Unit 5: Labor: Anything you can do, I can do better...for a cost

Content Area: **Social Studies**
Course(s): **AP Micro Economics**
Time Period: **January**
Length: **4 weeks**
Status: **Published**

Transfer

Enduring Understandings

Companies are the consumer in the labor market so they have the demand for labor. Workers have the supply of labor and are on the supply side of the graph.

Equilibrium on a labor graph shows the wages and number of employees a firm should hire for maximum efficiency.

The price of labor is determined by similar factors that would be found for products. The more unique and limited the labor, the more money they will earn.

Laws in the United States make labor more expensive for firms. In the modern economy, firms look to outsource their production to save money on labor and make more money in profits.

Unemployment is naturally occurring in all economies, but can be reduced by a more educated and versatile work force.

Essential Questions

How do we calculate unemployment and what does the government do with that information to help improve the country?

What factors make someone more marketable and how does that impact both the supply for that type of laborer and the demand for them?

What causes changes in both supply and demand of the labor markets?

What are the benefits and drawbacks of outsourcing for firms?

What are some of the factors that prevent a country from getting to equilibrium in labor?

Why is there always unemployment in a society when there are still jobs available?

Skills

Graph and analyze supply and demand curves of labor and determine what impacts these curves.

Analyze how firms react to different types of labor and that impacts both wages and supply of labor.

Evaluate current economic climate through Economic Literacy Projects (ELP) where students choose a current event article and write up an analysis of it using economic standards.

Assess the ways that firms can impact and change the market for labor.

Assess the ways laborers can impact and change the market for labor.

Vocab: Marginal Physical Product, Marginal Revenue Product, Efficiency Wages,

Standards

6.5.8 A. 7. Discuss how innovation, entrepreneurship, competition, customer satisfaction, and continuous improvement in productivity are responsible for the rise in the standard of living in the United States and other countries with market economies.

6.5.8 B. 3. Discuss how societies have been affected by industrialization and by different political and economic philosophies.

6.5.8 B.4. Describe how inventions and innovations have improved standards of living over the course of history.

6.5.8 B. 5. Compare and contrast various careers, examining educational requirements and costs, salary and benefits, longevity, impact on society and the economy, and demand.

6.5.8 B.7. Discuss the need for ethical behavior in economic decisions and financial transactions.

6.5.12 A. 2. Describe the purposes of social security and Medicare.

6.5.12 A. 7. Analyze the impact of supply and demand on market adjustments and prices (e.g., real estate and interest rates).

6.5.12 B. 3. Analyze labor and environmental issues affecting American citizens raised by economic globalization and free trade pacts.

6.5.12 B. 6. Analyze the connections and potential effects of the widening gap between the rich and the poor in the United States, the decline in labor union membership since 1950, rapidly advancing technology, globalization, and problems of public schools.