Economics 4606  
Introduction to Human Resources

Spring 1990  
Professor Elizabeth Peters

Office hours: Tuesday and Thursday, 10-11, 1-2  
Office: Economics 114

Required Reading:


Grading: Your final grade will be based on two midterms (25 percent each), a final comprehensive exam (45 percent), and class attendance and participation (5 percent). With the permission of the instructor a paper (not longer than 10 pages) may be substituted for either midterm or may be turned in as extra credit.

Course Content and Objectives:

This course will cover topics in human resources that have received much recent attention by economists, the press, and policymakers. For example, over the last decade there has been a striking increase in the number of female-headed households and in the incidence of poverty among children. The labor supply, fertility, and marital decisions of women as well as policies about welfare and training programs and public support for childcare facilities will impact these phenomena directly. Choices about education, occupation, job training, and geographical location will affect an individual's economic wellbeing throughout the life cycle.

The course will provide students with the analytical tools and empirical background to be able to make informed judgments about these human resource issues. In addressing the issues the course will focus on several common themes and questions:

1. In what ways can economic analysis contribute to a better understanding of the issue?
2. What are the limitations of economic analyses?
3. How can we discriminate among competing explanations of a particular human behavior?
COURSE OUTLINE AND READING ASSIGNMENTS

I. Introduction
   Fuchs, p.1-14, Blau and Ferber p. 1-7
   A. The Economic Approach to the Study of Human Resources
   B. Recent and Historical Trends in Demographic and Economic Variables

II. Birth and Childhood
   Fuchs, p. 15-50
   A. The Demand for Children
   B. Household Production and the Costs of Children
      Fuchs, p. 51-90; Blau and Ferber, p. 139-151
   C. Social Costs and Benefits of Population Growth
   D. Government Policies Affecting Fertility Rates
   E. The Economic Consequences of Divorce for Children

III. Adolescence
      Fuchs, p. 91-124
      A. Education and Human Capital
         Blau and Ferber, p. 190-193
      B. Youth Employment
      C. Leaving Home
      D. Teenage Pregnancy

IV. Adulthood - Work and Family
      Fuchs, p. 125-158
      A. Allocation of Time Between the Household and the Labor Market
         1. Labor Force Participation
            Blau and Ferber, p. 67-92
         2. Supply of Hours
            Blau and Ferber, p. 93-115
      B. Post-schooling Investments and Wage Growth
         Blau and Ferber, p. 201, 206-210
         1. On-the-job Training
         2. Job Search
         3. Migration
      C. Family
         1. Marriage
            Blau and Ferber, p. 116-119
         2. Division of Labor Between Husband and Wife
            Blau and Ferber, p. 37-66, 119-122, 125-139
         3. Divorce and Remarriage
            Blau and Ferber, p. 122-125
      D. Male/Female and Black/White Wage and Earnings Differentials
         Blau and Ferber, p. 152-181
         1. Human Capital Explanation
            Blau and Ferber, p. 182-190, 193-206, 211-227
         2. Occupational Segregation, Dual Labor Market Theory, and other Theories of Discrimination
            Blau and Ferber, p. 228-279
V. Old Age
Fuchs, p. 159-208

A. Retirement
B. Health Care
C. Social Security Financing

Fuchs, p. 208-217

VII. Income Distribution and Economic Welfare Over the Life Cycle
Fuchs, p. 219-242

A. Age Versus Cohort Effects
B. Intergenerational Transfers
C. The Dependent Population: Competition Between Children and the Elderly for Government Resources