

Economics 4616-002: Labor Economics

Fall 2008

MWF 12-12:50PM

Room: Economics 119

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

No Class: 9/1 (Labor Day), 11/24-11/28 (Fall Break)

Professor Francisca Antman

Office: Economics 14b

Office Hours: Monday 3:00-4:30PM, Wednesday 3:00-4:30PM, 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, 2008. (4th edition)

If you would like to use a previous edition, it is your responsibility to make sure you cover any differences between the two editions that are relevant to our class.

Grading

Midterm 1: 20%

Midterm 2: 20%

Final Exam (cumulative): 40%

Homework 1 & 2: 10%

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 make available articles from other sources that I would like for 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.

Homework will be graded on a check-plus, check, check-minus, zero grading system based largely on the effort demonstrated in solving the problems. Homework is due in class at the beginning of lecture on the dates specified. Following a 15-minute grace period, your homework grade will be lowered by one grade level for every day that the assignment is late (with a zero being the minimum obtainable score). This means that if the assignment is due at 12PM and you turn it in at 1PM and you got a check, your score will be recorded as check-minus. You may collaborate with your classmates on homework, but each student must submit their own homework and provide the names of any students with which he collaborated on the first page of the assignment. It is important that you demonstrate that you are thinking independently as I will compare your answers to those of other students in the class.

Throughout this class, we will do in-class exercises that will help prepare you for homework and 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 in class (e.g. answering questions posed to the class) at random intervals throughout the course. You will be given the opportunity to make up for up to two absences by turning in brief response papers to the articles discussed in class at the end of the semester. Due to the short period between the second midterm and the final exam, we will do in-class exercises in lieu of an additional homework assignment.

Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal 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 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 be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, and www.Colorado.EDU/disabilityservices

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, culture, religion, politics, sexual orientation, gender, gender variance, 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 at

http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code

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; 303-725-2273). 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 at

<http://www.colorado.edu/academics/honorcode/>

The University of Colorado at Boulder policy on Discrimination and Harassment, the University of Colorado policy on Sexual Harassment and the University of Colorado policy on Amorous Relationships apply to all students, staff and faculty. Any student, staff or faculty member who believes s/he has been the subject of discrimination or harassment based upon race, color, national origin, sex, age, disability, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Judicial Affairs 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>

Economics 4616-002 Tentative Course Outline, Fall 2008

Week	Dates	Material
1	Aug 25-29	Intro to Labor Economics (ch.1), Review of Statistical Methods (Appendix to Ch. 1) --Interpreting Empirical Results
	Sep 1	No Class--Labor Day
2	Sep 3-5	Labor Supply (ch. 2) --To work or not to work? How many hours? Income & substitution effects.
3	Sep 8-12	Labor Supply, continued --Estimating labor supply elasticity --Effects of welfare programs on labor supply. Earned Income Tax Credit.
4	Sep 15-19	Topics in Labor Supply (ch.3) --Unemployed & discouraged Workers --Retirement. Household production. Fertility.
5	Sep 22-26	Labor Demand (ch. 4 except 4-6 and 4-12) --Employment decision in short-run and long-run. Substitution & scale effects.
	Fri, 9/26	Homework 1 due at beginning of lecture
6	9/29-10/3	HW1 Review; MT1
	Fri, 10/3	Midterm 1 in class
7	Oct 6-10	Labor Demand, continued --Adjustment costs --Employment effects of minimum wage
8	Oct 13-17	Labor Market Equilibrium (ch.5) --Efficiency --Equilibrium across markets
9	Oct 20-24	Labor Market Equilibrium, continued --Payroll taxes & subsidies. Mandated benefits. --Employment & wage effects of immigration. Immigration surplus.
10	Oct 27-31	Labor Market Equilibrium, continued --Cobweb Model. Monopsony, Monopoly, and Deadweight Loss.
	Fri, 10/31	Homework 2 due at beginning of lecture
11	11/3-11/7	HW1 Review, MT2
	Fri, 11/7	Midterm 2 in class
12	Nov 10-14	Compensating Wage Differentials (ch.6 except 6-3, 6-4)
	Wed 11/12	--Supply & Demand for Risky Jobs. Hedonic wage function. Health benefits.
13	Nov 17-21	Human Capital (ch.7 except 7-6 through 7-8, and 7-10 through 7-13) --Present value calculations and the schooling decision. --Schooling as a signal
14	Nov 24-28	No Class--Fall Break & Thanksgiving
15	Dec 1-5	Labor Unions (ch.11: 11-2 through 11-4) --Decision to join a union --Monopoly Unions, Efficiency Loss
16	Dec 8-12	Review for Final Exam In-class exercises

Wed 12/17 **Final Exam 1:30-4PM**