

## Section 2: Guided Reading and Review

# Labor and Wages



### A. As You Read

As you read Section 2, complete each of the following sentences.

1. Employment in a labor market depends on how closely the demand for workers meets \_\_\_\_\_.
2. The price of labor (earnings) depends on \_\_\_\_\_.
3. Professional labor requires \_\_\_\_\_.
4. In a competitive market, workers are usually paid according to \_\_\_\_\_.
5. Higher labor prices decrease the \_\_\_\_\_.
6. Firms can respond to higher wages by replacing \_\_\_\_\_.
7. Higher wages increase the \_\_\_\_\_.
8. Jobs in the skilled labor category require \_\_\_\_\_.
9. A high equilibrium wage is the result of \_\_\_\_\_.
10. The Equal Pay Act of 1963 provided that \_\_\_\_\_.
11. Title VII of the 1964 Civil Rights Act forbids job discrimination on the basis of \_\_\_\_\_.
12. Lack of human capital and possible discrimination contribute to low wages for \_\_\_\_\_.
13. Negative effects on nonunion wages can be reduced when unions \_\_\_\_\_.

### B. Reviewing Key Terms

Define the following terms.

14. labor force \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
15. equilibrium wage \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
16. glass ceiling \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
17. featherbedding \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_