Economics 4606
Introduction to Human Resources
Spring 1992

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 and health 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 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

(Weeks 2-3)

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

(Weeks 4-5)

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

(Weeks 6-7)

(Weeks 8-9)

(Week 10)

(Weeks 11-12)

(Week 13)
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

(Week 14)
(Week 15)