

Labor Economics

This course focuses on the institutions and markets surrounding the world of work and pay. We will spend considerable time and attention discussing institutions and the role of public policy. One of my key objectives is to help you learn how to apply the theoretical and empirical tools of economics in understanding the issues and outcomes of the American labor market.

In this course I expect students to: improve analytical skills in order to apply economic theory to workforce and employment issues; demonstrate oral communication skills through class discussions; and improve written communication skills through assignments, exams and a short paper.

There will be two required books for the course, both available through Bay Tree Bookstore:

Labor Economics by George Borjas, McGraw-Hill Irwin, 5th edition, 2010. ISBN-13: 978-0-07-351136-8;

ISBN-10: 0-07-351136-6. An electronic version of the Borjas book is available at:

<http://www.coursesmart.com/givecoursesmartatry?xmlid=0077315820&_instructor=972858>

Information on textbook rental is available at: <http://www.chegg.com/search/borjas%2c+george/>

The McHenry Library reserve desk has two copies of the text (one 5th edition; one 4th edition).

The Race between Education and Technology by Claudia Goldin and Lawrence F. Katz, Harvard University Press, 2008. ISBN-13: 978-0-674-02867-8 This book will not be available at the bookstore until early October. One copy is on reserve at McHenry Library.

Requirements and Grading

There will be two problem-set-like assignments (10 percent total), a midterm exam (25 percent), a short (approximately 5 pages) paper (25 percent), and a final exam (40 percent). The two exams will be in essay format, emphasizing concepts and your skilled presentation of idea and evidence. The paper topic will be drawn from the Goldin and Katz book. We will talk more together about the paper. Papers will be due on Thursday, December 3, by 5pm, in my office.

Writing will be evaluated with reference to form as well as content. This means that grammar, syntax, spelling and organization count.

The assignments are designed to familiarize you with the course material. The two assignments must be typed and are due at the beginning of class on the due date. Please note the following rule for late assignment submission: there will be a deduction of 25 points (out of 100 total) for every 24 hours that the assignment is late. The first 25 points will be deducted 10 minutes after the start of class on the due date.

No makeup exams will be given. If you miss the midterm exam, your final exam will count for 65 percent of your course grade instead of 40 percent. Please note: our final exam is scheduled for Wednesday, December 9, 12-3pm.

A cautionary note: academic dishonesty (plagiarism, cheating, inadequate or incomplete source citation) will be taken very seriously. I will follow campus guidelines, and all cases will be reported to the appropriate office. You might find the following references helpful in regard to source citation and what constitutes plagiarism. Library guide on Citing Sources and Plagiarism:

<http://library.ucsc.edu/science/instruction/Handouts/CitingSourcesBio80.pdf>. NetTrail: <http://nettrail.ucsc.edu/> (Section XI, Info Ethics)

If you qualify for classroom accommodations because of a disability, please get an Accommodation Authorization from the Disability Resource Center (DRC) and submit it to me in person outside of class (e.g., office hours) within the first two weeks of the quarter. Contact DRC at 459-2089 (voice), 459-4806 (TTY), or <http://drc.ucsc.edu> for more information on the requirements and/or process.

Other points

In addition to reading the textbook and our supplemental readings, I encourage you to read a daily newspaper on a regular basis. *The New York Times* is available free on-line at www.nytimes.com. As often as possible, and probably every day, I will talk about "real world" issues. I encourage you to bring these issues to class as well. Some parts of the course are best covered in a traditional lecture format, and other parts will involve extensive class discussion. At all times you are expected to be active learners in the sense of participating in class discussions, keeping up with the required reading, and engaging in outside-of-class reading, thinking, and writing. **I expect you to complete the assigned readings before class.**

Lecture material will depart from and differ with the textbook, so class attendance is very important. There are no sections for this class.

Course website

http://people.ucsc.edu/~lkletzer/econ180/index_econ180.html

Office hours

My office hours will be on Mondays and Wednesdays, 10-11am, or by appointment. My email address is lkletzer@ucsc.edu; office phone is 459-3596. Email is the best way to reach me. There will be a few Wednesdays when I will not be able to hold my usual office hours. During those weeks, I will have alternative office hours on Fridays, 10-11am, in 131 Kerr Hall.

Class Schedule and Reading list

Introduction

Sept. 24

Borjas, chapter 1, including appendix

Labor Supply

Sept. 29, Oct. 1

Borjas, chapter 2

(website) “Is Tomorrow Another Day? The Labor Supply of New York City Cabdrivers,” Henry S. Farber, *Journal of Political Economy*, 2005, vol. 113, no. 1, pp. 46-82.

Labor Demand

Oct. 6, 8

Borjas, chapter 3

(website) “A Reassessment of the New Economics of the Minimum Wage Literature with Monthly Data from the Current Population Survey,” Richard V. Burkhauser, Kenneth A. Couch, David C. Wittenberg, *Journal of Labor Economics*, 2000, ol. 18, no. 4 , pp. 653-680.

Labor Market Equilibrium

Oct. 13

Borjas, chapter 4

Compensating Wage Differentials

Oct. 15

Borjas, chapter 5

Human Capital

Oct. 20, 22, 27, 29

Borjas, chapter 6

Goldin and Katz, chapters 1, 4, 5

(Website) “Preparing the Workers of Today for the Jobs of Tomorrow,” Council of Economic Advisers, July 2009.

Labor Market Discrimination

Nov. 3, 10

Borjas, chapter 9

Midterm Exam

Nov. 5

Unions: Structure, Impacts

Nov. 12, 17

Borjas, chapter 10

(website) “A Submerging Labor Market Institution? Unions and the Nonwage Aspects of Work,” Thomas C. Buchmueller, John E. DiNardo, and Robert G. Valletta, in R.B Freeman, J. Hersch, and L. Mishel, eds., *Emerging Labor Market Institutions for the Twenty-First Century*, University of Chicago Press, 2004.

Rising inequality

Nov. 19, 24

Borjas, chapter 7

Goldin and Katz, chapters 2, 3, 7, 8, 9

Unemployment

Dec. 1, 3

Borjas, chapter 12

Final exam: Wednesday, December 9, 12-3pm