**CHAPTER 9 STUDY GUIDE ECONOMICS**

NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ PERIOD: \_\_\_\_\_ DATE: \_\_\_\_\_\_ POINTS: \_\_\_\_\_\_\_

**DIRECTIONS:** Read each question carefully. Then use chapter 9 in your textbook to locate the answers.

LESSON 1

**A. Colonial Times to the 1930s**

**Main Idea:** Unions are important because they played a major historical role in helping to create the legislation that affects our pay and working conditions today.

1. Early unions formed to negotiate terms for their members. The first attempt to organize labor in America was by a group of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the year \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
2. In the industrial post-Civil War period, two main types of unions developed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ unions and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ unions.
3. Unions use methods such as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to help workers negotiate for higher pay, job security, and better hours and working conditions. Employers sometimes respond with a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or by creating their own \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**B. Labor since the 1930s**

**Main Idea:** During the Great Depression of the 1930s, Congress passed a series of laws that supported organized labor and form the basis of labor protection today.

1. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_-\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Act prevented federal courts from issuing rulings against unions engaged in peaceful strikes, picketing, or boycotts. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Act, or Wagner Act, of 1935 established the right of unions to have collective bargaining. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Act of 1938 set the first minimum wage, established time-and-a-half pay for overtime, and prohibited oppressive \_\_\_\_\_\_\_\_\_\_\_\_\_\_ labor.
2. By the end of World War II, public opinion shifted against unions and led to the passage of the \_\_\_\_\_\_\_\_\_\_\_\_\_-\_\_\_\_\_\_\_\_\_\_\_\_\_ Relations Act or Taft-Hartley Act of 1947. This act allows individual states to pass \_\_\_\_\_\_\_\_\_\_\_-to-\_\_\_\_\_\_\_\_\_\_\_\_laws.
3. A \_\_\_\_\_\_\_\_\_\_\_\_ shop is an arrangement where the employer agrees to hire only union workers. In a

\_\_\_\_\_\_\_\_\_\_\_ shop, workers do not have to belong to the union to be hired, but must join soon afterward and remain a member as long as they keep their job.

1. In a \_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shop, workers do not have to belong to a union to be hired and cannot be made to join one to keep their jobs. An \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shop does not require a worker to join a union as a condition to get or keep a job but does require the worker to pay union dues to help pay for collective bargaining costs.

LESSON 2

**A. Wage Determination**

**Main Idea:** Most occupations have a wage rate, a standard amount of pay given for work performed. Wage rates usually differ from one occupation to the next, and sometimes even within the same occupation. Supply and demand for a worker’s skills and services determine the wage or salary.

1. What are the four broad categories of labor described, in order from lowest to highest paying?
2. What is the market theory of wage determination?
3. How can one union worker with similar skills possibly receive higher wages than another union worker for the same services?
4. According to signaling theory, what types of qualifications indicate superior knowledge or ability?

**B. Resolving Labor Disputes**

**Main Idea:** When organized labor negotiates with management, disputes are bound to happen. Both sides can use collective bargaining to minimize such disputes. If this fails, they can turn to mediation, arbitration, fact-finding, injunction and seizure or, in extreme cases, presidential intervention.

1. Which two parties take part in collective bargaining?
2. What is the process of bringing in a neutral third party to settle a dispute?
3. What is the difference between mediation and arbitration?
4. What does a fact finder do?
5. What method did Major League baseball players use against owners to start the 1995 season?
6. Who takes over business operations in the case of a seizure?

LESSON 3

**A. Decline of Union Influence**

**Main Idea:** A significant trend in today’s economy is the decline in union membership and influence.

1. One reason for the decline in unions is that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ have made a determined effort to keep unions out of their businesses; some have hired consultants to map out \_\_\_\_\_\_\_\_\_\_\_\_\_ strategies to fight unions, while others have set up \_\_\_\_\_\_\_\_\_\_\_\_\_-\_\_\_\_\_\_\_\_\_\_\_\_\_ plans to reward employees.
2. New additions to the labor force—especially \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and teenagers—traditionally have little loyalty to unions; additionally, more Americans are working \_\_\_\_\_\_\_\_\_\_\_\_\_- \_\_\_\_\_\_\_\_\_ jobs.
3. In an effort to bring union wages down; employers ask for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ when negotiating contract. Some companies also used \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to get rid of labor contracts.
4. A \_\_\_\_\_\_\_\_\_-\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_ system keeps wages high for current workers, but brings new workers in at a \_\_\_\_\_\_\_\_\_\_\_\_ wage.

**B. Lower Pay for Women**

**Main Idea:** Overall, women face a substantial gap between their income and the income received by men.

1. One-third of the wage gap is due to differences in the skills and \_\_\_\_\_\_\_\_\_\_\_\_\_ that women bring to the labor

market; this is partly because women tend to drop out of the labor force to \_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_ more often than men.

1. Another third of the wage gap is due to \_\_\_\_\_\_\_\_\_\_\_\_\_\_ distribution of women and men in various occupations;

occupations where more men work tend to be \_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_ than jobs where more women tend to work.

1. The final third of the wage gap is attributed to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_; women and minorities often encounter what is

called a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ that obstruct their advancement up the corporate ladder.

**C. The Federal Minimum Wage**

**Main Idea:** The minimum wage—the lowest wage that can be paid by law to most workers—was intended to prevent the exploitation of workers and to provide some degree of equity and security to those who lacked the skills needed to earn a decent income.

1. The \_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_ is the lowest wage that can be paid by law to most workers, and was intended

to prevent the \_\_\_\_\_\_\_\_\_\_\_\_\_ of workers.

1. Supporters of the minimum wage argue that it supports the economic goals of \_\_\_\_\_\_\_\_\_\_\_\_\_ and

\_\_\_\_\_\_\_\_\_\_\_\_\_; opponents object to it based on economic \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Some states have minimum wages higher than the [blank] minimum wage; cities like Los Angeles have instituted a “\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.”