

## Economics 139, Labor Economics

Spring 2016  
TTh 12:30-1:50 p.m.  
Pepper Canyon 109

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## Instructor Info.

- Kate Antonovics
- Office: Department of Economics, Room 327
- Email: [kantonov@ucsd.edu](mailto:kantonov@ucsd.edu)
- Office hours: Thursdays, 2:15-3:15pm
- Class webpage: [triton.ed.ucsd.edu](http://triton.ed.ucsd.edu)

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## Course 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.

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## Weekly Problem Sets

- There will be (almost) weekly problem sets posted on the class web page. Problem sets generally will be posted Friday afternoons, and are "due" the following Friday, but *you do not have to turn in your answers to the problem sets, and they will not be graded.* Thus, the "due date" is just meant to serve as a signal of how quickly you should be moving through the material. On the day your problem set is due, I will post the answer key.
- Your TAs will go over the answers during weekly review sessions.

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## Exams and Grades

### EXAMS:

- Midterm: Thursday, April 28<sup>th</sup>, 12:30-1:50pm, Pepper Canyon 109
- Final Exam: Monday, June 6<sup>th</sup>, 11:30-2:30pm, Pepper Canyon 109

*These dates are **not** negotiable.*

### GRADES:

- Midterm (40%), Final (60%).
- Final grades for the course will be curved.

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## Textbook and Reading

### TEXTBOOK:

- The textbook for the course is *Labor Economics*, 7th Edition, by George Borjas, (Irwin McGraw-Hill, ISBN: 9780078021886), which is available at the Bookstore. *The 5<sup>th</sup> or 6<sup>th</sup> edition is also fine.*

### SUPPLEMENTAL READING:

- There will be 2-3 supplemental readings. These readings are required. You can download them from the Supplemental Readings folder on the class web page.

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## Administrative Matters

- If you have a documented disability, please come to talk to me as soon as possible so that we 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.
- Academic dishonesty will not be tolerated. Students are expected to do their own work, as outlined in the UCSD Policy on Integrity of Scholarship. Students found guilty of academic dishonesty will earn a failing grade for the course.
- If you need to miss the midterm for a verifiable medical/legal/sports reason, your final exam will count for 100 percent of your grade in the class. Failure to notify me promptly that you must miss the midterm will result in a zero grade for the midterm. *Unexcused absences will also result in a zero.*

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## Administrative Matters

- 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.
- 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.
- Midterms and exams that you do pick up will be kept 45 days following the end of the course and then thrown away (at which point your scores cannot be disputed).

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## Schedule

- This is a *rough* guide, and may change.
- It is up to you to keep up with the reading.
- You are responsible for all of the material in the chapters listed below, but exams will emphasize the material covered in class.
- You also will occasionally be asked to read supplemental materials posted on the class web page.

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Topic	Reading (7 <sup>th</sup> Edition)
Labor Supply	Chapter 2
Labor Demand	Chapter 3
Labor Market Equilibrium	Chapter 4
Compensating Wage Differentials	Chapter 5
Human Capital	Chapter 6
The Wage Structure	Chapter 7
Labor Mobility	Chapter 8
Labor Market Discrimination	Chapter 9
Unemployment	Chapter 12

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## How will lectures work?

- Power point style lectures.
- You can get a rough outline of the Power Point slides ahead of time from the class web page.
- The material on the slides will be supplemented during lecture and anything I write on the slides during lecture is not be available outside of lecture.
- Lectures are also audio (but not video) podcast.

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## Why is the labor market different from other input markets?

- Firms do not own workers and workers have utility functions.
  - Firms have to make workers happy enough to entice them to work for the firm, and workers care about their total compensation (not just their earnings), including their working conditions.
  - The quality and quantity of labor is decided by workers. That is, decisions about where to work, where to live, how much schooling to acquire and how hard to work rest with the worker.
- The amount workers earn determines their standard of living and we care about economic well-being, income inequality etc.

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## Policy Issues in Labor Economics

- Income inequality
- Unemployment
- Immigration
- Government expenditures on education
- Poverty
- Taxes
- Discrimination

Hopefully, by the end of this class, you will have a better set of tools to help you think about the policy debates surrounding issues like these.

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