

Economics 3100 Section 2: Labor Economics
Spring 2008
MW 11:50-1:10 pm BUC 208

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How do people decide how many hours they wish to work, what jobs they wish to hold, and how much education or training they should acquire to achieve these goals? How do firms decide how many workers, and what kinds of workers, to hire? How do these decisions by workers and firms combine to produce employment and unemployment levels and income distribution? How does immigration affect the labor market? What is job discrimination? What causes it, how do we measure it, and how do we remedy it? How can an understanding of the labor market improve our understanding of the problem of poverty? These are the kinds of questions we will address in this class. We will spend a lot of time developing theoretical (mathematical) models of these issues, but we will also look at evidence on how these issues play out in the real world.

Most of our reading and assignments will come from the main text: Ehrenberg and Smith, Modern Labor Economics: Theory and Public Policy (9th Edition, 2006). This book is available for purchase in the campus bookstore, and everyone should buy it. A study guide is also available in the bookstore. We will not use the study guide directly in class, and you are not required to buy it, but you may find it helpful for preparing for the exams.

There are no prerequisites listed for this class. However, some knowledge of microeconomics (at the principles level) will be very helpful. In addition, we will spend a lot of time analyzing graphs and doing some simple calculations. See me early in the semester if you have any concerns about your background in these areas.

Our work in class will be supplemented by a WebCT site. There you will find a copy of the syllabus, scheduling updates and other announcements, additional readings, and grades. From this site, you will also be able to download the data sets that will be used in the data analysis projects described below.

The University of Utah seeks to provide equal access to its programs, services, and activities for people with disabilities. If you will need accommodation in this class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Olpin Union Building, 581-5020 (V/TDD). CDS will work with you and me to make arrangements for accommodations. All written information in this course can be made available in alternative format with prior notification to the Center for Disability Services.

Assignments and Grades:

Exams: We will have three exams - two mid-terms and a final. **The mid-terms will be held on Monday, February 11 and Wednesday, March 26. The final will be held on Thursday, May 1 at 10:30 am.** The exams will include short-answer questions along with longer problems and essays. Each of the exams (including the final) be worth 25% of your grade. You are expected to be in class to take the exams on the given days. If you anticipate any unavoidable scheduling conflict, see me immediately.

Homework Problems: About once a week, I will assign a small number of homework problems from the

book. Written answers to these questions will be due by the beginning of the next class session. You will earn one point (out of the 100 in your semester grade) for each question you answer correctly, up to a total of 15 points for the semester. Note that you can turn in answers for as many questions as you like, but you can earn at most 15 points by answering these problems. (Extra correct answers will not count for extra credit.)

Data Analysis: Several times during the semester, you will be given the opportunity to use recent data on the Utah economy to more closely examine some of the concepts we will study. **Each student will be responsible for carrying out ONE of these data analysis exercises.** The assignments will typically involve some simple calculations and interpretation of the results. **Four data analysis assignments are listed on the syllabus below.** More assignments may be added later. Additional details will be provided later in the semester. This assignment is worth 10% of your grade.

Additional Readings: Two kinds of additional readings will be posted on the WebCT page. First, you will find required readings. These will be fairly brief articles, usually from newspapers and general-interest magazines, dealing with labor market issues. We will discuss these readings in class, and they may provide material for exam questions. You will also find optional readings. These will be more technical articles from economics journals. We will summarize these articles in our class discussion, and you will be responsible for understanding what we discuss in class related to these articles. You are not, however, required to read them. They are provided in case you are interested in a particular study and want to examine it in more detail for your own purposes. The list of readings will be updated throughout the semester, and the addition of new readings will be announced in class.

Summary of Assignments:

First Mid-Term: 25% of the final grade
 Second Mid-Term: 25%
 Final Exam: 25%
 Homework Problems: 15%
 Data Analysis Assignment: 10%

Course Outline

Note that the precise schedule of topics may change, but the exam dates and due dates for assignments will not change. Note also that additional required readings will be announced in class and posted on the WebCT page.

Schedule of Topics

1/7: Introduction
 Read E+S Chapters 1 and 2

Labor Demand:

1/9: Read E+S Chapter 3, "The Demand for Labor"

1/14: Continue with E+S Chapter 3

1/16: Read E+S Chapter 4, "Labor Demand Elasticities"

1/21: NO CLASS (Holiday)

1/23: Continue with E+S Chapter 4

1/28: Read E+S Chapter 5, "Frictions in the Labor Market," p. 129-152 only.

Labor Supply

1/30: Read E+S Chapter 6, "Supply of Labor to the Economy: The Decision to Work"

2/4: Continue with E+S Chapter 6

2/6: Read E+S Chapter 7, "Labor Supply: Household Production, the Family, and the Life Cycle"

2/11: FIRST MID-TERM EXAM

2/13: Continue with E+S Chapter 7

2/18: NO CLASS (Holiday)

2/20: Continue with E+S Chapter 7

Compensating Differentials

2/25: Read E+S Chapter 8, "Compensating Wage Differentials and Labor Markets"

2/27: Continue with E+S Chapter 8

Training, Education, and Human Capital

3/3: Read E+S Chapter 5, p. 153-162, and E+S Chapter 9, "Investments in Human Capital: Education and Training"

3/5: Continue with E+S Chapter 9

DATA ANALYSIS ASSIGNMENT ON EDUCATION HANDED OUT/ POSTED

3/10: Continue with E+S Chapter 9

3/12: Continue with E+S Chapter 9

DATA ANALYSIS ASSIGNMENT ON EDUCATION DUE

3/17, 3/19: NO CLASS (Spring Break)

3/24: Continue with E+S Chapter 9

3/26: SECOND MID-TERM EXAM

3/31: Guest speaker (tentative) on "The State of Working Utah"

Worker Mobility

4/2: Read E+S Chapter 10, "Worker Mobility: Migration, Immigration, and Turnover"
DATA ANALYSIS ASSIGNMENT ON MOBILITY HANDED OUT / POSTED

4/7: Continue with E+S Chapter 10, plus guest speaker (tentative) on immigration policy

Discrimination

4/9: Read E+S Chapter 12, "Gender, Race, and Ethnicity in the Labor Market"
DATA ANALYSIS ASSIGNMENT ON MOBILITY DUE

4/14: Continue with E+S Chapter 12
DATA ANALYSIS ASSIGNMENT ON GENDER AND EARNINGS HANDED OUT /
POSTED

Inequality

4/16: Read E+S Chapter 14, Inequality in Earnings
DATA ANALYSIS ASSIGNMENT ON INEQUALITY HANDED OUT / POSTED

4/21: Continue with E+S Chapter 14
DATA ANALYSIS ASSIGNMENT ON GENDER AND EARNINGS DUE

4/23: Catch Up, Review
DATA ANALYSIS ASSIGNMENT ON INEQUALITY DUE

THURSDAY, MAY 1, 10:30 A.M.: FINAL EXAM