

**Economics 443
Labor Economics
Winter 2021
Syllabus (1/8/21)**

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Class Meeting Time

T Th 3:30 – 5:20 PM
Remote

Office Hours

Email me to arrange a Zoom appointment.

Course Description

In this class we will use economic theory and current and historical labor market data to understand labor market outcomes such as labor supply, labor demand, earnings, occupational choice, human capital investment and unemployment. Implications of policies measures such as workplace regulation, unemployment compensation and the minimum wage will be discussed.

Lectures

Classes will meet on Zoom between 3:30 and 5:20 on Tuesdays and Thursdays. Recordings will generally be available on Canvas>Zoom>Cloud Recordings.

Prerequisites

ECON 300 (Intermediate Microeconomics) or the equivalent.

Required Text

Labor Economics, Eighth Edition, by George Borjas. **You must use the 8th edition.** The ebook is available at <https://www.mheducation.com/>.

Other Required Readings

Articles and policy papers posted on Canvas.

Software

We will use the software package Stata for computer exercises.

Class materials

Class materials will be posted on Canvas.

Grading

Your class score will be calculated as follows:

Homework (9 @ 2 points each)	18 %
Quizzes (8 @ 4 points each)	32 %
Final Exam	27 %
Project	25 %

A score of 90% is generally the cutoff for an A-, 80% for a B-, etc. Grades are assigned according to the standard University of Washington grading system. See http://www.washington.edu/students/genclat/front/Grading_Sys.html.

Quizzes and Final Exam

There will be several quizzes that will be held on Thursdays during the lecture period and one final exam that will be held in the official University of Washington final exam time slot. **You must take the quizzes and exams during regular class time.**

An absence from a quiz or exam is excused if the reason for the absence is extraordinary and documentable. Examples of excused absences include jury duty, death in the family, military service and religious observance. The UW policy for religious accommodations is below. A grade of zero will be assigned when a quiz or exam is missed for an unexcused reason. When a quiz is missed for an excused reason, I will calculate the average grade for the quizzes excluding that quiz. There is a possibility of a makeup exam for the final if the absence is excused.

Homework

You may consult class notes, handouts, and any material posted on the class Canvas page to complete the assignment. **You may not work with other students or consult any other material posted on the web to complete the graded homework assignments.** I will be happy to work with you if you feel you are stuck.

Upload your homework on Canvas by 10 PM on the date due.

Solutions to the homework problems will be posted after everyone has submitted the assignments. I will review problems as requested.

Project

The group project involves researching a labor economics topic. A list of projects is in a separate document. I will assign groups based on students' preferences and backgrounds.

There will be other smaller assignments at the group level throughout the quarter that you will attend through Zoom breakout rooms.

Academic Conduct

Academic integrity is the cornerstone of the Department's rules for student conduct and evaluation of student learning. Students accused of academic misconduct will be referred directly to the Office of Community Standards and Student Conduct for disciplinary action pursuant to the Student Conduct Code and, if found guilty, will be subject to sanctions.

Sanctions range from a disciplinary warning, to academic probation, to immediate dismissal from the Department and the University, depending on the seriousness of the misconduct. Dismissal can be, and has been, applied even for first offenses. Moreover, a grade of zero can be assigned by the instructor for the course.

Religious Accommodation

Washington state law requires that UW develop a policy for accommodation of student absences or significant hardship due to reasons of faith or conscience, or for organized religious activities. The UW's policy, including more information about how to request an accommodation, is available at

<https://registrar.washington.edu/staffandfaculty/religious-accommodations-policy>

Accommodations must be requested within the first two weeks of this course using the Religious Accommodations Request form at <https://registrar.washington.edu/students/religious-accommodations-request/>).

Communicating

I will send out announcements by email. If you need to reach me, please email me with "Econ443" in the subject line, and include your student number as well as your name in English characters.

The Schedule

The schedule below is tentative. There will also be detours to address current events. I will update weekly with more specifics about reading assignments.

<u>Session</u>	<u>Date</u>	<u>Topic</u>	<u>Readings and Assignments</u>
1	1/5	Introduction to Labor Economics Measuring the Labor Force	*Borjas 1 (except for the appendix) *Borjas 2.0-2.2
2	1/7	<u>Labor Supply I</u> Examples of Policy Review of Theory of the Consumer Baseline Labor Supply Model Accessing BLS Data	*Stiglitz, "One Percent" *Krugman, "Reaganism" *Borjas 2.3-2.5 * <i>Baseline Labor Supply Model</i> , p 1-10 * <i>Accessing BLS data</i> Homework 1 (do not submit)
3	1/12	<u>Labor Supply II</u> The New BLS Data! Baseline Labor Supply (Participation) Household Production Participation Profiles	*Borjas 2.6, 2.7 (participation) *Borjas 2.9 (HH production) * <i>Baseline Labor Supply Model</i> , p 11-13 Homework 2
4	1/14	<u>Labor Supply III</u> Labor Supply Applications Introduction to Stata	*Borjas 2.11, 2.12, 2.14 * <i>Labor Supply Applications</i> * <i>Questionnaire (take survey before class but don't submit)</i> Quiz 1
5	1/19	<u>Labor Supply IV and Research</u> Regression Models in Stata (example with returns to schooling)	*Borjas 2.8 Homework 3
6	1/21	<u>Labor Supply V</u> Estimating Labor Supply Elasticities The Market Labor Supply Curve Wrap-up Labor Supply	*Borjas 2.8 (again) *"Most Likely to Succeed..." Quiz 2
7	1/26	<u>Labor Demand I</u>	Borjas 3.0-3.2 * <i>Labor Demand</i> Homework 4
8	1/28	<u>Labor Demand II</u>	*Borjas 3.3-3.7 * <i>Labor Demand</i> Quiz 3
9	2/2	<u>Equilibrium I</u> Minimum Wage	Borjas 3.8, 3.10, 4.0, 4.1 *Lawrey, "Supersize" Homework 5
10	2/4	<u>Equilibrium II</u> Monopsony	Borjas 4.9, Appendix 6 *Borjas, (4.3, 4.4?) Quiz 4

11	2/9	<u>Equilibrium III and Human Capital I</u> Individual Variation in Wages	Homework 6
12	2/11	<u>Human Capital II</u> Schooling	Borjas, 6.0-6.5 Quiz 5
13	2/16	Human Capital III More on Schooling Training	*Borjas 6.7-6.9 (except "Pooling Equilibrium and Separating Equilibrium"), 7.0-7.4 Homework 7
14	2/18	Estimating Earnings Equations	Quiz 6 Readings TBA
15	2/23	Compensating Wage Differentials	Homework 8 *Borjas, Chapter 5
16	2/25	Race/Gender	Quiz 7 *Borjas, Chapter 9
17	3/2	Race/Gender	Homework 9 *Borjas, Chapter 9
18	3/4	Unemployment and Inequality	Quiz 8 *Borjas, 7.5-7.9, 12
19	3/9	Presentations	
20	3/11	Presentations	Homework 10
	3/18	FINAL EXAM	4:30 – 6:20 PM

*Required

Assignment Due or Exam

My document posted on Canvas