

# CHAPTER 8: EMPLOYMENT, LABOR, AND WAGES



# Chapter 8

- Macroeconomics – Branch of economics that deals with the economy as a whole
- Civilian Labor Force – Men and women 16 years old and over who are either working or actively looking for work
- Types of Unions
  - Craft Union or Trade Union – An association of skilled workers who perform the same kind of work
  - Industrial Union – An association of



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- Strike – Union workers banding together to stop working until their needs are met
- Picket – A parade in front of the employer’s business carrying signs about the dispute
- Boycott – A mass refusal to buy products from targeted employers or companies



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- Lockout – A refusal to let the employees work until management demands are met
- Company Union – A union organized, supported or run by employers – to head off efforts by others to organize workers
- Great Depression – The greatest period of economic decline and stagnation in United States History – Began with the stock market crash in 1929



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- Right-to-work Law – a state law making it illegal to force workers to join a union as a condition of employment
- AFL – American Federation of Labor
- CIO – Committee for Industrial Organization
- Independent Unions – Unions that do not belong to the AFL-CIO



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- Closed Shop – A situation in which the employer agrees to hire only union members
- Union shop – An employment situation where workers do not have to belong to the union to be hired, but must join soon after and remain a member for as long as they keep their jobs
- Modified Union Shop – Workers do not have to belong to a union to be hired and cannot be made to join one to keep their jobs
- Agency Shop – An agreement that does not require a worker to join a union as a condition to get or keep their job

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- Grievance Procedure – A provision for resolving issues that may come up later
- Mediation – The process of bringing in a neutral third person to help settle a dispute
- Arbitration – A process in which both sides agree to place their differences before a third party whose decision will be accepted as final



# Warm Up



- What is arbitration?
- What is a Grievance Procedure?
- What is the Right-to-Work Law?
- What's the difference between a strike and a lockout?
- What is the civilian labor force and what statistic does it help determine?
- Is it easy or difficult to establish worker's rights and labor unions in a country? Explain
- CEQ: What were the Presidential Primary results two nights ago?





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- Unskilled Labor – Digging ditches, picking fruit, mopping floors, etc.
- Semiskilled Labor – Workers with enough mechanical abilities and skills to operate machines that require a minimum amount of training
  - Ex) Floor polisher
- Skilled Labor – Workers who are able to operate complex equipment and can perform their



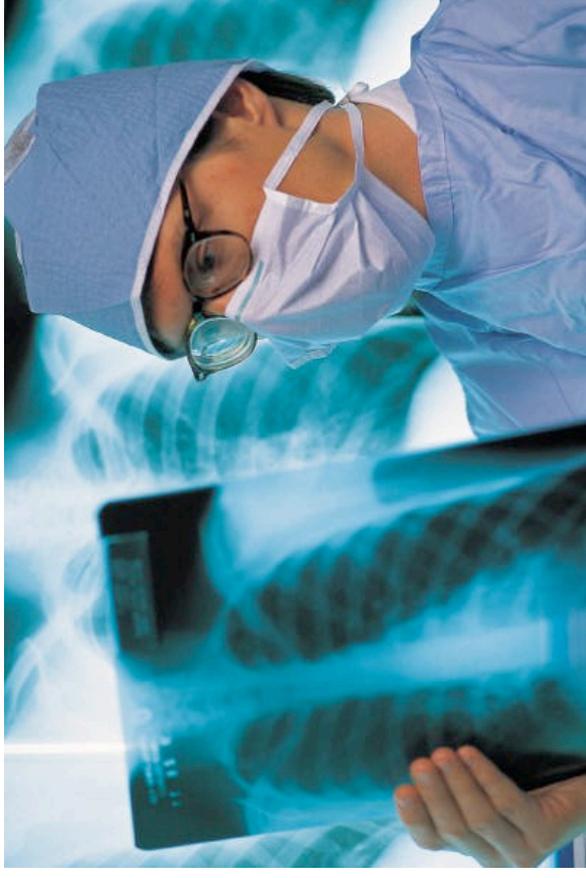
# Warm Up



- What is an injunction?
- What is unskilled, semiskilled and skilled labor?  
Give an example of each.
- What is seizure in regards to the federal government? What is a famous example of this stemming from the 1980's?

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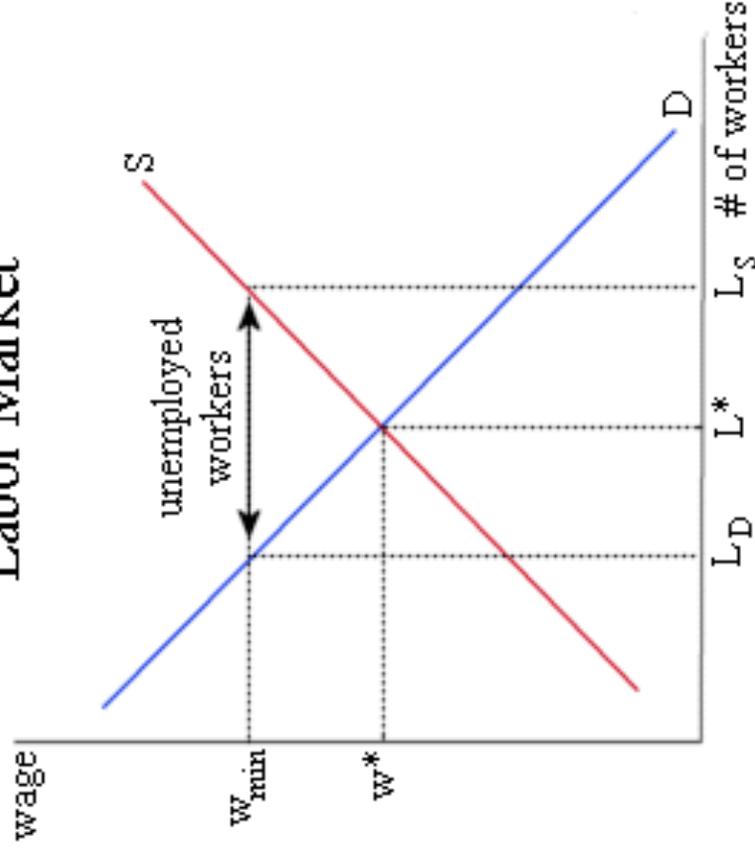
- Professional Labor – Those individuals with the highest level of knowledge based education and managerial skills
- Noncompeting labor grades – Broad categories of labor that do not directly compete with one another because of experience, training, education, and other human capital investments



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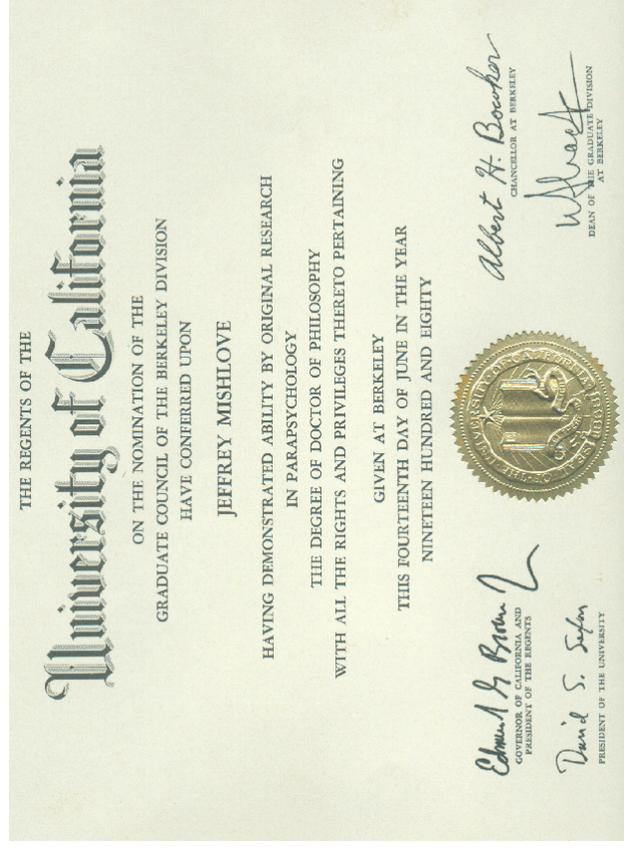
- Wage Rate – A standard amount of pay given for work performed
- Traditional theory of wage determination – The supply and demand for a worker's skills and services determine the wage or salary
- Equilibrium Wage Rate – Wage rate that leaves neither a surplus nor a shortage in the labor market

Perfectly Competitive Labor Market



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- Theory of Negotiated Wages – Organized labor’s bargaining strength is a factor that helps determine wages
- Seniority – The length of time a person has been on the job
- Signaling Theory – Employers are willing to pay more for people with certificates, diplomas, degrees, and other indicators or “signals” of superior ability



# Warm Up



- Did you commit to a college over Spring Break? Where?
- Are you up to date on your Stock Market Project?
- What is arbitration?
- What is a closed shop?
- What is the Right-to-Work Law?
- What's the difference between a strike and a lockout?
- What is skilled labor?
- What is professional labor?
- CEQ: What did the largest document leak in human history simply referred to as the “Panama Papers” reveal (11.5 million documents)?

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- Labor Mobility – The ability and willingness of workers to relocate in markets where wages are higher
- Giveback – A wage, fringe benefit, or work rule given up when a labor contract is renegotiated
- Two-Tier Wage System – A system that keeps high wages for current workers, but has much lower wage for newly hired





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- Glass Ceiling – An invisible barrier that obstructs their advancement up the corporate ladder
- Comparable Worth – Principle stating that people should receive equal pay for work that is different from, but just as demanding as, other types of work
- Set-Aside Contract – Guaranteed contract reserved exclusively for



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- **Part-Time Workers – Workers who regularly work fewer than 30 hours per week**
  - Account for 1 out of 5 jobs in US
- **Minimum Wage – The lowest wage that can be paid by law to most workers**
  - Set in 1939 at \$.25/hour
- **Current Dollars – Dollars not adjusted for inflation**
- **Real or Constant Dollars – Dollars that are adjusted to reflect inflation**
- **Base Year – A year that serves for comparison of all other years**

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