

Economics 4616- Labor Economics

Spring 2011, Tues/Thurs 12:30-1:45, ECON 117

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Course Website

Course materials will be posted on CULearn

Office Hours

Tues 2-3 and Wed 10-12, or by appointment

It is very easy to schedule appointments outside of office hours with me—I am almost always in my office during normal business hours. Just send email or talk to me before or after class.

Course Prerequisite

This class requires previous completion of Economics 3070, Intermediate Microeconomics, or the equivalent. Do not take this class without the prerequisite!

Textbook

George Borjas *Labor Economics* McGraw-Hill, 5th Edition, 2010.
(older editions will work fine).

Course Description

This course provides an introduction to the economic analysis of labor markets. We will be discussing questions such as: How do individuals choose whether or not to work, and if so, how much? What about households: how do families decide who works outside the home and who does the dishes? How do employers decide how many people to hire? Why do some people go to college and others do not? Why do some people move or immigrate and others do not? Why do some people get paid more than others? Do women get paid less than men? How do you set wages so that employees will work harder? How do different government policies affect the labor market?

Course Structure

In-Class Exercises: In-class group exercises will be given frequently. These exercises will be used to promote discussion of the issues we cover and, most importantly, give students practice with the material in preparation for exams. These exercises are not graded, but students will be called on to provide answers to the class.

Attendance: Attendance is absolutely crucial to success in this class. Substantial student practice will take place through in-class exercises. In order to re-enforce the importance of attendance, it will be factored into final grades. **Attendance will be taken regularly and any student missing more than 20% (3 weeks of class, or 6 class meetings) of the course's scheduled classes will receive a failing grade.** To be clear, these absences are intended to cover both

valid (illness, car breaking down) and invalid reasons for missing class. Excused absences will therefore not be granted. I reserve the right to record an absence for students who spend substantial class time on non-class activities (e.g. reading the paper, texting, laptop use for non-class activities).

Exams: Two midterms and a non-cumulative final exam. **The first midterm is scheduled for Tues, Feb 15. The second midterm is scheduled for Thurs, Mar 17—Please note that this is**

Week 3 (Jan 25, 27): Household Production
Textbook: Chapter 3

Week 4 (Feb 1, 3): Introduction to Labor Demand
Textbook: Chapter 4

Week 5 (Feb 8, 10): Labor Demand, Cont
Textbook: Chapter 4, cont.

Week 6 (Feb 15, 17): Taxes, Monopsony and Minimum Wages
Textbook: Chapter 5

1st Midterm: Tues, Feb 15

Week 7 (Feb 22, 24): Compensating Wage Differentials
Textbook: Chapter 6

Week 8 (Mar 1, 3): Human Capital: Schooling
Textbook: Chapter 7

Week 9 (Mar 8, 10): Human Capital: On-the-Job Training, Wage Profiles and Signaling
Textbook: Chapter 7, cont.

Week 10 (Mar 15): Labor Mobility
Textbook: Chapter 9
2nd Midterm: Thurs, March 17

Week 11: Spring Break

Week 12 (Mar 29): Immigration
No Class on Thurs, Mar 31

Week 13 (Apr 5, 7): Discrimination
Textbook: Chapter 10

Week 14 (Apr 12, 14): Labor Unions
Textbook: Chapter 11

Week 15 (Apr 19, 21): Labor Contracts and Work-Incentives
Textbook: Chapter 12

Week 16 (Apr 26, 28): Labor Contracts and Work-Incentives, Cont
Textbook: Chapter 12

Final Exam: Tues, May 3, 4:30-7:00