

As Price
Drops





Quantity Demanded
Increase

Wage

Quantity hired

\$5



7

\$10



6

\$20



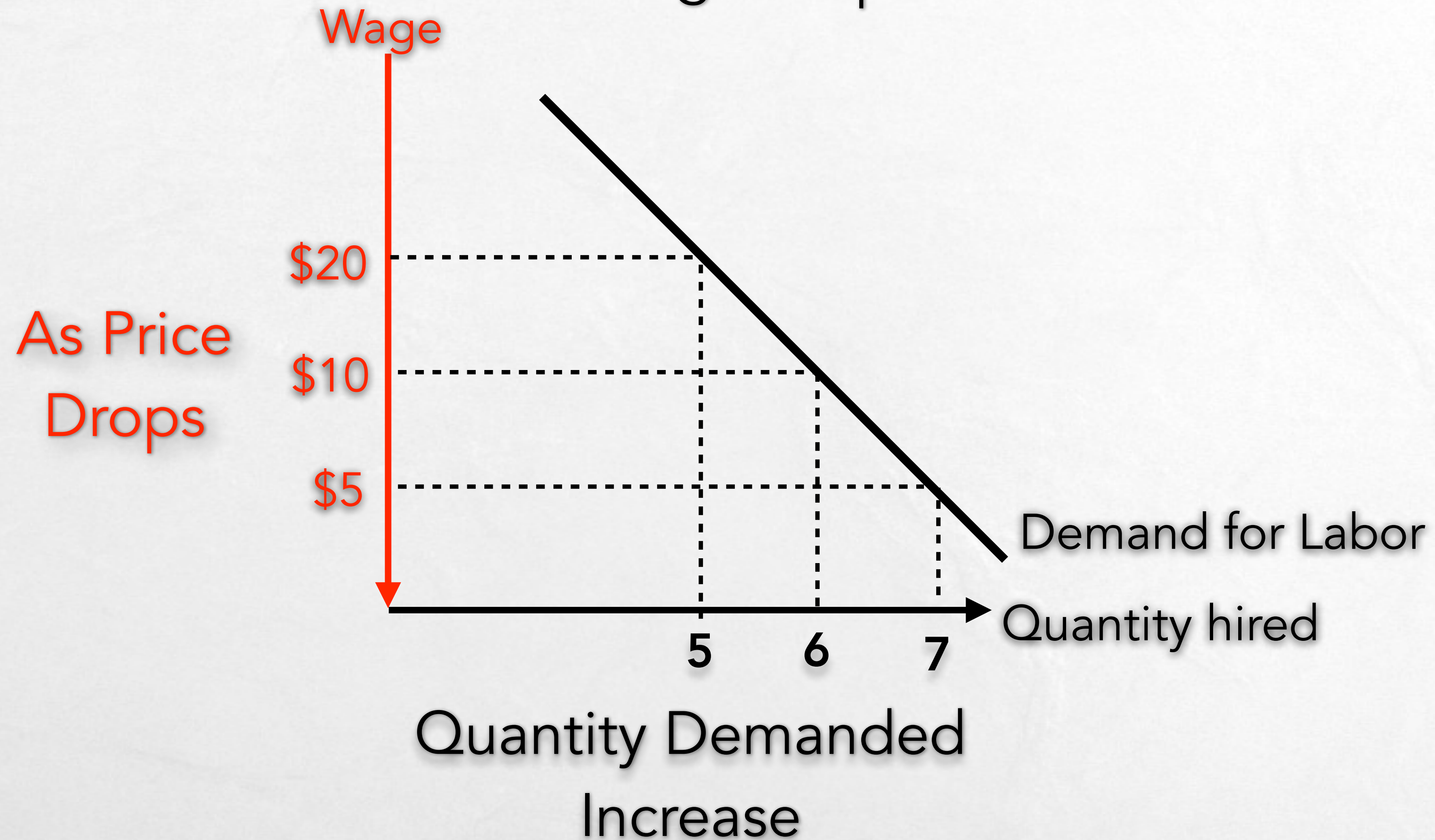
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Firms hire more workers as the
wage drops

Demand for Labor

Firms hire more workers as the wage drops



Fast food restaurants **hire the same** the number of minimum wage workers even if the minimum wage increase