

2.15 KEY Labor Market Trends (Labor Markets)

Question for each – based only on this recent change, what will happen to wages in that labor market?

Supply Side

<p>Prestige/popularity People now see working as an aerospace engineer as an esteemed career. <i>The supply of aerospace engineer labor has increased (shifted right) which, all else equal, results in lower wages.</i></p>	<p>Prestige/popularity Fewer and fewer people are seeking work in the shipping industry. <i>The supply of labor in shipping has decreased (shifted left) which, all else equal, results in higher wages.</i></p>
<p>Nonmonetary benefits Tech firms just announced that they now offer unlimited paid vacation to their employees. <i>The supply of tech firm labor has increased (shifted right) which, all else equal, results in lower wages.</i></p>	<p>Nonmonetary benefits Railroad workers now get paid sick leave. <i>The supply of railroad labor has increased (shifted right) which, all else equal, results in lower wages.</i></p>
<p>Skills/Training Requirements Nail technicians now need to complete additional hours of training to obtain a license. <i>The supply of nail technician labor has decreased (shifted left) which, all else equal, results in higher wages.</i></p>	<p>Skills/Training Requirements Airlines are pushing to decrease the number of hours pilots need to complete to obtain a license. <i>The supply of pilot labor would increase (shift right) which, all else equal, results in lower wages.</i></p>
<p>Demographics There has been an increase in the number of biotech workers immigrating to the United States. <i>The supply of biotech labor in the U.S. has increased (shifted right) which, all else equal, results in lower wages.</i></p>	<p>Demographics There has been a decrease in the number of agricultural workers immigrating to the U.S. <i>The supply of agricultural labor in the U.S. has decreased (shifted left) which, all else equal, results in higher wages.</i></p>

Demand Side

<p>New Technology Leaps in technology have resulted in self-driving cars. This technology has eliminated the need for bus drivers. <i>The demand for bus driver labor has decreased (shifted left) which, all else equal, results in lower wages.</i></p>	<p>New technology/Productivity New technology enables workers to produce significantly more smartphones per day. <i>The demand for labor in smartphone manufacturing has increased (shifted right) which results, all else equal, in higher wages.</i></p>
<p>Number of Firms Plastic manufacturers have moved their plants to countries outside of the U.S. <i>The demand for plastic manufacturing labor in the U.S. has decreased (shifted left) which results in lower wages.</i></p>	<p>Number of Firms Many new restaurants have opened in your town. <i>The demand for server labor in your town has increased (shifted right) which, all else equal, results in higher wages.</i></p>

<p>Price of Capital Excavators are an essential piece of equipment used in construction. Excavators have become significantly more expensive. <i>The demand for construction labor has decreased (shifted left) which results, all else equal, in lower wages.</i></p>	<p>Price of Capital Computers are an essential piece of equipment used in offices. Computers have become significantly less expensive. <i>The demand for office clerk labor has increased (shifted right) which, all else equal, results in higher wages.</i></p>
<p>Demand for product Chicken coops are significantly more popular. <i>The demand for chicken coop manufacturing labor has increased (shifted right) which, all else equal, results in higher wages.</i></p>	<p>Demand for product Cat owners are buying cat condos at a pace never seen before. <i>The demand for cat condo craftspeople has increased (shifted right) which, all else equal, results in higher wages.</i></p>
<p>Profitability of a good Selling houseplants is three times more profitable this year than it was two years ago. <i>The demand for plant nursery labor has increased (shifted right) which, all else equal, results in higher wages.</i></p>	<p>Profitability of a good Laptop manufacturing has become significantly less profitable. <i>The demand for labor in laptop manufacturing has decreased (shifted left) which, all else equal, results in lower wages.</i></p>