

# Human Capital and the Labor Market

## Why is it important to develop your human capital?

### Vocabulary Terms

As you complete the Reading Notes, use these terms in your answers:

labor force	wage gap
offshoring	affirmative action
equilibrium wage	collective bargaining
fringe benefits	right-to-work law

### READING NOTES

#### Section 1

1. Write a blog post for teenagers titled, “What YOU Need to Know About Today’s Labor Market!” In your blog post, identify and summarize the five labor-market trends discussed in the section. Design your summaries to appeal to a teen audience.
2. Explain which labor-market trend you think will have the greatest impact on your future.

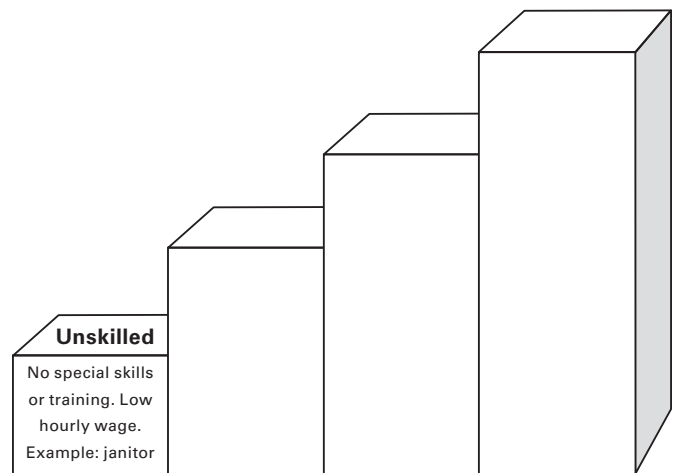
### PREVIEW

Review “Top Ten” Job Lists. Then, answer these questions:

- What interesting details do you notice about the job lists?
- Why is each list different? Which list appeals to you the most? What other factors will influence the type of job or career you pursue?
- Why would someone create a set of lists like this? Why is it important to think about your career options now?
- Choose the job that most interests you from the lists. What actions could you take to increase your chances of having that job one day?

#### Section 2

1. Copy the diagram below. From left to right, label the steps with the four skill levels of jobs defined in this section. In each step, describe that skill level and give examples of jobs. The first step is completed for you.



2. Explain how the demand for labor and the supply of labor lead to an equilibrium wage.

3. Copy the spoke diagram below. On each spoke, describe one of the factors that affect wages other than the demand and supply of labor. Give an example of each factor.



4. Define *wage gap*. Explain why economists think discrimination in the workplace will decrease over time. What are some ways the U.S. government has addressed discrimination in the workplace?

**Section 3**

Create a simple cartoon with five panels to show how a fictional character might build his or her human capital. In the first panel, introduce your character and show his or her aptitudes, interests, and aspirations. In each of the four remaining panels, make a sketch and write a caption that explains actions the character can take to build his or her human capital. Each panel should connect to one of the methods of building human capital discussed in the section.

**Section 4**

Complete this matrix in your notebook.

	Origins of the Union Movement	Golden Age of Labor Unions	Modern Union Movement
Time Period			
Union Actions and Successes			
Union Setbacks			

**P R O C E S S I N G**

Suppose you want to apply for the job that interested you in the Preview. Describe two actions you can take today and two actions you can take in the next ten years to develop your human capital to become qualified for this job. For each action you describe, identify which of the methods of developing human capital you would be investing in.

## “Top Ten” Job Lists

### The Top Ten Jobs for People Who . . .

#### Love People

1. Teacher
2. Human resources manager
3. Guidance counselor
4. Career counselor
5. Psychologist
6. Social worker
7. Child care worker
8. Physical therapist
9. Fundraiser
10. Hotel manager

#### Like to Work with Their Hands

1. Carpenter
2. Auto mechanic
3. Dentist
4. Baseball player
5. Farmer
6. Veterinarian
7. Set designer
8. Physician
9. Avionics technician
10. Chef

#### Have Type-A (competitive) Personalities

1. Attorney
2. Investment banker
3. Astronaut
4. Management consultant
5. Pilot
6. Military officer
7. Architect
8. Systems analyst
9. Accountant/auditor
10. Stockbroker

#### Can't Stand Wearing Business Attire

1. Farmer
2. Artist
3. Firefighter
4. Actor
5. Writer
6. Coach
7. Computer programmer
8. Zoologist
9. Anthropologist
10. Child care worker

#### Long for Unpredictable Days

1. Small business owner
2. FBI agent
3. Police officer
4. Restaurateur
5. Firefighter
6. Musician
7. Advertising executive
8. Auto salesperson
9. Promoter
10. Agent

Excerpted from Alan B. Bernstein, *Guide to Your Career*, 5th ed., New York: Princeton Review, 2004.