<table>
<thead>
<tr>
<th>WAGE ( w ) ($/nurse)</th>
<th>QUANTITY DEMANDED ( L_D ) (mil. nurses/week)</th>
<th>QUANTITY SUPPLIED ( L_S ) (mil. nurses/week)</th>
<th>EXCESS DEMAND (SUPPLY) ( L_D - L_S ) (mil. nurses/week)</th>
</tr>
</thead>
<tbody>
<tr>
<td>600</td>
<td>4.0</td>
<td>1.0</td>
<td>3.0</td>
</tr>
<tr>
<td>900</td>
<td>3.5</td>
<td>2.0</td>
<td>1.5</td>
</tr>
<tr>
<td>1,200</td>
<td>3.0</td>
<td>3.0</td>
<td>0.0</td>
</tr>
<tr>
<td>1,500</td>
<td>2.5</td>
<td>4.0</td>
<td>(1.5)</td>
</tr>
<tr>
<td>1,800</td>
<td>2.0</td>
<td>5.0</td>
<td>(3.0)</td>
</tr>
</tbody>
</table>
FIGURE 2.1. Demand for Nurses
FIGURE 2.2. Supply of Nurses
FIGURE 2.3. Market-Clearing Equilibrium in the Market for Nurses
FIGURE 2.4. Marginal Productivity Theory of Distribution
FIGURE 2.5. Increasing the Demand for and the Supply of Nurses
Borjas Fig 3-17  Wage and Employment Determination in a Competitive Market

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Borjas Fig 4-1 Equilibrium in a Competitive Labor Market
Minimum wage
(not in Borjas)

\[ w \uparrow (w_{\text{min}} > w^*) \]

\[ \Delta WS = (A - C) \]

\[ \Delta ES = -(A + B) \]

\[ \Delta WL = -(B + C) \]
FIGURE 2.7. Minimum Wage
FIGURE 2.6. Minimum Wages in the United States, 1938–2017
### Table 2.2. Employment Effects of Raising the Minimum Wage in New Jersey in 1992

<table>
<thead>
<tr>
<th>Data</th>
<th>Group</th>
<th>Before</th>
<th>After</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Card and Krueger’s Survey Data</td>
<td>New Jersey</td>
<td>20.4</td>
<td>21.0</td>
<td>0.6</td>
</tr>
<tr>
<td>Treatment</td>
<td>Eastern Penn.</td>
<td>23.3</td>
<td>21.2</td>
<td>-2.2</td>
</tr>
<tr>
<td>Control</td>
<td></td>
<td>-2.9</td>
<td>-0.1</td>
<td>2.8</td>
</tr>
<tr>
<td>Neumark and Wascher’s Payroll Data</td>
<td>New Jersey</td>
<td>17.8</td>
<td>17.9</td>
<td>0.1</td>
</tr>
<tr>
<td>Treatment</td>
<td>Eastern Penn.</td>
<td>15.1</td>
<td>16.2</td>
<td>1.1</td>
</tr>
<tr>
<td>Control</td>
<td></td>
<td>2.7</td>
<td>1.7</td>
<td>-1.0</td>
</tr>
</tbody>
</table>

Notes: Employment is the number of workers/store.
Sources: Card and Krueger (1994, Table 3), Neumark and Wascher (2000, Table 3), and calculations on Neumark and Wascher’s data.
FIGURE 2.9. Employment Rate of Teens Around Two Rounds of Federal Minimum-Wage Hikes
FIGURE 2
Trimmed Funnel Graph of Estimated Minimum-Wage Effects ($n = 1,424$).
All employees deserve a minimum of $15 per hour.

What's an employee?

Nevermind... just serve the customer.
Inflation-adjusted minimum wage in Alberta

The legal minimum for hourly wages in Alberta, reported in constant 2018 dollars.

*Inflation adjustment based on Bank of Canada Inflation Calculator*

Chart: Robson Fletcher / CBC • Source: Employment & Social Development Canada / Bank of Canada
Employment of Individuals Aged 25 and Over
Employment of Individuals Aged 15 to 24 Years Old
Employment in the $11.20 to $13.60 Wage Bin
A payroll tax (not in Bujas but F4-7 is similar) leads to a shift in the demand and supply curves for labor. The new equilibrium is at point E', where employment decreases. The wage paid to workers decreases from w to w_s, and the wage paid to employers decreases from w_b. The difference w_b - w_s is the tax paid by employers. Workers lose areas A + B, and the government gains area B + C. The decrease in employment is E - E'.
FIGURE 2.10. Comparing a Tax on Employers and a Tax on Workers
FIGURE 2.11. Driving a Tax Wedge
payroll subsidy
(not in Borjas)

\( W_s - W_b = S \)
employers gain
workers gain

DNL is
you'll loses \( s \cdot E' \)
or all shaded area
FIGURE 2.12. Wage Subsidy
Borjas Fig 4-9 Impact of a Mandated Benefit

value < cost

value = cost
FIGURE 2.13. Employer Mandate
FIGURE 2.14. Migration and Equilibrium Across Markets
FIGURE 2.15. Minimum Wage with Partial Coverage
Borjas Fig 4-19 The Hiring Decision of a Nondiscriminating Monopsonist

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FIGURE 2.16. Monopsony Labor Market
Borjas Fig 4-20 Impact of the Minimum Wage on a Nondiscriminating Monopsonist
FIGURE 2.17. Average Annual Salaries of Major League Baseball Players, 1967–2017