

SYLLABUS

Course: ECO 765, Labor Economics, Spring 2017.

Class Time: Monday, Tu Th 4:00 – 5:15 p.m.

Course Description

Examination of competing theories of labor market behavior. Topics include theories of labor supply, labor demand, wage determination, unemployment, discrimination and the impact of unions and government institutions on labor market outcomes. Prerequisites: ECON 301, ECON 302, and ECON 262 or equivalent.

Course Objectives

- 1) Explore the role of economic theory as a set of tools for understanding labor market outcomes.
- 2) Develop analytical methods for studying such labor market issues as labor supply, labor demand, wage determination, human capital formation, unemployment, discrimination, and the role of unions.
- 3) Examine the role of government policies in shaping labor markets.
- 4) Analyze labor market behavior and outcomes using nationally representative data and econometric methodology.
- 5) Prepare students with the theoretical tools to write a professional paper for the MA program
- 6) Introduce techniques for using data examine labor market issues.

Required Textbook and Reading Materials

Laing, Derek. 2011. *Labor Economics; Introduction to Classic and the New Labor Economics*. WW Norton: New York.

Readings (see the last page of the syllabus)

Examinations and Grading

Midterm exam 1 (20%) Held on February 21, 2017

Midterm exam 2 (20%) Held on March 30, 2017

Final exam (20%) TBA, 2017 ()

Empirical Project 1 (10%) Due February 23rd at beginning of class

Empirical Project 2 (10%) Due March 9th at the beginning of class

Empirical Project 3 (10%) Due April 4th at the beginning of class

Empirical Project 4 (10%) Due May 4th at the beginning of class

The midterms and final examination will each contribute 20 percent to your total points and scheduled for the dates shown above. The final examination is not comprehensive. The examinations will consist of problems derived from the textbook, required readings, and class lectures. To receive full credit, the examinations must be well written, well argued and coherent. The following represents percentages necessary to receive various letter grades.

100% - 90% = A range
89% - 80% = B range
79% - 70% = C range
69% - 60% = D range
below 60% = F range

The projects require you to empirically analyze various theoretical and empirical propositions that will arise as we go through the material. For each project, you will be required to conduct a brief literature review, draw on theory to arrive at hypothesis to be tested, use empirical techniques to test the hypotheses, and discuss the results of your research. You will be required to use the STATA software package to conduct your statistical tests.

Miscellaneous

You are expected to behave respectfully during class sessions to avoid distracting us from our learning objectives. Use your common sense here, but examples of disrespectful behavior are excessive talking during lectures or presentations (unless it is part of the flow of the class), not turning off cell phones, taking cell phone calls, reading material not related to the class during lectures or presentations, eating in the class room, and sleeping during the lectures or presentations. Persistent disrespectful behavior may lead to your involuntary withdrawal from the course at the instructor's discretion.

Make-up tests will only be given for a documented illness or other circumstance that I deem serious enough to warrant one. You must contact me before the test in order to be eligible for a make-up exam, unless there are extremely extenuating circumstances.

Academic Misconduct—Academic integrity is a legitimate concern for every member of the campus community; all share in upholding the fundamental values of honesty, trust, respect, fairness, responsibility and professionalism. By choosing to join the UNLV community, students accept the expectations of the Student Academic Misconduct Policy and are encouraged when faced with choices to always take the ethical path. Students enrolling in UNLV assume the obligation to conduct themselves in a manner compatible with UNLV's function as an educational institution.

An example of academic misconduct is plagiarism. Plagiarism is using the words or ideas of another, from the Internet or any source, without proper citation of the sources. See the *Student Academic Misconduct Policy* (approved December 9, 2005) located at: <https://www.unlv.edu/studentconduct/student-conduct>.

Copyright—The University requires all members of the University Community to familiarize themselves **with** and to follow copyright and fair use requirements. **You are individually and solely responsible for violations of copyright and fair use laws. The university will neither protect nor defend you nor assume any responsibility for employee or student violations of fair use laws.** Violations of copyright laws could subject you to federal and state civil penalties and criminal liability, as well as disciplinary action under University policies. Additional information can be found at: <http://www.unlv.edu/provost/copyright>.

Disability Resource Center (DRC)—The UNLV Disability Resource Center (SSC-A 143, <http://drc.unlv.edu/>, 702-895-0866) provides resources for students with disabilities. If you feel that you have a disability, please make an appointment with a Disabilities Specialist at the DRC to discuss what options may be available to you. If you are registered with the UNLV Disability Resource Center, bring your Academic Accommodation Plan from the DRC to the instructor during office hours so that you may work together to develop strategies for implementing the accommodations to meet both your needs and the requirements of the course. Any information

you provide is private and will be treated as such. To maintain the confidentiality of your request, please do not approach the instructor in front of others to discuss your accommodation needs.

Religious Holidays Policy—Any student missing class quizzes, examinations, or any other class or lab work because of observance of religious holidays shall be given an opportunity during that semester to make up missed work. The make-up will apply to the religious holiday absence only. It shall be the responsibility of the student to notify the instructor **within** the first 14 calendar days of the course for fall and spring courses (excepting modular courses), or **within** the first 7 calendar days of the course for summer and modular courses, of his or her intention to participate in religious holidays which do not fall on state holidays or periods of class recess. For additional information, please visit: <http://catalog.unlv.edu/content.php?catoid=6&navoid=531>.

Transparency in Learning and Teaching—The University encourages application of the transparency method of constructing assignments for student success. Please see these two links for further information:

<https://www.unlv.edu/provost/teachingandlearning>

<https://www.unlv.edu/provost/transparency>

Incomplete Grades—The grade of I—Incomplete—can be granted when a student has satisfactorily completed three-fourths of course work for that semester/session but for reason(s) beyond the student’s control, and acceptable to the instructor, cannot complete the last part of the course, and the instructor believes that the student can finish the course without repeating it. The incomplete work must be made up before the end of the following regular semester for undergraduate courses. Graduate students receiving “I” grades in 500-, 600-, or 700-level courses have up to one calendar year to complete the work, at the discretion of the instructor. If course requirements are not completed within the time indicated, a grade of F will be recorded and the GPA will be adjusted accordingly. Students who are fulfilling an Incomplete do not register for the course but make individual arrangements with the instructor who assigned the I grade.

Library—Students may consult with a librarian on research needs. For this class, the subject librarian is https://www.library.unlv.edu/contact/librarians_by_subject. UNLV Libraries provides resources to support students’ access to information. Discovery, access, and use of information are vital skills for academic work and for successful post-college life. Access library resources and ask questions at <https://www.library.unlv.edu/>.

Tutoring and Coaching—The Academic Success Center (ASC) provides tutoring, academic success coaching and other academic assistance for all UNLV undergraduate students. For information regarding tutoring subjects, tutoring times, and other ASC programs and services, visit <http://www.unlv.edu/asc> or call 702-895-3177. The ASC building is located across from the Student Services Complex (SSC). Academic success coaching is located on the second floor of the SSC (ASC Coaching Spot). Drop-in tutoring is located on the second floor of the Lied Library and College of Engineering TEB second floor.

UNLV Writing Center—One-on-one or small group assistance with writing is available free of charge to UNLV students at the Writing Center, located in CDC-3-301. Although walk-in consultations are sometimes available, students with appointments will receive priority assistance. Appointments may be made in person or by calling 702-895-3908. The student’s Rebel ID Card, a copy of the assignment (if possible), and two copies of any writing to be reviewed are requested for the consultation. More information can be found at: <http://writingcenter.unlv.edu/>.

Rebelmail—By policy, faculty and staff should e-mail students’ Rebelmail accounts only. Rebelmail is UNLV’s official e-mail system for students. It is one of the primary ways students receive official university communication such as information about deadlines, major campus events, and announcements. All UNLV students receive a Rebelmail account after they have been admitted to the university. Students’ e-mail prefixes are listed on class rosters. The suffix is always @unlv.nevada.edu. **Emailing within WebCampus is acceptable.**

Final Examinations—The University requires that final exams given at the end of a course occur at the time and on the day specified in the final exam schedule. See the schedule at: <http://www.unlv.edu/registrar/calendars>.

Tentative Class Schedule, Spring 2017

Date	Activity	Reading
17-Jan	Review Syllabus, Introduction, Supply and Demand	DL Ch. 1
19-Jan	Core Concepts of Labor Market Analysis	DL Ch. 2
24-Jan	Labor Demand in the Short Run	DL, Ch. 3
26-Jan	Labor Demand in the Long Run	DL Ch. 3, Kaufmann and Hotchkiss (reading)
31-Jan	Labor Demand under Perfect Competition and Monopsony	DL Ch. 3, Bhaskar, Manning, and To
2-Feb	Labor Demand: Application Wage Floors	DL Ch. 8; Card and Krueger
7-Feb	Labor Supply Model: Basic Concepts	DL Ch. 4
9-Feb	Labor Supply Model: Income, Substitution Effects, Hours of Work	DL Ch. 4
14-Feb	Labor Supply Model: Reservation Wage, Participation	DL Ch. 4
16-Feb	Labor Supply Model: Policies the War on Poverty	DL Ch. 9; Author
21-Feb	Midterm 1	
23-Feb	Human Capital (Schooling Model)	DL Ch. 5; Assignment 1 Due
28-Feb	Human Capital: Ability Bias	DL Ch. 5 Ashenfelter and Krueger
2-Mar	Human Capital: Training (Theory)	DL Ch. 6; Acemoglu and Pischke
7-Mar	Human Capital: Training (Empirical Results)	DL Ch. 6; Booth and Bryan; Waddoups 2016
9-Mar	Equilibrium	DL Ch. 7; Assign 2 due
14-Mar	Application: Compensating Differentials, Job Safety, Policy	DL Ch. 10; Moore and Viscusi
16-Mar	Trade Unions: Institutions	DL Ch. 18

Tentative Class Schedule, Spring 2017 cont.

Date	Activity	Reading
21-Mar	Trade Unions: Theoretical Models, Empirical Evidence	DL Ch. 18
23-Mar	Trade Unions: Empirical Evidence, Wages	Hirsch and Schumacher; Cai and Waddoups 2011
28-Mar	Union Effects: Other Evidence, Productivity, Inequality, Training	Booth, Francesconi, Zoega; Waddoups 2014
30-Mar	Midterm 2	
4-Apr	Discrimination: Introduction; Taste for Discr. Models	DL Ch. 11; Blau and Kahn (2000); Assign 3 due
6-Apr	Discrimination: Signalling	DL Ch. 11
18-Apr	Discrimination: Occupational Crowding, Monopsony	DL Ch. 11
20-Apr	Discrimination: Econometric Specification, Empirical Evidence	Cotton (1988), DL Ch. 12
25-Apr	Discrimination: Other evidence of discrimination	Pager et al. (2009)
27-Apr	Human Resource Economics: The Principal-Agent Problem	DL Ch. 14
2-May	Wage Structure and Inequality	DL Ch. 19
4-May	Wage Structure and Inequality	DL Ch. 19; Assignment 4 due

Reading List

Acemoglu D, and Pischke JS (1999) Beyond Becker: training and imperfect labour markets. *Economic Journal* 109(453): F112-F142.

Ashenfelter, O and Krueger AB (1994) Estimates of the economic return from schooling from a new sample of twins. *American Economic Review* 84(5): 1157-1173.

Bhaskar, V., Manning, A To, T (2002) Oligopsony and monopsonistic competition in labor markets. *The Journal of Economic Perspectives* 16(2): 155-74.

Blau, F and Khan, L (2000) Gender differences in pay. *The Journal of Economic Perspectives* 14(4) 75-99.

Booth, AL, and Bryan, ML (2005) Testing some predictions of human capital theory: new training evidence from Britain." *The Review of Economics and Statistics* 87(2): 391-94.

Booth, A. L., Francesconi, M. and Zoega, G. (2003) Unions, Work Related Training, and Wages: Evidence from British Men. *Industrial & Labor Relations Review* 57: 68-91.

Cai, L and Waddoups, CJ (2011) Union wage effects in Australia: evidence from panel data. *British Journal of Industrial Relations* 49(S2) s279-s305.

Card, D and Krueger, AB (1994). Minimum wages and employment: a case study of the fast-food restaurant industry in New Jersey and Pennsylvania." *American Economic Review* 84(4): 772-93.

Cotton, J (1988) On the decomposition of wage differentials. *Review of Economics and Statistics* 70(2) : 236-243.

Grogger, J (2004) Time limits and welfare use. *The Journal of Human Resources* 39(2): 405-24

Hirsch, BT and Schumacher, EJ (1998) Unions, wages and skills. *The Journal of Human Resources* 33: 201-19.

Moore MJ and Viscusi, KW (1990) Doubling the estimated value of life: results using new occupational fatality data. *Journal of Policy Analysis and Management* 77:476-90.

Oaxaca, R (1973) Male-Female differentials in urban labor markets. *International Economic Review* 14(3): 693-709.

Pager, D, Western, and Bonikowski, B (2009) Discrimination in a low wage labor market: a field experiment. *American Sociological Review* 74: 777-99.

Waddoups, CJ (2014) Union coverage and work-related training in the construction industry, *Industrial & Labor Relations Review* 52(4): 753-778.

Waddoups, CJ (2015) "Did Employers in the U.S. Back Away from Skills Training during the 2000s?" Forthcoming in *Industrial & Labor Relations Review*.

Waldfogel, J (1998) Understanding the family gap in pay for women with children. *Journal of Economic Perspectives* 12(1): 137-56