Beyond the Oven

How productivity, sales, and worker choices shape pay and jobs

E.C.7.2 "Evaluate the role of labor in the economy, explaining how worker productivity influences wages and employment relationships in a market economy."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline what raises the bakers' output per hour, circle two conditions that shape pay or shifts, and label one possible pay or hiring gain 1 and one possible loss of shifts 2.

More Bread, More Pay?

1. At 5 a.m., workers at Harbor Bakery mix dough, shape loaves, and serve customers. Their labor turns flour, equipment, and electricity into bread that people will buy. The owner pays wages from sales revenue and must also cover ingredients, rent, and repairs. Suppose each baker makes 20 loaves during an hour on an older oven schedule. A faster oven lets each baker make 30 loaves in that hour without lowering quality. This increase in output per worker-hour is higher labor productivity. The oven helps, but workers still need the skills to use it safely and keep the bread consistent.

2. If customers want the extra bread at a price that covers its costs, the bakery can earn more from each baker's hour. The owner may offer higher wages to keep skilled bakers or hire another worker to handle larger orders. Competing bakeries could also bid for those workers, strengthening their bargaining position. Yet higher productivity does not guarantee a raise or a new job. The owner might use additional revenue to repay the oven loan, or customers might buy no more bread. In a market economy, both demand for the product and workers' alternatives shape pay and hiring.

3. Now imagine a grocery store begins selling cheap bread nearby. Harbor Bakery's sales fall even though its bakers still make 30 loaves per hour. The owner cuts shifts because unsold loaves bring in no revenue. Workers may ask to share in earlier productivity gains, while the owner points to lower sales. They can negotiate wages, hours, and training, or workers can seek jobs elsewhere. A baker who learns to decorate cakes may help the shop offer a product customers will pay more for. Productivity matters, but its effect on wages and employment depends on sales, costs, and choices made by employers and workers.

2 ANSWER WITH EVIDENCE

Use the passage

1. How could the faster oven lead the owner to offer higher wages or hire another worker?

2. Why might the bakers' higher output fail to produce a raise? Give two reasons from the passage.

3. Why does the owner cut shifts after the grocery store opens, even though each baker still makes 30 loaves per hour?

4. How could competing bakeries affect the relationship between Harbor Bakery and its workers?

3 YOUR TURN

Your own words

A bike repair shop buys a tool that lets each mechanic finish more repairs per day. Invent two possible customer-demand conditions, one strong and one weak, and explain how each could change wages or hours; include one action workers might take. Write four or five sentences.

ANSWER KEY

Beyond the Oven

HIGH SCHOOL · E.C.7.2

PART 1 · READ AND MARK

Underline what raises the bakers' output per hour, circle two conditions that shape pay or shifts, and label one possible pay or hiring gain 1 and one possible loss of shifts 2. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How could the faster oven lead the owner to offer higher wages or hire another worker?	**Bakers can make more loaves per hour. If customers buy the extra bread at a price that covers costs, the owner may have reason to keep skilled bakers with higher pay or hire help for larger orders.**
2	Why might the bakers' higher output fail to produce a raise? Give two reasons from the passage.	**Customers might not buy more bread, and the owner might use additional revenue to repay the oven loan.**
3	Why does the owner cut shifts after the grocery store opens, even though each baker still makes 30 loaves per hour?	**The bakery sells less bread, so extra loaves may go unsold and bring in no revenue. The owner therefore needs fewer work hours.**
4	How could competing bakeries affect the relationship between Harbor Bakery and its workers?	**Other bakeries could offer jobs to skilled workers. Those alternatives strengthen workers' bargaining position when they discuss pay or hours with the owner.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

If many customers bring in bikes, the shop could earn more from each mechanic's day and offer higher wages to keep experienced workers. It might also add work hours to serve more customers. If few customers need repairs, the tool could leave mechanics with idle time instead of bringing in more revenue, so hours might fall. Mechanics could negotiate for training in a service customers want.

Accept answers that connect productivity to the value of what workers produce, while recognizing that sales and costs affect pay and hours. For the open task, look for distinct strong- and weak-demand outcomes and a plausible worker action.