

Objectives:
SS.912.E.1.9: Describe how the earnings of workers are determined.

Extra	Notes
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A Unique Position

Businesses need labor because it fulfills 2 roles:

1. _____ (resource)
2. _____

In order for businesses to make _____ they must satisfy the labor force's _____ because the labor force also creates _____ (they buy products)

- The value of employees is determined by the _____ for that worker.
- _____ are purchased according to a firm's profit: a company will spend more on production if it can sell its product for _____.

DERIVED DEMAND The demand for a factor of production comes from _____.

In other words, if sales _____, then the demand for labor will _____ so that the firm can _____ production to meet the demand

What things does a firm need to consider when deciding how many workers to hire?

diminishing marginal utility

- this is a type of _____ - at a certain point, the addition of _____ will increase your productivity _____ (remember the "hand activity")

equilibrium wage rate

- is where the _____ (demand) and _____ (supply) are exactly the same (where the lines intersect on a graph).

Unions

- A **Labor Union** is an association of _____ organized to _____ and _____ for its members.
- **Main idea:** Unions are based on the idea that _____ in a group will have more _____ on management than will _____.



Craft Union

- union made up of _____ in a specific _____ (carpenters, printers, shoemakers).
- The first organization of national labor unions was the _____ in 1886.



Industrial Unions

- union made up of all workers in a _____, regardless of job or skill level (ex. United Mine Workers).
- The first major effort to organize industrial unions was not begun until the formation of the _____ in 1938.



Union Organization

Local Unions

- (“locals”) consist of all members of a union in a particular _____, _____, or _____.
- *Responsibilities:* deals directly with a _____ or _____ by first _____ and then making sure the terms of the contract are kept.



National/International Unions

- represents _____ nationwide.
- *Responsibilities:* provides _____, professional negotiators, and other staff members to help _____ between a local and a particular company.



Federations

- made up of _____ and _____ Unions. This is the AFL-CIO.
- *Responsibilities:* represents its member unions in both _____ and _____ congresses with _____ for pro-labor legislation.
- offers _____ to the leadership of the member unions.



Labor-Management Relations

Both sides have different goals

- goal of firms: _____.
- goal of unions: _____.

Obviously, both sides can't have everything they want.

Collective Bargaining

both sides _____ and come to a _____ and write a new _____ for the workers and the business

Steps of Collective Bargaining

STEP 1: Negotiation: Representatives from both sides will _____ where both sides will gain a little and lose a little. In other words, a _____.

STEP 2: Mediation: If neither side agrees to the other's terms, they will choose a _____ who will suggest _____ and works to keep both sides talking to each other.

- A mediator is a person or group of people who will _____ and then will come up with _____ and present it to both sides. This agreement does not have to be _____.

STEP 3: Arbitration: If mediation _____ the two sides will _____ to a third party who will come up with a solution.

The opposing side must _____ to accept the arbitrator's decision.

-----OR-----

If the sides do not agree to arbitration (or the law does not require arbitration) then the sides may regress to their _____ to get what they want.

Union Weapons

Slowdowns: employees _____

Boycotts: unions encourage members of the _____ not to buy the firm's products

Sit-Down Strikes: union members occupy a plant to prevent _____

Strike: workers withhold their _____ from the firm (workers don't work)

Picket Lines: union members _____ around plants to _____ other workers from entering to do work

Union Labels: unions encourage the public to buy only products that were manufactured by _____

Political Action Committees: unions often form _____ that put pressure on _____ to support the union's point of view

Management Weapons

Injunctions: the firm gets a _____ to stop a union from striking or picketing

Lockouts: by closing the workplace and _____ of the workers, the firm tries to force the union to agree to its terms

Strikebreakers: the firm hires _____ (sometimes called "scabs")

Relocation: the firm _____ the plant to _____ where workers agree to _____