2. The economy of Foxhound is in short-run equilibrium with the macroeconomic data shown in the table.

Labor force	15,000,000
Number of people not working but looking for work	900,000
Number of people who are retired	200,000
Number of people not working and not looking for work	100,000
Natural rate of unemployment	3%
Actual inflation rate	2%

Part A

How many people are employed in Foxhound?

Part B

Calculate the actual unemployment rate in Foxhound. Show your work.

Part C

Draw a correctly labeled graph of the short-run and long-run Phillips curves for the economy of Foxhound, and label the short-run equilibrium point as X. Plot the relevant numerical values on your graph.

Part D

If some individuals who are counted as employed in Foxhound retire, will the unemployment rate increase, decrease, or remain the same? Explain.