

ECO 315 SYLLABUS
FALL 2010

COURSE TITLE & NUMBER: Labor Economics: ECO 315
TIME: Monday & Thursday 12-1:50pm
CLASSROOM LOCATION: Business Building, Room 204
PROFESSOR: Donka Mirtcheva, PhD
EMAIL ADDRESS: mirtchev@tcnj.edu
OFFICE ADDRESS: Business Building, Room 110
OFFICE PHONE: (609) 771-2260
OFFICE HOURS: Monday & Thursday 1:50-3:50pm or by appointment

COURSE DESCRIPTION

Labor Economics provides an understanding of the economic forces acting upon labor markets. Economic reasoning and tools of Microeconomics are used to study various aspects and policies related to the labor market. Topics include an overview of the labor market, labor demand and supply, worker productivity, hours worked and working conditions, wage determination, household production, investment in human capital, worker mobility and migration, racial/ethnic and gender issues, discrimination, role of government in labor markets, and labor unions. A research paper is required. 1 course unit. *Prerequisite*: ECO 101

COURSE MATERIALS

Textbook: Borjas, George. (2010). *Labor Economics*. 5th ed. McGraw Hill/Irwin.

Additional readings and articles will be assigned in the course of the semester and posted on SOCS or distributed by email. The text has a website that has a student edition link to multiple choice quizzes, definitions of key concepts in each chapter, and other resources, https://paris.mcgraw-hill.com/sites/0073511366/student_view0/.

COURSE PURPOSE & LEARNING GOALS

Course Purpose. The main purpose of the course is to provide you, the student, with an understanding of the economic forces, acting upon labor markets. Labor markets are unique in that the commodity being exchanged, labor services, cannot be separated from the individuals producing it. As such, nonpecuniary issues such as working conditions, the personalities of market participants, flexibility, etc., will have a much greater impact on transactions made in the labor market than elsewhere.

Learning goals. You are to (1) understand the market process of wage determination through the interaction of labor supply and labor demand, (2) develop the economic way of thinking to analyze the impact of labor market imperfections, household interactions, and various government policies on incentives to work, wages, and employment (3) Apply core economic theory and reasoning to topics of practical interest regarding the behavior of individuals, households, firms, the government, and if applicable, other social groups.

By the end of the semester, you are expected to improve the following skills:

- Critical thinking skills – develop the economic way of thinking as it applies to labor market everyday problems and specific policy proposals
- Problem-solving and quantitative reasoning skills – use available statistics to evaluate an economic argument
- Communication skills – communicate effectively in written, spoken, and graphical form about specific economic issues, make oral presentations
- Lifelong skills – better understand and evaluate economic events, demonstrate effective teamwork and leadership, be sensitive to ethical challenges and issues of social responsibility.

COURSE REQUIREMENTS AND GRADING

Your course grade will be based on your performance on the following course requirements:

Final Exam (cumulative)	25%
Midterm Exam	20%
Research Paper	15%
Group Project & Presentation	10%
Problem Sets (2)	10%
Class participation	10%
Opinion pieces (2)	8%
To be decided	2%
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TOTAL	100%

Final grades will be assigned according to the following scale:

92-100 %	A
90-91 %	A-
87-89 %	B+
82-86 %	B
80-81 %	B-
77-79 %	C+
72-76 %	C
70-71 %	C-
67-69 %	D+
62-66 %	D
0-61 %	F

Grades may be modified to fit a curve, if appropriate.

The Midterm, Final (cumulative), and two problem sets are scheduled as indicated in the tentative timetable at the end of this syllabus. In general, **late assignments will not be accepted**, unless you speak to me beforehand, ask very nicely, and have an acceptable excuse. The Professor may require documentation to substantiate the reason for the absence.

GROUP PROJECTS & PRESENTATIONS

You will also participate in a more formal presentation in the second half of the semester, where you will be assigned in a group of about 3 students to prepare an in-class presentation on a given topic. Preparation will involve meeting at least twice in a small group setting. The presentations will be approximately 20 minutes long. Each group should email the Professor the presentation slideshow the day before the presentation or bring a print out and email the presentation to the Professor on the day of the presentation. The whole group receives the same grade on the presentation. In addition, you (each member of the group) should turn in a 1-page double-spaced reflection report explaining your contribution to the project, what went well, and what could be improved in the group interaction if you were to do the project over again.

OPINION PIECES

There will be two 2 page (double-spaced, typed) opinion pieces. The opinion pieces are where you can present your opinion on topics or questions raised in the readings, lectures, or other relevant material. The idea is that you learn new concepts by using them. Even though the opinion papers are informal, they must be done in a professional manner. Opinion pieces that are late or do not bring in course concepts will get less than full credit.

Good opinion pieces can discuss: a personal or work experience that relates to an idea, your thoughts about an idea in the readings or lectures that seems particularly interesting and insightful, a comparison of the ideas from two readings.

RESEARCH PAPER

You may choose to write about an issue in labor economics that interests you. This is your opportunity to investigate an issue in labor economics not covered in class or to extend a topic that was. The issue should be narrow enough, so that you can cover it extensively in a paper of approximately 8 pages (not including cover page, abstract, tables, and references; double spaced, font size 12, 1" margins). Please double check your paper topic with the Professor before doing in-depth research to make sure the issue is appropriate for the course and focused enough. The intent of the paper is to encourage you to apply economic analysis to a real labor market problem or question. The paper should contain an abstract (at most 200 words), a description of the issue, literature review, an economic analysis of the problem such as applicable economic theory we learned in class, some basic facts and statistics that add to the discussion, and conclusion. The conclusion should sum up the paper's findings and describe draw conclusions about policy recommendations or insights into potential solutions to the economic problem or issue at hand. You should reference at least 5 sources total from: academic journals (3 or more sources), newspapers, magazines, or reliable web sources.

Your final paper should be formatted like an article in an economics journal. To see examples, look at a copy of the *American Economic Review* or *Journal of Economic Literature*. This will be easy for you to do mechanically. It will involve writing a brief abstract and compartmentalizing your paper by putting in section headings, subheadings, etc., a la your outline. This requirement is designed to give you an opportunity to revisit how your paper is structured and to make sure that it is organized in the clearest and most logical way.

The research paper is a semester-long assignment that will proceed in three stages. The due dates for each stage of your project are given below:

Proposal	November 1
Outline, Working Bibliography	November 11
Research Paper	December 6

The paper also presents an opportunity to work on your writing skills. Writing clearly about complex issues is an important skill. In grading your paper, I will pay close attention to the clarity of your writing. The quality of your writing will determine a significant portion of your grade. Be sure that your sentences are coherent and that each paragraph follows from the previous paragraph. A good way to avoid a poorly written paper is to take a look at a manual of style. I recommend *The Elements of Style* by William Strunk and E. B. White or *The Elements of Business Writing* by Gary Blake and Robert W. Bly, or *Economical Writing* by Deirdre N. McCloskey.

Do not claim anyone else's writing or ideas as your own. Document your sources. Plagiarism will be prosecuted to the fullest extent of the law.

Paper Format

The paper **could** include the following sections:

Introduction: State the problem and why it is socially important. Here you may want to cite some statistics or refer to public opinion to establish the significance of the issue. For example, you may want to note the social cost of the problem, or the number of people affected by the problem, or the symbolic (political or social) importance of the problem. (one page)

Background and Literature Review: Describe past, current and proposed public policies to address issue (there may only be proposed if it is a new area of government intervention, or you may propose a policy). Discuss the stated or intended goals of these policies and describe the program details. (three pages)

Economic Theory: Review the relevant economic theory that relates to the behaviors or outcomes being studied. Use the theory to analyze the likelihood that the policy will achieve its intended goals and to discuss whether there will be any unintended effects. Also use the theory to propose alternative policies. This section is the "guts" of the paper. (three pages)

Conclusions: Summarize your analytical findings as to the likely success of the policy and whether alternative policies would be preferred. Draw conclusions about policy prescriptions or insights into potential sources of an economic problem or issue. Discuss the political support for the policy with reference to the "winners" and "losers" that the policy creates. (one page)

A Sample of Research Paper Topics (NOT Necessarily Paper Titles):

- Restructuring of US labor markets in response to technological development
- Unemployment and labor market rigidities
- The effect of recently increased unemployment insurance on employment
- Analyze US (and other OECD countries) methods for defining and estimating unemployment. What are relative strengths and weaknesses. Propose changes
- Review economic literature since 2001 debating the effectiveness of Bush tax cuts (2001-05) on new job creation
- Higher minimum wages and minority, inner-city teens
- Review the literature for and against indexing the minimum wage in the US. Make a proposal
- The living wage
- Motherhood timing and career path
- How changes in reproductive technologies affect parental investment in children and children's consequent outcomes
- Oral contraceptives and women's career and marriage decisions
- Compare the determinants of income inequality and income inequality trends in the U.S. with one other major economy
- Analyze executive pay trends, compare executive pay trends in US vs. Europe-Asia; or compare executive pay in, for example, financial with non-financial corporations. Make proposals for reform
- Impact of education or school quality on earnings
- Post-secondary education and increasing wage inequality
- Health and productivity
- Health insurance and the labor market
- Economics of discrimination
- Beauty and the labor market
- Economic effects of obesity on the labor market
- Gender and racial/ethnic wage differentials
- Affirmative action
- Job mobility and marriage stability
- Divorce and children's subsequent education and earnings
- Immigrants and host country's wages, employment, and growth
- Immigration (legal or illegal) lowers the minimum wage level in the US: agree or disagree
- Employment and wage effects of the H1-B visa program on the technology sector of the US economy
- Outsourcing
- Provide an analysis of the impact of job offshoring from the US to China in the recent years
- Analyze the impact of NAFTA on net employment in the US
- Role of government in labor markets
- Assess the various reasons for the collapse of union membership in the US since the 1970s
- Autoworkers, union contracts, and the Detroit catastrophe
- Appropriate topics relating current Obama administration programs and labor economics

SELECTED TCNJ POLICIES

TCNJ's final examination policy is available on the web: <http://www.tcnj.edu/~academic/policy/finalevvaluations.htm>

Attendance

Every student is expected to participate in each of his/her courses through regular attendance at lecture and laboratory sessions. It is further expected that every student will be present, on time, and prepared to participate when scheduled class sessions begin. At the first class meeting of a semester, instructors are expected to distribute in writing the attendance policies which apply to their courses. While attendance itself is not used as a criterion for academic evaluations, grading is frequently based on participation in class discussion, laboratory work, performance, studio practice, field experience, or other activities which may take place during class sessions. If these areas for evaluation make class attendance essential, the student may be penalized for failure to perform satisfactorily in the required activities. Students who must miss classes due to participation in a field trip, athletic event, or other official college function should arrange with their instructors for such class absences well in advance. The Office of Academic Affairs will verify, upon request, the dates of and participation in such college functions. In every instance, however, the student has the responsibility to initiate arrangements for make-up work.

Students are expected to attend class and complete assignments as scheduled, to avoid outside conflicts (if possible), and to enroll only in those classes that they can expect to attend on a regular basis. Absences from class are handled between students and instructors. The instructor may require documentation to substantiate the reason for the absence. The instructor should provide make-up opportunities for student absences caused by illness, injury, death in the family, observance of religious holidays, and similarly compelling personal reasons including physical disabilities. For lengthy absences, make-up opportunities might not be feasible and are at the discretion of the instructor. The Office of Academic Affairs will notify the faculty of the dates of religious holidays on which large numbers of students are likely to be absent and are, therefore, unsuitable for the scheduling of examinations. Students have the responsibility of notifying the instructors in advance of expected absences. In cases of absence for a week or more, students are to notify their instructors immediately. If they are unable to do so they may contact the Office of Records and Registration. The Office of Records and Registration will notify the instructor of the student's absence. The notification is not an excuse but simply a service provided by the Office of Records and Registration. Notifications cannot be acted upon if received after an absence. In every instance the student has the responsibility to initiate arrangements for make-up work.

TCNJ's attendance policy is available on the web: <http://www.tcnj.edu/~recreg/policies/attendance.html>

Academic Integrity Policy

Academic dishonesty is any attempt by the student to gain academic advantage through dishonest means, to submit, as his or her own, work which has not been done by him/her or to give improper aid to another student in the completion of an assignment. Such dishonesty would include, but is not limited to: submitting as his/her own a project, paper, report, test, or speech copied from, partially copied, or paraphrased from the work of another (whether the source is printed, under copyright, or in manuscript form). Credit must be given for words quoted or paraphrased. The rules apply to any academic dishonesty, whether the work is graded or ungraded, group or individual, written or oral.

TCNJ's academic integrity policy is available on the web: <http://www.tcnj.edu/~academic/policy/integrity.html>.

Americans with Disabilities Act (ADA) Policy

Any student who has a documented disability and is in need of academic accommodations should notify the professor of this course and contact the Office of Differing Abilities Services (609-771-2571). Accommodations are individualized and in accordance with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1992.

TCNJ's Americans with Disabilities Act (ADA) policy is available on the web: <http://www.tcnj.edu/~affirm/ada.html>.

TENTATIVE COURSE SCHEDULE

The schedule of course assignments below is provided as a general guide. Assignments and deadlines might be modified as the course work proceeds, depending on the students' progress. Additional readings will be posted on SOCS or distributed by email. Announcements will be sent by email through the SOCS systems. Please check your email regularly.

WEEK: Dates	TOPIC/TEXT READINGS
1: Sept 2	Introduction
2: Sept 7, 9 (Sept 6 classes held on Tuesday, Sept 7)	Chapter 1: Introduction to Labor Economics, Appendix Chapter 12: Unemployment
3: Sept 13, 16	Chapter 12: Unemployment (cont'd) Chapter 2: Labor Supply
4: Sept 20, 23	Chapter 3: The Demand for Labor
5: Sept 27, 30	Chapter 4: Labor Market Equilibrium OPINION PIECE #1 (WEEKS 1-4) – due September 30
6: Oct 4, 7	Chapter 5: Compensating Wage Differential
7: Oct 11, 14	Chapter 6: Human Capital
8: Oct 21 (No class Oct 18: Fall break)	Chapter 6: Human Capital (cont'd) Chapter 7: The Wage Structure PROBLEM SET #1 – due October 21
9: Oct 25, 28	Catch up and review for Midterm Exam MIDTERM – October 28
10: Nov 1, 4	Review Midterm Exam Chapter 9: Labor Market Discrimination PAPER PROPOSAL – due November 1 OPINION PIECE #2 (WEEKS 5-8) – due November 4
11: Nov 8, 11	Chapter 9: Labor Market Discrimination (cont'd) PRESENTATION TEAM 1 – November 8 PRESENTATION TEAM 2 – November 11 PAPER OUTLINE AND WORKING BIBLIOGRAPHY – due Nov 11
12: Nov 15, 18	Chapter 8: Labor Mobility PRESENTATION TEAM 3 – November 15
13: Nov 22 (No class Nov 25: Thanksgiving break)	Chapter 8: Labor Mobility (cont'd) PRESENTATION TEAM 4 – November 22
14: Nov 29, Dec 2	Chapter 10: Labor Unions PRESENTATION TEAM 5 – November 29 PRESENTATION TEAM 6 – December 2 PROBLEM SET #2 – due December 2
15: Dec 6, 9	Chapter 11: Incentive Pay Catch up and review for Final Exam PRESENTATION TEAM 7 – December 6 PRESENTATION TEAM 8 – December 9 RESEARCH PAPER – due December 6
16: Dec 14-17, 20, 21 (Dec 11-14 5pm, 18-19: reading days)	Final Exam Week