

- How are workers categorized according to skill level and training and how does that affect wages? How did this lead to unions?

Minimum wage

- Governments create a minimum wage to benefit the economy- thank the unions
- Minimum wage for minimum qualifications, experience and education

Market value of product produced

- Product value- how much is a product really worth.
- A business determines product value based on production costs, market value, and demand.

Worker productivity

- Laborers have most direct control over their own productivity compared to market value of product produced
- Pay raises for good work

Human capital

- Is the stock of knowledge, habits, social and personality attributes including creativity, embodied in the ability to perform labor so as to produce economic value
- Is the best predictor of worker pay

Unions

- Labor unions are recognized as representatives of workers in many industries in the US.
- Today mostly use collective bargaining over wages, benefits, and working conditions for their membership.
- Larger unions also engage in lobbying.
- Modern working conditions are result of unions and collective bargaining.