

Labor Economics
North Carolina State University
Course ECG590A, Spring 2010
M & W 3:00 – 4:15pm
214 Cox Hall
1/11/2010 - 4/30/2010

Instructor Information:

Melinda Sandler Morrill, Research Assistant Professor

melinda_morrill@ncsu.edu, (919) 515-0331

Office: Nelson Hall 4144, Office hours by appointment and 2-3pm Wednesdays

Course Summary:

This is a Master's level survey course in the field of Labor Economics. We will cover topics in labor economics such as labor supply, labor demand, market distortions, human capital, household production, discrimination, and immigration. The course textbook will be supplemented with readings from academic research papers. Students will learn how empirical research evaluates the predictions of economic theory and the impact of public policy. We will discuss the obstacles facing empirical researchers and the tools that have been developed to overcome these obstacles. Students will gain an understanding of how to read and critique empirical research by applying the theory and measurement techniques developed by economists.

Prerequisites:

Students should have a good working knowledge of microeconomic theory, econometrics, and calculus. At a minimum, students should have satisfactorily completed a course in Intermediate Microeconomics. Students should feel completely comfortable with graphing, algebra, and calculus. Prior experience with regression analysis or statistical analysis is recommended. A previous course in undergraduate labor economics is not required.

Link to Course Website: <http://www4.ncsu.edu/~msmorri/courses/ECG590A>

Updated assignments and readings will be posted on the course website.

Textbook: Modern Labor Economics, Ehrenberg and Smith, 10th Edition, ISBN 0321533739
It is highly recommended that students obtain a copy of Ehrenberg and Smith. Readings will be assigned from the E&S textbook, but all problem sets will be distributed and do not require purchasing the textbook. An additional useful resource is George Borjas, **Labor Economics**, 4th Edition, ISBN-13 9780073402826.

These books will be available on reserve at the NC State library for the entire semester.

Evaluation:

Students are expected to complete assigned readings prior to class and to review notes after class. Class participation is strongly encouraged and students should be prepared with questions on assigned readings. There will be a large amount of material covered over the course of the semester, so students are strongly encouraged to keep pace with assigned readings.

Grades for the course will be based on the following assignments.

- (1) **Problem Sets:** There will be three written problem sets assigned during the semester. Students may work in groups. However, every student must hand in a unique copy of the homework assignment that indicates on the first page the names of all collaborators and the contributions made by each individual in the group. Students will have at least 7 days to complete the problem sets once assigned. Late homework will not be accepted, so please plan accordingly.
- (2) **In-Class Presentation:** All students will select one paper to present during class. A list of suggested papers and detail of the assignment will be provided during the second week of class. Students may select alternative papers or original research to present with prior approval only. The paper must be selected and approved by no later than February 15th. Students must submit a 1-2 page summary of their paper at least one class period prior to their scheduled presentation date. Presentations should be approximately 20-30 minutes, followed by questions from the class.

The presenter should identify the research question, discuss the methods used for analyzing the question, and present a summary of the main findings. In addition, the presenter should identify the main assumptions of the model and/or empirical strategy and discuss the reasonableness of these assumptions. In doing this, presenters should provide a critique of the work and possible extensions or alternative strategies that the authors might have chosen.

- (3) **Examinations:** There will be a midterm and a final exam. Details of exam coverage and format will be given at least two weeks prior to the scheduled exam date.

Grades will be calculated according to the following weights:

- | | |
|----------------------------|---------|
| (1) In-class presentation: | 15% |
| (2) Three problem sets: | 5% each |
| (3) Midterm Exam: | 30% |
| (4) Final Exam: | 40% |

Make-ups and Anticipated Absences, Disability Accommodations:

If you need to miss a class for a religious observance or for another University-approved reason, please notify me within the first two weeks of class. Students requiring special accommodations for disabilities should schedule an appointment to discuss this within the first two weeks of class.

Reading List:

The reading list will be distributed as a separate document and may be updated throughout the semester. All readings (except the course textbook) will be made accessible through the course website for students registered in the course or can be downloaded from a University computer through JSTOR or the NBER website. Suggested papers for the presentation assignment will be indicated by a * on the reading list.

Course Outline:**(I) Introduction to Labor Economics (Chpts 1 & 2)****Week 1 Readings:**

- Chapters 1 & 2, Ehrenberg and Smith

- Adam Smith, *Wealth of Nations*, Chapter 10, Part I, Paragraphs [1] – [29] in version available online at: <http://geolib.com/smith.adam/won1-10.html>

(II) Introduction to Empirical Analysis and Regression Analysis (Chpt 1A)**(III) Labor Demand (Chpts 3-5)****(IV) Labor Supply (Chpts 6 – 7)****(V) Household Production Model, Children, Childcare, Fertility (Chpt 7)****(VI) Compensating Wage Differentials (Chpt 8)****(VII) Human Capital, Returns to Education, Training Programs (Chpt 9)****(VIII) Discrimination and Earnings Inequality (Chpt 12, 15)****(IX) Other topics as time permits and student interest dictates**

(a) Immigration and Worker Mobility (Chpt 10)

(b) Unions, Contracts, Sticky Wages (Chpt 13)

(c) Unemployment, Job Search, Job Matching (Chpt 14)