Supply And Demand Essay, Research Paper

Economics, supply and demand In the article we find that teenagers have the

oppertunity to be demanding about their salary in the baby sitting field,

because the amount of babysitters today are scarce. The babysitting population,

teenagers, find themselves busy with school, part time jobs, and extracirricular

activity. Teenagers with drivers licenses are even more scarce than those with

out, all in all, It’s hard to find a babysitter. Times have changed, just twenty

years ago there were 33 million children who needed to be watched, and 39

million babysitters(age 10 – 19), recent polls suggest that children that need

to be watched raised 18 percent to 39 million while baby sitters dropped 5

percent to 37 million. The rise in children coupled with American families

spending more time out then years ago, has allowed the babysitters to set their

price with out haggeling. Baby sitters are making well over the federal minimum

wage of $5.15 an hour because they are in demand, and scarce; the babysitters

who train in CPR, serve dinner, and drive are the hardest to come by and can

demand the highest wages. In this article we see many examples of supply and

damand and the powers of supply and demand. Babysitters are in demand, there is

an increase in the amount of children who need to be watched yet there are

relativly few who choose to babysit from the allready decreased amount of the

babysitter work force. This gives the babysitter the advantage of a

noncompetitive work force, allowing the baby sitter to set the price with out

bargaining. If we were to compare two different production possibility

frontiers, we would see a left shift of the curve while demand for baby sitters

rises, from 1980 to 1996. In economics we concider this an inflation, the amount

of resources(babysitters) decreased while the demand for them rose. This is what

we would concider the begining of an econic problem because the resources are

scarce. This resulted in an increase of price for that service. We also see that

the most experienced, oldest, responcible, and best trained babysitters set the

highest prices by up to 60% from a "novice" sallery of $4 to a

"expert" sallery of $10 and consumers are willing to pay. A consumer

is willing to pay that extra $6 an hour for the piece of mind they get when they

go out and know that their children are being attending to in the best possible

way, much like a consumer is willing to by name brand products for a higher

price because they just "feel" like its better. In the next two or

three years the work force of the babysitters will grow, and so will the number

of people under the age of 10, this will show a steady PPC with no signs of

relief for the consumer. This article shows the power of supply and demand. 20

years ago when children under the age of 10 and baby sitters age 10-19 were both

fewer, we saw more competition between the baby sitters resulting in price

decreases. Today with fewer baby sitters, all with busy scheduals, and more

young children we see the damand increase resulting in an increase of price.