

# Employment Tools - Lesson Plan

## Overview:

The U.S. government has several tools that directly impact employment. Two of these tools are work visas and the minimum wage.

## Objectives:

Students will be able to:

- Define work visa
- Understand the implications of changing the minimum wage

## Background and Information:

- A visa is issued by a government to allow foreign visitors to enter and stay for a limited time.
- A minimum wage was first instituted in the U.S. during the great depression of the 1930s.

## Time:

45 Minutes

## Materials:

- iPad
- Gods of Money** app
- Employment Tools Worksheets

## Educational Goals:

- To develop an increased understanding of how the U.S. economy works.
- To understand the economic impact of raising or lowering the number of work visas allowed.
- To understand the advantages and disadvantages of changing the minimum wage.

## Activity

### I. LECTURE *10 minutes*

- A. The U.S. government has several ways of directly impacting employment.
  1. Work visas allow foreign workers to work in the U.S.
  2. Minimum wage is the lowest amount that an employer can pay a worker for one hour of labor.
- B. Work visas are required to legally allow foreign workers to legally work in the U.S.
  1. Work visas are valid for a stay of 3 years, extendible to 6 years.
  2. Number of work visas:
    - a) By law, no more than 65,000 foreign nationals can be issued a visa each year.

- b) In 1990, fewer than 1,000 H-1B visas were issued.
- c) Currently, about 162,000 U.S. workers hold H-1B visas.
- 3. Raising the number of work visas:
  - a) Usually increases domestic production, and therefore GDP.
  - b) Can be politically unpopular, as it is seen as giving American jobs to lower-paid foreign nationals.
- 4. Many high-tech corporations want more work visas so they can fill job openings.
  - a) Critics say they just want to lower their costs by hiring less expensive foreign workers.
- 5. There are different kinds of work visas.
  - a) H-1B visas are issued for jobs that require a college degree or other “extraordinary ability” to fill “specialty occupations.”
- 6. In 1990, fewer than 1,000 H-1B visas were issued.
- 7. By law, no more than 65,000 foreign nationals can be issued a visa each year.
- 8. Currently, about 162,000 U.S. workers hold H-1B visas.
- C. A minimum wage sets the minimum rate employers must pay their employees.
  - 1. Minimum wage is usually expressed as a dollar per hour rate, as in “\$7.25 per hour.”
  - 2. Many states have a minimum wage higher than the federal minimum wage.
  - 3. Some cities have an even higher minimum wage. Cities raising their minimum wage to double the federal rate include:
    - a) San Francisco
    - b) Seattle
    - c) Los Angeles
  - 4. A higher minimum wage can lead to higher unemployment.
    - a) A higher minimum wage makes labor more expensive for the employer, who must make adjustments by:
      - (1) Firing low wage/low skill employees, or
      - (2) Raising prices
    - b) One study found that raising the minimum wage 10% lowers low-skill employment by 2-4%.
  - 5. Because a higher minimum wage can lead employers to raise their prices, raising the minimum wage can increase inflation.
  - 6. Some experts think a higher minimum wage stimulates the economy, but only slightly.

**II. DEMONSTRATION** 15 minutes

A. Create a table on a whiteboard (or similar medium) like this:

1991	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Unemployment												
Inflation												
Min. Wage												

B. Start Gods of Money at Jan 1991:

1. On the iPad, open the **Gods of Money** app.
2. Tap 'Start' Gods of Money.
3. Tap 'Watch' historical data.
4. Set the Start Date to **Jan 1991**.
5. Tap 'Start >'.

C. When the Budget window appears, close it by tapping the checkmark (in the upper right).

D. When the Gods of Money Guide appears:

1. Tap the blue arrow to expand it
2. Tap the 'X'
3. Tap 'Turn off Guide.'

E. Pause the app by tapping the date (in the upper right).

F. In the dashboard, note the unemployment rate: 6.4%.

1. The unemployment rate reported here is called the U-3 rate, the percentage of the labor force that is actively looking for work but unable to find a job.

G. Also in the dashboard, note the Inflation rate: 5.7%

H. Record the unemployment rate for January in the table.

I. In the control panel, note the value for Minimum Wage: \$3.80.

J. Record the minimum wage for January in the table.

K. Resume the app by tapping the date.

L. Repeat steps E - K until the table is complete:

1991	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Unemployment	6.40%	6.60%	6.80%	6.70%	6.90%	6.90%	6.80%	6.90%	6.90%	7.00%	7.00%	7.30%
Inflation	5.70%	5.30%	4.90%	4.90%	5.00%	4.70%	4.40%	3.80%	3.40%	2.90%	3.00%	3.10%
Min. Wage	\$3.80	\$3.80	\$3.80	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25

M. When the Gods of Money Guide appears:

1. Tap the blue arrow to expand it

2. Tap the 'X'
  3. Tap 'Turn off Guide.'
- N. Watch the Minimum Wage value.
1. At what date does the minimum wage change? (April 1991)
  2. What was the previous minimum wage? (\$3.80)
  3. What was the new minimum wage? (\$4.25)
  4. What was the percentage change in the minimum wage?  
(  $(4.25 - 3.80) / 3.80 * 100 = 11.8\%$  )
- O. Examine the Unemployment values.
1. Did unemployment change much:
    - a) Before the minimum wage was raised? (No)
    - b) After the minimum wage was raised? (Perhaps a little)
- P. Examine the inflation rate values.
1. How did the rate of inflation change:
    - a) Before the minimum wage was raised? (It fell)
    - b) After the minimum wage was raised? (It fell)
- Q. Why did raising the minimum wage seem to have little effect on unemployment and inflation? Many other factors have greater influence on the economy.

**III. IN-CLASS ASSIGNMENT:** *20 minutes*

- A. Pass out the **Employment Tools Worksheets**, one per student.
- B. Have students follow the instructions on the worksheet:
  1. Start and run **Gods of Money** to find and record the indicated values.
  2. Use the values to answer the worksheet questions.

**IV. HOMEWORK ASSIGNMENT** *15 minutes*

- A. Assign students to complete the homework assignment on the worksheet.