Teacher Answer Key

Case Study

1. • The diner's owner must raise prices to offset higher payroll expenses, which cuts into profit margins.

2. • Ordering kiosks reduce the need for as many workers, automating tasks that servers once performed.

Multiple Choice

1. D

2. B

3. C

Matching

1-D, 2-C, 3-E, 4-B, 5-A

Fill-in-the-Blank

1) Spending power, 2) Increased labor costs, 3) Inflation

Short Answer (Sample Responses)

Q1: A single federal minimum wage might be too high for some regions and too low for others, prompting debates on regional adjustments.

Q2: Employers might streamline processes, invest in productivity-enhancing technology, or differentiate products to maintain profitability.

Q3: If low-wage workers earn more, the wage gap between the lowest-paid and the middle or top tiers of earners narrows.