Who Gets the Work?

Trace how local choices affect income, jobs, and prices.

SS24.E.8a "Analyze how spending and production decisions made by households, businesses, and government determine overall levels of income, employment, and prices."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline household spending decisions, circle business production decisions, and number the government's spending decisions. Beside each mark, write I, E, or P to show a possible effect on income, employment, or prices.

Repair Season in Bellport

1. In the fictional city of Bellport, households begin ordering more home repairs after a season of heavy rain. They buy lumber and hire crews, but cut back on restaurant meals to stay within their budgets. Hardware stores receive more revenue, and repair workers earn more hours of pay. Some restaurants see fewer customers and shorten shifts. A household's spending does not create the same job everywhere: it shifts demand across industries. If added repair income supports further purchases, total city income and employment may rise, even while restaurant workers lose hours.

2. Builders respond to the repair orders. A contractor adds a second shift and buys tools to complete more jobs. That production decision brings wages to new workers and payments to tool suppliers. Yet skilled workers and dry lumber are scarce. Contractors cannot expand output as fast as orders arrive, so some raise their prices. Higher repair prices reduce what families can buy with the same income. If firms train workers and suppliers increase lumber deliveries, output can grow with less pressure on prices. The final effect depends on how much production can expand, not just how much customers want.

3. The city council orders drainage upgrades to prevent future flooding and hires local firms to do the work. That government purchase adds orders, wages, and jobs, especially if firms have idle crews. But the same contractors also serve households. When every crew is booked, public orders can lengthen wait times and push repair prices higher instead of producing many additional jobs. The council funds the project by postponing a park renovation, which reduces orders elsewhere. To judge the overall effect on city income, employment, and prices, residents must consider both the new purchase and what it replaces.

2 ANSWER WITH EVIDENCE

Use the passage

1. How could families' shift toward repairs change employment and income in two different industries, and why might citywide totals still rise?

2. Why might the contractor's second shift increase employment without stopping repair prices from rising?

3. Compare the drainage order's likely effect on jobs and prices when crews are idle versus fully booked.

4. Why is counting only drainage jobs misleading when estimating the project's overall effect on city income and employment?

3 YOUR TURN

Your own words

Imagine a town with unused factory space and unemployed machinists. In 80 to 110 words, explain how more household bicycle purchases, a factory's decision to add a shift, and a government bike-rental order could affect townwide income, employment, and prices; then explain how scarce bike parts would change your price prediction.

ANSWER KEY

Who Gets the Work?

GRADE 12 · SS24.E.8a

PART 1 · READ AND MARK

Underline household spending decisions, circle business production decisions, and number the government's spending decisions. Beside each mark, write I, E, or P to show a possible effect on income, employment, or prices. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How could families' shift toward repairs change employment and income in two different industries, and why might citywide totals still rise?	**Repair workers may gain hours and pay, while restaurant workers may lose hours as meal spending falls. Citywide income and employment may still rise if repair earnings support further purchases.**
2	Why might the contractor's second shift increase employment without stopping repair prices from rising?	**The shift creates jobs, but scarce skilled workers and dry lumber limit how quickly contractors can expand output. Prices may rise while orders exceed available capacity.**
3	Compare the drainage order's likely effect on jobs and prices when crews are idle versus fully booked.	**With idle crews, the order can add jobs and income with less price pressure. With fully booked crews, it may produce few additional jobs while pushing repair prices higher.**
4	Why is counting only drainage jobs misleading when estimating the project's overall effect on city income and employment?	**The council postpones a park renovation to pay for drainage work, reducing orders and possible jobs elsewhere. Those losses must be weighed against the drainage gains.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

More bicycle purchases give the factory a reason to add a shift. Hiring unemployed machinists raises their earnings and increases bicycle output. Workers and suppliers may then spend some of their new income at other local businesses, supporting more jobs. A government rental order adds demand and may further increase income and employment. Because the town has unused space and workers, the factory could make more bikes without sharply raising prices. If parts become scarce, output cannot rise as quickly as orders, so bike prices may increase. If the government cuts other purchases to pay, those lost orders could offset some gains.

Accept well-supported conditional predictions rather than requiring prices or citywide employment to move in one fixed direction. Look for links among all three decision-makers and all three outcomes.