Offices par 4). In extreme cases, some U.S. companies would establish their headquarters in some of these Asian region states. Consequently, many Americans are left jobless.

Global competition is another possible cause of unemployment. Through globalization, the majority of American firms are experiencing fierce competition from many other international companies. Some of the rivaling companies located in nations like China, Canada, Australia, and the U.K. already have established firms in various industries, hence making it hard for the goods/products from the American companies to penetrate the global market.

Possible Solutions to Unemployment

One cost-effective way to address unemployment is by implementing the dollar to dollar policy. Based on the University of Massachusetts's findings, building mass transit could be a reliable solution to the problem. For example, by investing one billion dollars on public transportation, there is a likelihood of 19,795 jobs being created (Amadeo par 7).

Enhancing unemployment benefits could be another viable solution. Based on the Congressional Budget Office's findings, every \$1 billion that the government spends on unemployment benefits is likely to create more than 19,000 jobs (Amadeo par 8). The unemployed population tends to consume all their earnings by buying basic needs, such as groceries, clothing, and housing. Hence, investing more in unemployment benefits would stimulate more demand.

Another possible solution to the problem is by enhancing the fiscal policy. During economic recessions, monetary policies may fail to work independently, especially with the weak budgetary system. In this case, the government should consider cutting taxes or

increasing its expenditure to stimulate the economy (Amadeo par 4). More confidence is pumped to the market through an enhanced fiscal policy to avert the recession's adverse effects. Most importantly, belief is a key factor needed to motivate people to invest more.

Unemployment is a constant problem that the U.S. has faced for many decades. Currently, the unemployment rate has reduced, which is an indication that more could be done to minimize the problem further. Common causes of unemployment are advances in technology, rising population, outsourcing by firms, and global competition. Possible solutions to the issue include implementing the dollar to dollar policy, increasing unemployment benefits, and enhancing the fiscal policy. Thus, by applying these proposed solutions, more Americans will be relieved from facing unemployment's adverse effects.

Works Cited

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