Excel with FRED: HW3 - Teen Unemployment

Teen unemployment differs significantly from post-teen unemployment. There are many possible reasons for observed differences between teen and post teen unemployment. One likely cause of this difference is the minimum wage. This data can be related to the minimum wage by using data available on FRED.

1. Search FRED for LNS14000012 (16-19 year old unemployment). Add the following series: 25-54 year old unemployment (LNS14000060) federal minimum wage (FEDMINNFRWG) GDPDEF (the GDP deflator)

2. Download data in excel for 1950 to the present.

3. Create a new column by dividing the minimum wage by the GDP deflator (D/E column)

4. Create a new column by subtracting 25-54 YO unemployment from 16-19 YO unemployment.

5. Label the headings for each data column

6. Insert the real minimum wage and unemployment differential columns into a scatter diagram

7. Insert a trendline, with correlation number, into the scatter diagram.

8. Insert the unemployment gap and real minimum wage columns into two scatter diagrams- one from the first quarter of 1950 to the second quarter of 1981, the other from the third quarter of 1981 to the present.

9. Create a time series for teen and post-teen unemployment by inserting columns A B and C into a scatter diagram.

10. Insert the date-column and the unemployment rate columns into a time-series scatter diagram

11. Reformat time series graph for clarity and style. Either SNIP or control-C functions may be used to transfer the graphs to other documents.