

Section 1: Guided Reading and Review

Labor Market Trends



A. As You Read

As you read Section 1, fill in two supporting facts or details under each main idea by answering each question.

Main Idea: The Bureau of Labor Statistics (BLS) tracks changes in the labor force.

- How do economists define *labor force*? All nonmilitary people who are employed or not employed
- What criteria define unemployment? A person must have worked lined up for the future or must be actively looking for a new job

Main Idea: The changing economy has brought along a changing job market.

- How did the electronics boom of the mid-twentieth century impact the job market? Produced new factory jobs, employment growth was in the Northeast and Midwest part of the US
- What new jobs were created beginning in the 1970s? Jobs in the service sector: finance services, investment banking, web design, consulting services, health care and desktop publishing

Main Idea: Changes in the labor force can be traced to a number of causes.

- How has higher education contributed? Learning effect- theory that education increases productivity and results in higher pay.
- Why are there more women in the labor force? More women getting a higher education, fewer jobs require heavy physical actions like lifting

Main Idea: For about the past 20 years, the trend in average wage earnings can be described as slightly downward.

- Have all workers received lower wages? No, workers in service industry and retail trade have seen an increase in wages paid in the last 10 years
- How has competition affected wage earnings? Yes, greater competition from other countries has brought down the demand for low-skilled workers (steel and car production)

B. Reviewing Key Terms

Answer each of the following questions in a complete sentence.

- How might the *learning effect* influence wage trends? wages will increase as more people get a higher education.
- According to the *screening effect*, how may employers view job applicants who have a college education? They would view the person as smart and hard-working.
- To what kinds of jobs does *contingent employment* refer? Temporary and part-time jobs



Section 2: Guided Reading and Review

Labor and Wages

A. As You Read

As you read Section 2, complete each of the following sentences.

1. Employment in a labor market depends on how closely the demand for workers meets supply of workers seeking jobs
2. The price of labor (earnings) depends on workers' skill level & education
3. Professional labor requires advanced skills & education
4. In a competitive market, workers are usually paid according to value of what they produce
5. Higher labor prices decrease the quantity of labor demanded
6. Firms can respond to higher wages by replacing people with machines
7. Higher wages increase the quantity of labor supplied
8. Jobs in the skilled labor category require specialized abilities & training
9. A high equilibrium wage is the result of a low supply but high demand
10. The Equal Pay Act of 1963 provided that men & women doing the same work get paid the same
11. Title VII of the 1964 Civil Rights Act forbids job discrimination on the basis of race, sex, religion or nationality
12. Lack of human capital and possible discrimination contribute to low wages for women
13. Negative effects on nonunion wages can be reduced when unions _____

B. Reviewing Key Terms

Define the following terms.

14. labor force all nonmilitary people who are employed or unemployed

15. equilibrium wage the wage rate that does not produce a excess supply of workers and does not produce an excess demand for workers in a labor market

16. glass ceiling a barrier that prevents women and minorities from advancing to the top ranks of a business

17. featherbedding negotiating labor contracts that keep unnecessary workers with the company

Section 3: Guided Reading and Review

Organized Labor



A. As You Read

As you read Section 3, supply the information requested by the heading in each box.

Major U.S. labor organizations formed between 1869 and 1955:

1. (1869) Knights of Labor
2. (1886) American Federation of Labor (AFL)
3. (1938) Congress of Industrial Organizations (CIO)
4. (1955) AFL & CIO merge together

Anti-union strategies used by U.S. employers before the 1930s:

5. Fired union organizers
6. Workers sign contracts not to join unions
7. Used injunctions to order people back to work
8. Hired private armies to threaten union organizers

Economic changes that have affected unions:

9. GNP
10. Gender Makeup of Labor Force
11. Job Movement

Ways in which unions have declined in traditional strongholds:

12. Number of union jobs have been going down
13. Some industries have gone to different countries
14. More women in workforce, most do not join
15. Industries moved to the South part of the USA

Major issues covered under a union contract:

16. Wages & Benefits
17. Working Conditions
18. Job Security

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B. Reviewing Key Terms

Match the definitions in Column I with the terms in Column II. Write the letter of the correct answer in the blank provided. You will not use all of the terms.

Column I

- D 19. union and company representatives meeting to negotiate a contract
- E 20. worker in a professional job receiving a salary
- G 21. measure banning mandatory union membership
- C 22. worker in an industrial job
- A 23. settlement technique using third party reviews
- B 24. organized work stoppage

Column II

- a. arbitration
- b. strike
- c. blue-collar worker
- d. collective bargaining
- e. white-collar worker
- f. mediation
- g. right-to-work law