Furthermore, you can see that there is not a trend as in the case of the real GDP, meaning that inflation does not tend to grow steadily over time.

The final series is the Unemployment rate:

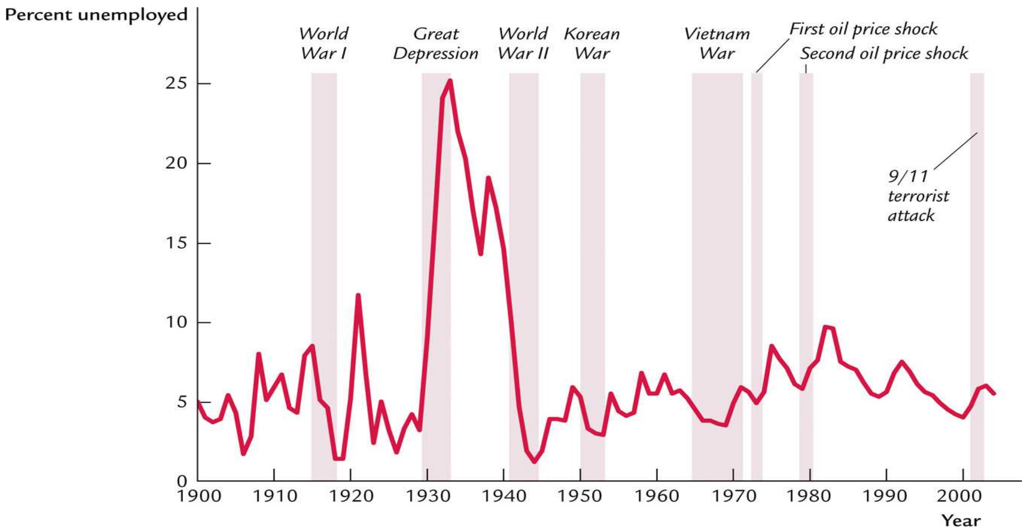

Figure 1.3 The Unemployment Rate in the U.S. Economy
Mankiw: Macroeconomics, Sixth Edition
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Notice first of all, that unemployment is never zero in the economy (it cannot be negative by definition). As for the inflation rate series, there is not a trend over time; however, unemployment rate tends to fluctuate quite substantially from year to year. Below is the graph of the unemployment rate in US (% annual) from 2000 to 2010. This is to show the effect of the credit crunch on the unemployment rate in US.

Preview from Notesale.co.uk
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