

# MICROECONOMICS 101

## RESEARCH PART A – COMMENTS

A	The most creditable reliable employment (total, gender race) and wages data for occupations for each year 2012-2022 are available in links on the bls.gov website including: <a href="https://www.bls.gov/oes/tables.htm">https://www.bls.gov/oes/tables.htm</a> and <a href="https://www.bls.gov/cps/cpsaat11.htm">https://www.bls.gov/cps/cpsaat11.htm</a> . The link to the Occupational Outlook Handbook on the bls.gov web site contains estimates of the demand for workers by occupation in the year 2032.
B	Including year-by-year changes in employment and earnings show how recovery from the 2008-09 and COVID recessions affected the occupation you chose. Omitting that data makes it impossible to tell whether the occupation recovered quickly or slowly from the recessions. Also, the year-by-year data is a way of satisfying the graphic or numeric data in table format requirement and provides a basis for calculating the numerator of the elasticities.
C	Putting the source under the table/graph using an abbreviation of the complete bibliographic entry included in the bibliography (or works cited) is the convention. Also, include a source for specific information you quote from a source in the text. In both cases including sources increases the confidence readers have you are relying on verifiable, accurate information and identifies material prepared by others.
D	<p>Elasticities formulas:</p> <ul style="list-style-type: none"> <li>Price elasticity of demand:  <math display="block">\frac{(\text{change in level of employment for the occupation} / \text{average level of employment})}{(\text{change in the wage or salary of employees in the occupation} / \text{average of wage or salary of employees in the occupation})}</math> </li> <li>The income elasticity of demand:  <math display="block">\frac{(\text{change in level of employment for the occupation} / \text{average level of employment})}{(\text{change in revenue, profits of firms employing workers in the occupation or the level of GDP, or national or personal income} / \text{average of revenue, profits of firms employing workers in the occupation or the level of GDP, or national or personal income})}</math> </li> </ul> <p>Using data for the initial year (2012) and the terminal year (2022) results in overall estimates of the elasticities which makes the interpretation of their significance easier. Year-by-year elasticities can show more complex patterns which can obscure the overall trends.</p> <p>You do not need to include calculation of the elasticities if you include text describing the numeric values of the price and income elasticities.</p>
E	<p>The significance of the elasticities:</p> <ul style="list-style-type: none"> <li>An elastic price elasticity of demand for an individual worker is likely to be more elastic than the elasticity for the overall occupation. If a individual worker increased her or his wage demand, it is more likely firms would substitute another worker in the same occupation or overall substitute capital for labor. In either case, the elastic price elasticity of demand means an increase in wages or salaries could result in less of a demand for workers in that occupation. The reverse is also possible.</li> <li>If the price elasticity of demand is inelastic, it would less likely a firm would substitute for an individual worker or for workers in general. Also, a small change in the wage/salary would not have a large effect on the level of employment.</li> <li>An income elasticity of demand greater than one (a normal good) indicates that for a growing sector, economy, more workers in the occupation will be employed. The reverse would be true for a contracting sector, economy.</li> <li>An inelastic income elasticity of demand of less than one (an inferior good) implies there will be less change in employment in the occupation with an increase or decrease in the growth of the sector or the economy.</li> </ul>