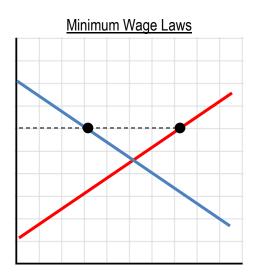
CONCEPT: MINIMUM WAGE LAWS AND EFFICIENCY WAGES

A <i>price floor</i> is the legally determined	price for a good.
☐ For a price floor to be effective, the price floor must be	
☐ Effective price floors cause a	in the market.
☐ Common price floor topic: <i>Minimum Wage Laws</i>	



□ Leads to a compromise between a *living wage* for workers with jobs and *unemployment* for unemployed workers.
● Some employers pay wages above equilibrium as an ______ to their employees.
□ A wage ______ the equilibrium wage is called an *efficiency wage*- *Worker Turnover:* The opportunity cost of losing an efficiency-wage job is ______
- *Worker Quality:* If you are fired, you will likely have to accept a ______ paying job

- Worker Effort: Workers are motivated to perform well to avoid being fired