

# Economics 139 – Labor Economics, Fall 2009

11-12:20am, TTh, Peterson 110

Instructor: Kate Antonovics

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Office Hours: Wednesdays, 3:15-4:15pm

Web Page: Go to <http://webct.ucsd.edu>

(Please check class web page for TA's office hours, contact information, etc.)

## OBJECTIVES:

This course will introduce various theories about labor markets and evaluate how well those theories explain observed patterns in the data. After taking this course, you will know more about a) economic theory, b) the methods that economists use to test those theories and c) observed trends in wages, employment, education and other labor market phenomena. The class has a heavy public policy focus.

## PREREQUISITES:

Econ 2 or Econ 100B.

## HOMEWORK:

There will be (almost) weekly homework assignments posted on the class web page. Homework assignments generally will be posted Friday afternoons, and are due the following Friday. During the week between when an assignment is posted and when it is due, your TAs will hold out-of-class review sessions to go over the assignment. These review sessions are optional, but you're encouraged to go since the questions on the midterm and the final will look very much like the questions on your homework assignments. On the day your homework is due, I will post the answer key. *You do not have to turn in your homework assignments, and they will not be graded.* Thus, the "due date" of the assignment is really just meant to serve as a signal of how quickly you should be moving through the material.

**EXAMS:** There will be two midterms and a cumulative final. Dates are **not** negotiable.

**Midterm 1:** Thursday, October 15th, 11-12:20pm, Peterson 110

**Midterm 2:** Tuesday, November 10th, 11-12:20pm, Peterson 110

**Final Exam:** Wednesday, December 9th, 11:30-2:30pm, location TBA

## GRADES:

Midterm 1 (25%), Midterm 2 (25%), Final (50%). Grades for the course will be curved.

## TEXTBOOK:

The basic text is *Labor Economics*, 5th Edition, by George Borjas, (Irwin McGraw-Hill, 2005, ISBN-13: 978-0073511368), which is available at the Bookstore. The 4th Edition is also fine.

## SUPPLEMENTAL READING:

These readings are required. You can download them from the Supplemental Readings folder on the class web page.

SR1: Blank, Rebecca, "Fighting Poverty: Lessons from Recent US History," *Journal of Economic Perspectives*, Spring 2000, 14:2, 3-19.

SR2: Kahn, Larry, "The Sports Business as a Labor Market Laboratory," Summer 2000, *Journal of Economic Perspectives*, 14:3, 74-94.

SR3: Gottschalk, Peter, "Inequality, Income Growth, and Mobility: The Basic Facts," *Journal of Economic Perspectives*, Spring 1997, 11:2, 21-40.

SR4: Bertrand, Marianne and Mullainathan, Sendhil, "Are Greg and Emily More Employable than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination," *American Economic Review*, September 2004, 94:4, 991-1013.

#### ADMINISTRATIVE ISSUES:

1. If you have a documented disability, please come to talk to me as soon as possible so that I can make suitable accommodations for you. If you believe that you have a disability and desire accommodation, please register with the Office for Students with Disabilities.
2. Academic dishonesty will not be tolerated. Students are expected to do their own work, as outlined in the UCSD Policy on Integrity of Scholarship: <http://www-senate.ucsd.edu/manual/Appendices/app2.htm>. All suspected cases of academic dishonesty will be reported to the Academic Integrity Coordinator. Students found guilty of academic dishonesty will earn a failing grade for the course. In addition, the Council of Deans will impose a disciplinary penalty.
3. If you need to miss a midterm for a verifiable medical/legal/sports reason, your midterm grade will be your grade on the final. Failure to notify me promptly that you must miss a midterm will result in a zero grade for that midterm. Unexcused absences will also result in a zero.
4. If you arrive late to an exam, I will allow you to take the exam in the time that remains *as long as no one has turned in his/ her exam and left the room*. Once a classmate has turned in his/her exam, you will earn a zero on the test if you arrive late.
5. UCSD now has automated waitlists. If you have any questions regarding adding the class, please refer to Triton Link or contact the undergraduate advisors in Sequoyah Hall 245. The Economics Department does not allow you to add a class after the second week of the quarter.
6. Midterms and exams that you do pick up will be kept for one quarter following the end of the course and then thrown away (at which point your scores cannot be disputed).

#### SCHEDULE:

This is a *rough* guide, and may change. It is up to you to keep up with the reading. It is strongly recommended that you complete the reading before coming to lecture. You are responsible for all of the material in the chapters listed below. However, exams will emphasize material covered in class. In the table, SR stands for Supplemental Reading.

| Topic                                   | Reading, 4 <sup>th</sup> Edition                    | Reading, 5 <sup>th</sup> Edition |
|---|---|----------------------------------|
| Week 1-2: Labor Supply                  | Chapter 2 & 3 (excluding sections 3.3 and 3.5), SR1 | Chapter 2, SR1                   |
| Week 3: Labor Demand                    | Chapter 4   | Chapter 3                        |
| Week 4: Labor Market Equilibrium        | Chapter 5, SR2 (pp. 75-83)                          | Chapter 4, SR2 (pp. 75-83)       |
| Week 5: Compensating Wage Differentials | Chapter 6   | Chapter 5                        |
| Week 6: Human Capital                   | Chapter 7   | Chapter 6                        |
| Week 7: The Wage Structure              | Chapter 8, SR3                                      | Chapter 7, SR3                   |
| Week 8: Labor Mobility                  | Chapter 9   | Chapter 8                        |
| Week 9: Labor Market Discrimination     | Chapter 10, SR4                                     | Chapter 9, SR4                   |
| Week 10: Labor Unions                   | Chapter 11  | Chapter 10                       |

**NOTE:** There will be no class on Tuesday, October 13<sup>th</sup>.