

EconS 323 - Labor Economics

Summer 2014

Class Meetings: M, TU, W, TH, F 15:00-16:15pm, TODD 311

Instructor: Tongzhe Li
Office: 213 Hulbert Hall
Email: tongzhe.li@wsu.edu
Office Hours: Monday and Friday, 1:00-2:00 pm or by appointment.

TA: TBA
Office:
Email:
Office Hours:

Number of Course Credits: 3

Prerequisites:

Econ 101 or consent of the instructor.

In addition to having command over concepts taught in 101, **working with algebra is a necessity** in this course. If you need refreshing on algebraic concepts (e.g. how to write the equation of a line in slope-intercept form or how to solve a system of 2 equations), you will need to do this on your own time.

Note: Chapter 2 of the Ehrenberg and Smith (ES) textbook provides a nice review of concepts from Econ 101 as they apply to labor economics.

Course materials:

1) Textbook (recommended, available in bookstore):

Modern Labor Economics: Theory and Public Policy, 11/E; By Ronald G. Ehrenberg, Robert S. Smith; ISBN-10: 0132540649, ISBN-13: 9780132540643; Published by Prentice Hall; Publisher Website: <http://www.mypearsonstore.com/bookstore/product.asp?isbn=0132540649>

We will cover material that loosely corresponds to **Chapters 3-6, 8-9, and 12** in the Ehrenberg and Smith (ES) textbook (see the last pages of this syllabus for a full schedule). My lecture notes parallel material presented in the textbook, though my language, examples, points of emphasis, etc. are often different. The textbook provides a great way to:

- 1) Quickly review concepts discussed in class.
- 2) See the material covered in class from a different point of view.
- 3) Access extra practice problems (at the end of chapters) to solidify your understanding.

2) Course website:

Go to ANGEL learning at <https://lms.wsu.edu/default.asp>

You will need to enter your WSU username and password to access the course materials. I will post lecture notes, grades, and all other course materials there.

My lecture notes will be posted on the course website regularly; students are expected to download them and bring them to class. **These will be a complement to, but not a substitute for, your own class notes.**

Announcements in class, over email, or on ANGEL about dates, changes in plans, additional requirements, and instructions for assignments are a complement to this syllabus and are **equally binding**. It is the student's responsibility to keep track of these announcements.

Classroom Expectations and Policies:

1) Academic integrity:

Academic integrity is the cornerstone of the university and will be strongly enforced in this course. I encourage you to work with classmates on assignments. However, each student must turn in original work. No copying will be accepted. Any student caught cheating on any assignment or exam will be given an F grade for the course, will not have the option to withdraw from the course, and will be reported to the Office of Student Standards and Accountability. Cheating is defined in the Standards for Student Conduct WAC 504-26-010 (3). It is strongly suggested that you read and understand these definitions: <http://conduct.wsu.edu/default.asp?PageID=338>. You will find the Academic Integrity Statement and link to WSU's policy at this website: www.conduct.wsu.edu/default.asp?PageID=343, and an explanation of plagiarism at this one: www.wsulibs.wsu.edu/plagiarism/main.html.

2) Attendance policy:

I expect all students to attend class regularly and to come to class on time.

If you have a class across campus just before this one (or some other conflict that limits your ability to be in your seat at 3:00), please see me during the first week of classes. Otherwise I will assume you are able to consistently make it on time. **If you are late for class, please enter the classroom through the back door.**

Students will need to attend class regularly to succeed in this course. Though I post my lecture notes online, they are far from a complete picture of what we cover in class (for example, practice problems we discuss in class are generally not contained in my notes, and these are a vital part of exam preparation!).

If you need to miss a class, it is **your responsibility** to seek out another student so that you may review his/her handwritten or typed notes from that day. **Please do not** email me to ask for material that you missed when you were absent.

3) Student conduct and participation:

I expect all students to treat me and other students in the class with respect. This includes coming to class on time, respecting other students' opinions during class discussions, and refraining from talking or other distracting behaviors during class. It also means using courteous language both in and out of class (e.g. over email). Please treat this class (as well as your other classes) as an opportunity to refine the interpersonal skills necessary to succeed in a future job environment.

The format of this class will be lecture and (hopefully lots of) questions and discussion. Student participation is an important component of this class structure. I expect all students to participate by attending class and being engaged in what is happening in class. I also expect students to find other ways to participate—for many, this will involve answering or asking questions in class or volunteering to do practice problems. Other forms of participation are also very welcome and fit the requirement—for example, providing feedback during office hours or alerting me to real-world examples of ideas taught in class.

4) Policy on email and office hours:

Email is **not** a substitute for office hours. Email correspondence should be limited to very brief questions that are not answered by the syllabus or other class announcements. I will not always be able to respond to emails in a timely manner. If you email questions that are covered in the syllabus or other class announcements, you may not get a timely response, and I will likely simply respond with something like, “See the syllabus.” For many other kinds of questions, I will respond, “See me or the T.A. in office hours.”

Course Overview:

This course is designed to introduce key concepts in labor economics to both economics majors and non-majors. You do **not** need to be an econ major to succeed in this course, but you will need to use mathematical and analytical reasoning to solve problems. The greatest predictor of success in this course is a student’s willingness to work hard inside and outside of class to master the material.

My overall goal is to prepare you for future employment in economics or a related field by honing skills that matter to employers: how to solve a mathematical model, how to analyze graphs and use graphical analysis as a complement to mathematics, and how to form and articulate logical arguments that are based on mathematical reasoning. The specific course objectives and learning outcomes that follow are designed to support this overall goal.

Course Objectives:

- 1) Deepen students’ understanding of principles taught in introductory microeconomics (101), including supply and demand, market equilibrium, market competition, investment, and other economic concepts, as applied to labor economics.
- 2) Show students the ways in which labor markets (and the policies that govern them) are distinct from other kinds of markets (e.g. product markets) and how this leads to special problems for economists and policymakers to solve.
- 3) Provide the tools necessary for students to critically analyze how governments influence labor markets through policies such as wage interventions, taxes, welfare reform, benefit mandates, publicly supported education, and anti-discrimination policy

Student Learning Outcomes:

- 1) Students will learn how to derive a labor demand curve from a firm’s profit maximization problem and a labor supply curve from an individual’s utility maximization (labor/leisure tradeoff) problem.
- 2) Students will be able to evaluate how government interventions, technological and other price changes, and product market fluctuations affect equilibrium wages, employment levels, and other important labor market outcomes (e.g. capital/labor ratios or non-wage benefits).
- 3) Students will be able to state the conditions under which government interventions in labor markets may enhance social welfare.
- 4) Students will understand a basic quasi-experimental design for empirically evaluating a prediction of labor economic theory (e.g. the effect of a change in the minimum wage on employment).

Grading/Evaluation:

Final grades will be composed of:

1) Three problem sets (50 points each; 100 points total).

Problem sets are composed of short-answer style questions (almost always requiring math, graphs, and very short essays). At the end of the semester, I will **drop** everyone's **lowest** problem set score (meaning that only 2 will count toward your final grade). Problem sets that are not turned in will receive a score of zero. Each problem set typically takes several hours to complete, so it is wise to begin work on them **early** to leave time for questions before the assignment is due.

You have two options. 1) You may work on problem sets individually. In this case, you can either hand-write answers or type them. 2) Alternatively, you may choose to work on problem sets in groups (**only designed for summer class**). Each group may have up to four individuals. If you do so, the answers must be typed and sent to me by email. You will have to submit a list of group members before the class on Thursday, May 15th.

I encourage you to work in groups and type the answers. There are many reasons for you to do so. First, corporation is very important in workplaces, and working with your classmates refines communication and coordination skills. Second, group discussion is an opportunity to learn from your peers. Third, as a future economist, preparing electronic reports is a necessary skill and, again, learning such skill with your peers is a good opportunity.

These assignments will be due **AT THE BEGINNING OF CLASS**. **No late submissions will be accepted**. If you cannot make it to class, you need to send your problem set with someone else. The fact that 1 problem set will be dropped is designed to protect you from extenuating circumstances that get in the way of completing the assignment on time.

Problem sets will be **lightly** graded according to the following scale:

Check plus (50 points): Assignment is complete and mainly correct

Check (40 points): Assignment is fairly complete and correct but contains some non-trivial omissions and/or errors

Check minus (20 points): Assignment shows student effort but contains multiple glaring omissions and/or errors

Zero (0 points): Assignment shows little to no student effort and/or was not handed in

Answer keys for all problem sets will be posted on ANGEL. Since problem sets are not thoroughly graded, you are **strongly** encouraged to review these keys to compare your own work/thought process against one correct approach. You are then encouraged to bring questions to the TA or me during office hours.

2) Six quizzes (25 points each; 100 points total).

These quizzes occur at the beginning or the end of classes. They are scheduled at least 1 class period in advance and are designed to help prepare you for the exams (but are a smaller portion of your overall grade). I will drop everyone's **2 lowest** quiz scores (meaning that only 4 will count toward your final grade). As a result, there will be no make-up quizzes. Quizzes that are not taken will receive a score of zero. Quizzes are made up of a combination of multiple choice and short-answer (often requiring graphs and/or math) questions.

3) Class Attendance (20 points).

Extra credit quizzes (no specified total; at least 50 points).

I will give several unannounced quizzes throughout the semester **at the beginning of class** (you must be on time to take the quiz). By taking the quiz, you receive credit for attendance. By answering 1 or more extra-credit questions correctly, you receive a few extra credit points. Once again, there are no make-ups.

4) Two midterms (80 points each; 160 points total).

5) One comprehensive final (120 points).

Exams will be a combination of questions that are very similar to those that have been covered in class, on problem sets, on quizzes, etc. and questions that are designed to “stretch” you and push you to think about how to apply the concepts you have learned in less familiar settings. They will be a combination of multiple choice and short-answer (often requiring graphs and/or math) questions.

There are no make-up exams or alternative exam dates for any reasons other than true emergencies and other extreme circumstances.

The final has already been scheduled for this class; no one should have a conflict with the final that does not fall under the “medical emergency” category.

Grade Appeals:

If you would like to appeal your grade on any assignment (problem set, quiz, test, etc.), you need to do it within **1 week** of when the assignment was returned in class. The process for an appeal is the following:

- 1) Write a detailed description of the issue at hand, including why you believe you received fewer points than were deserved for the problem in question. **You must be specific.**
- 2) Bring a copy of this written description to me along with the assignment in question during office hours or at another mutually agreed upon time.

Questions about grades:

You now know how to calculate your grade at any point during the semester (of course, you will have to take into account that your lowest problem set and lowest 2 quizzes will be dropped). You simply need to add up the points you have received (including any extra credit points) and divide by the total number of points possible to see your percentage, which can be translated into a letter grade using the scale above. As a result, **please do not ask me what your current grade is. I will simply tell you to calculate it yourself.**

Grading Scale:

Final grades will roughly be determined as follows:

- 90% and above: A**
- 87.5-90%: A-**
- 85-87.5%: B+**
- 80-85%: B**
- 77.5-80%: B-**
- 75-77.5%: C+**
- 70-75%: C**
- 67.5-70%: C-**
- 65-67.5%: D+**
- 55-65%: D**
- <55%: F**

Course Outline

Date	Topic	Problem Sets	Quiz
05/12	Introduction (syllabus)		
05/13	Labor Demand (ES Ch. 3)		
05/14	Labor Demand (ES Ch. 3)	PS 1 posted	
05/15	Demand Elasticities (ES Ch. 4)		Quiz 1
05/16	Demand Elasticities (ES Ch. 4)		
05/19	Monopsony (ES Ch. 5)		
05/20	Monopsony (ES Ch. 5)	PS 1 due in class	Quiz 2
05/21	Exam Review (recorded, available on Angel)		

05/22	Midterm 1: Labor Demand (ES Ch. 3-5)		
05/23	Pending		
05/26	Memorial Day, no class		
05/27	Labor Supply (ES Ch. 6)		
05/28	Labor Supply (ES Ch. 6)		
05/29	Labor Supply (ES Ch. 6)	PS 2 posted	
05/30	Topics in Labor Supply (ES Ch. 6)		Quiz 3
06/02	Topics in Labor Supply (ES Ch. 6)		
06/03	Compensating Differentials (ES Ch.8)		
06/04	Compensating Differentials (ES Ch.8)		
06/05	Compensating Differentials (ES Ch.8)		Quiz 4
06/06	Exam Review (recorded, available on Angel)	PS 2 due in class	
06/09	Midterm 2: Labor Supply (ES Ch. 6,8)		
06/10	Human Capital (ES Ch. 9)		
06/11	Human Capital (ES Ch. 9)	PS 3 posted	
06/12	Human Capital (ES Ch. 9)		
06/13	Gender, Race, and Ethnicity (ES Ch. 12)		Quiz 5
06/16	Gender, Race, and Ethnicity (ES Ch. 12)		
06/17	The Economics of Superstars	PS 3 due in class	Quiz 6
06/18	Final Review (recorded, available on Angel)		
06/19	Final		
06/20			

Important note: This is only an outline. We likely will not stick to this schedule exactly, but it should serve as a rough guide of what we will do over the semester. As it is only an outline, some material may be added or subtracted later in the course.

WSU Disability Statement:

Students with Disabilities: Reasonable accommodations are available for students with a documented disability. If you have a disability and need accommodations to fully participate in this class, please either visit or call the Access Center (Washington Building 217; 509-335-3417) to schedule an appointment with an Access Advisor. All accommodations **MUST** be approved through the Access Center.

WSU Academic Honesty Statement:

As an institution of higher education, Washington State University is committed to principles of truth and academic honesty. All members of the University community share the responsibility for maintaining and supporting these principles. When a student enrolls in Washington State University, the student assumes an obligation to pursue academic endeavors in a manner consistent with the standards of academic integrity adopted by the University. To maintain the academic integrity of the community, the University cannot tolerate acts of academic dishonesty including any forms of cheating, plagiarism, or fabrication. Washington State University reserves the right and the power to discipline or to exclude students who engage in academic dishonesty. Students found responsible for academic integrity violations may receive an F on the particular assignment or exam, as well as an F for the course. Serious and/or repeated offenses may result in referral to the conduct board and expulsion from WSU.

WSU Safety Statement:

Washington State University is committed to maintaining a safe environment for its faculty, staff, and students. Safety is the responsibility of every member of the campus community and individuals should know the appropriate actions to take when an emergency arises. In support of our commitment to the safety of the campus community the University has developed a Campus Safety Plan, <http://safetyplan.wsu.edu>. It is highly recommended that you visit this web site as well as the University emergency management web site at <http://oem.wsu.edu/emergencies> to become familiar with the information provided.