

Economics 4616-001: Labor Economics

Spring 2012

MWF 10:00-10:50 AM

Room: ECON 117

Class Website through CULearn: <https://culearn.colorado.edu/>

No Class: 3/26-3/30 (Spring Break)

Professor Francisca Antman

Office: Economics 102

Office Hours: Mon/Wed 1:30-2:00 PM, Fri 12:00-2:00 PM, and by appointment

Phone: (303) 492-8872

Email: francisca.antman@colorado.edu (preferred method of contact)

Course Description

In this class we will study the labor market, focusing on supply and demand factors that determine labor allocation and remuneration. We will also explore topics at the heart of modern labor economics including human capital and household production decisions as well as the effects of unions, tax policy, and immigration on the labor market.

Prerequisites: Economics 3070 (Intermediate Microeconomic Theory).

Textbook: George Borjas, *Labor Economics*, McGraw Hill, 2010. This is the 5th edition, but the 4th edition is acceptable as well. Unless otherwise noted, you are expected to understand the material as presented in class, so you should use your lecture notes as a guide when reviewing the text. If you would like to use another edition, it is your responsibility to make sure you cover any differences between your edition and the material presented in class.

Grading

Midterm 1: 25%

Midterm 2: 25%

Final Exam (cumulative): 40%

In-class Exercises, Attendance & Participation: 10%

Class Policies

The text covers far more material than will be covered in class and I will present material in class that is not in the textbook, so it is in your interest to come to class. You will be responsible for material covered in lectures unless otherwise mentioned in class or noted by email or on the course website. Occasionally, I will also assign articles from other sources that I would like you to read for class discussion.

There is no excuse for missing an exam unless there is a documented medical or family emergency. Note that you are required to submit documentation of any emergency. In all other cases, failure to take an exam will result in a zero for that exam. If a legitimate emergency arises, other exams will be re-weighted. No make-up exams will be given. If you foresee any legitimate conflict with the dates of the assignments or exams, please see me at least two weeks beforehand or as soon as possible.

If you miss a class, you are responsible for obtaining notes on the material we covered from another classmate. I encourage you to come to my office hours to discuss the material you missed, but not before you have gone over the material yourself through notes and the textbook.

Throughout the semester, we will do in-class exercises that will help prepare you for exams while also encouraging you to think on your feet, work in groups, and possibly present your work to the class. These exercises may not be formally graded, but I will count your level of involvement in these exercises along with your attendance and participation (e.g. answering questions posed to the class) at regular intervals throughout the course. I may also ask you to search for articles for discussion and answer related questions on articles which illustrate economic problems we have considered in class. You will be given the opportunity to make up for up to two lost participation points by turning in brief response papers to articles discussed in class at the end of the semester. I may also present exam questions drawn from our class discussions.

Campus policy regarding religious observances requires that faculty make every effort to deal reasonably and fairly with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, please see me at least two weeks prior to any conflicts due to religious observances. See full details at http://www.colorado.edu/policies/fac_relig.html

Other Policies

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Center for Community N200, and <http://www.colorado.edu/disabilityservices>.

If you have a temporary medical condition or injury, see guidelines at <http://www.colorado.edu/disabilityservices/go.cgi?select=temporary.html>

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, color, culture, religion, creed, politics, veteran's status, sexual orientation, gender, gender identity and gender expression, age, disability, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at <http://www.colorado.edu/policies/classbehavior.html> and http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code at

The University of Colorado at Boulder Discrimination and Harassment Policy and Procedures, the University of Colorado Sexual Harassment Policy and Procedures, and the University of Colorado Conflict of Interest in Cases of Amorous Relationships policy apply to all students, staff, and faculty. Any student, staff, or faculty member who believes s/he has been the subject of sexual harassment or discrimination or harassment based upon race, color, national origin, sex, age, disability, creed, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Student Conduct (OSC) at 303-492-5550. Information about the ODH, the above referenced policies, and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council (honor@colorado.edu; 303-735-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html> and <http://www.colorado.edu/academics/honorcode/> at

Economics 4616-001 Tentative Course Outline, Spring 2012

| Week | Dates | Material |
|----------------|-------------------------------------|---|
| 1 | Jan 18-20 | Intro to Labor Economics (ch.1) Labor Supply (ch. 2) -- To work or not to work? How many hours? |
| 2 | Jan 23-27 | Labor Supply ch. 2) -- Income & substitution effects |
| 3 | 1/30-2/3 | Labor Supply (ch.2), continued --Estimating labor supply elasticity --Effects of welfare programs on labor supply. |
| 4 | Feb 6-10 M 2/6 | Topics in Labor Supply (ch 2 continued plus noted selections) -- Unemployed & discouraged workers. (Discuss articles 1*) -- Life-cycle and Retirement Age (in class notes, 3-3 in 4e.). -- Household production. (9-12 in 5e.) Fertility (2-14 in 5e.) (Discuss articles 2*) |
| 5 | Feb 13-17 | Labor Demand (ch. 3) --Employment decision in short-run and long-run |
| 6 | Feb 20-24 | Labor Demand (ch.3 continued) --Substitution & scale effects --Employment effects of minimum wage |
| 7 | 2/27-3/2 W 2/29 F 3/2 | Midterm 1 Preparation, Exam, and Solutions Review Midterm 1 in class MT1 Review of Solutions in class |
| 8 | Mar 5-9 | Labor Market Equilibrium (ch. 4) --Efficiency. Equilibrium across markets. --Payroll taxes & subsidies. (Discuss articles 3*) |
| 9 | Mar 12-16 | Labor Market Equilibrium (ch. 4 continued) -- Mandated benefits. (Discuss articles 4*) --Employment & wage effects of immigration. (Discuss articles 5*) |
| 10 | Mar 19-23 | Labor Market Equilibrium (ch.4 continued) --Monopsony, Monopoly, and Deadweight Loss. |
| 11 | Mar 26-30 | No Classes Spring Break |
| 12 | Apr 2-6 | Compensating Wage Differentials (ch.5) --Supply & Demand for Risky Jobs. Hedonic wage function. --Job Amenities. Health benefits. |
| 12 | Apr 9-13 W 4/11 F 4/13 | Midterm 2 Preparation, Exam, and Solutions Review Midterm 2 in class MT2 Review of Solutions in class |
| 13 | Apr 16-20 | Human Capital (ch.6) --Present value calculations and the schooling decision. (Discuss articles 6*) --Signaling model |
| 15 | Apr 23-27 | Labor Unions (ch.10) --Decision to join a union --Monopoly Unions, Efficiency Loss (Discuss articles 7*) |
| 16 | 4/30-5/4 | Review for Final Exam In-class exercises |
| TUE 5/8 | | Final Exam 4:30-7PM |

*See course website for discussion articles