

Economics 4616: Labor Economics

Spring 2021

MWF 11:30 AM-12:20 PM

Remote Synchronous via Zoom

Class Website through Canvas: <https://canvas.colorado.edu/>

No Class: January 18, February 17, as per University Schedule

No Assignments/Exams during Spring Pause: March 22-26, as per University Schedule

Professor Francisca Antman

Office Hours: MWF 12:20PM - 12:50PM via Zoom and by appointment

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

Course Description

In this class, students will study the labor market, focusing on supply and demand factors that determine labor allocation and remuneration. Students 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), minimum grade C-.

Textbook: George Borjas, *Labor Economics*, McGraw Hill, 2010. This is the 5th edition, but other editions are likely to be 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%

Homework, In-class Exercises, & Participation: 10%

Class Policies

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

Throughout the course, we will do exercises in class that will help prepare you for exams. These exercises will be posted on the course website along with questions that relate to some of the articles assigned for reading. Please do your best to prepare your own responses to these questions prior to class so that we may proceed to discuss your answers as a group.

Online homework assignments will be due every Friday starting in week 2, except for during Spring Pause and exam weeks (see dates below), unless otherwise noted. These assignments

Students who fail to adhere to these requirements will be asked to leave class, and students who do not leave class when asked or who refuse to comply with these requirements will be referred to

misconduct (harassment, exploitation, and assault), intimate partner violence (dating or domestic violence), stalking, or protected-class discrimination or harassment by members of our community. Individuals who believe they have been subject to misconduct or retaliatory actions

Economics 4616-001 Tentative Course Outline, Spring 2021

Note that the dates listed below are a rough guide to the timeline of the course. We may move through the material somewhat faster or slower than presented below. You should come to class to stay updated on the progress of the course.

- I. Introduction and Course Overview (ch. 1) (Week 1: Jan 15)
- II. Labor Supply (ch. 2) Week 2 -3 (Jan 20-29)
 - A. To work or not to work? How many hours?
 - B. Income and substitution effects
 - C. Estimating labor supply elasticity
- III. Topics in Labor Supply (ch. 2 continued, plus noted selections) Weeks 4-5 (Feb 1-12)
 - A. Effects of welfare programs on labor supply
 - B. Life-cycle and retirement age (3-3 in 4th ed.)
 - C. Household Production (9-12 in 5th ed.)
 - D. Fertility (2-14 in 5th ed.)
- IV. Labor Demand (ch. 3) Week 6 (Feb 15-19)
 - A. Employment decision in short-run and long-run

Week 7: Exam week

Midterm 1 in class on Wed. Feb 24 (Online via Canvas and Zoom)

- V. Labor Demand (ch.3), continued. Week 8 (Mar 1-5)
 - A. Substitution & scale effects
 - B. Employment Effects of minimum wage
- VI. Labor Market Equilibrium (ch.4) Weeks 9-10 (Mar 8-19)
 - A. Efficiency. Equilibrium across markets.
 - B. Payroll taxes & subsidies.
 - C. Mandated benefits.
 - D. Employment & wage effects of immigration.
 - E. Monopoly, monopsony, & deadweight loss.
- VII. Compensating Wage Differentials (ch.5) Week 11 (Mar 22-26)
 - A. Supply & Demand for Risky Jobs. Hedonic wage function.
 - B. Job Amenities. Health benefits.

Week 12: Exam Week

Midterm 2 in class on Wed. March 31 (Online via Canvas and Zoom)

- VIII. Human Capital (ch. 6) Weeks 13-14 (Apr 5-16)
 - A. Present value calculations and the schooling decision.
 - B. Signaling model

IX. Labor Unions (ch.10) Week 15 (Apr 19-23)

A. Decision to join a union.

B. Monopoly unions, efficiency loss.

Week 16 (Apr 26-28): Course Review

Final Exam (cumulative) Tuesday, May 4. 1:30-4PM (Online via Canvas and Zoom)