

## 9.4 A Changing Economy

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Name: \_\_\_\_\_ Class: \_\_\_\_\_ Date: \_\_\_\_\_

Total: 13 marks

### Objective

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Build the skills to explain the **changing economy** 经济变化.

You must be able to:

- state what digital communications enabled
- name the three technological innovations and their effects
- state what happened to employment and union membership
- state the CED's claim about real wages

### 1 Worked examples

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Study these first. Each one shows the method for a task used later.

#### ■ Digital communications

Economic productivity increased as improvements in digital communications enabled increased American participation in worldwide economic opportunities.

#### ■ Three innovations

Technological innovations in computing, digital mobile technology, and the internet transformed daily life, increased access to information, and led to new social behaviors and networks.

#### ■ Employment

Employment increased in service sectors and decreased in manufacturing, and union membership declined. A shift between sectors, with a consequence for organised labour.

#### ■ Real wages

Real wages stagnated for the working and middle class amid growing economic inequality. Productivity rose and wages did not, which is the period's central economic fact.

### 2 Practice

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**2.1** State what improvements in digital communications enabled. [2]

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**2.2** State what happened to employment and union membership. [3]

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**2.3** Productivity and wages diverged.

(a) State the CED's claim about real wages. [2]

(b) Name the three technological innovations. [1]

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### 3 Exam-style questions

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**3.1** Real wages for the working and middle class [1]

- **A** stagnated
- **B** doubled
- **C** were abolished
- **D** rose with productivity

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**3.2** Employment increased in service sectors and decreased in [1]

- **A** manufacturing
- **B** agriculture only
- **C** government
- **D** education

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**3.3** Productivity rises and real wages do not.

(a) State what this implies about the gains. [1]

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(b) Explain the connection to declining union membership.

[2]

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#### 4 Go further

- work through the **9.4 A Changing Economy** lesson on the **Learn** page;
- read the **Period 9: 1980-Present** section of the AP US History handout on the **Know** page.

## Solutions

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**2.1** increased American participation in worldwide economic opportunities, which raised economic productivity.

**2.2** employment increased in service sectors; it decreased in manufacturing; union membership declined.

**2.3** (a) real wages stagnated for the working and middle class amid growing economic inequality. (b) computing, digital mobile technology and the internet.

**3.1 A.** stagnated.

**3.2 A.** manufacturing.

**3.3** (a) that they went elsewhere than to those wages. (b) unions were concentrated in manufacturing, which shrank, so the bargaining power that had converted productivity into wages declined with them.