

SYLLABUS

Course: Labor Economics
Office: 118 Thomas Hall (phone: 376-4630)
Office Hours: MTWT 2:00 – 3:00pm
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Course Home Page: <http://www.marietta.edu/~delemeeg/econ371>

Prerequisite

Successful completion of Economics 211 and 212.

Course Description and Objectives

Why do teachers get paid less than professional baseball players? Why do black women get paid less than white men? Does college really enhance your earnings potential? Have labor unions outlived their usefulness? Should the minimum wage be increased? If these questions interest you, then this course is just the cure for your curiosity.

Labor economics is the study of the workings and outcomes of the market for labor. Specifically, labor economics is concerned with the behavior of employees and employers in response to the general incentives of wages, prices, profits, and non-pecuniary aspects of the employment relationship such as working conditions. These incentives serve both to motivate and limit individual choice.

We will use the principles of economics developed in your previous economics courses to explore a variety of important policy issues. Among these topics are the causes of wage differentials, causes of unemployment, and the effects of discrimination and labor unions.

The course assumes a working knowledge of the principles of economics, two-dimensional graphs, and basic algebraic techniques. With that said, upon completing this course you should be able to:

- access and interpret existing economic knowledge.
- interpret and manipulate economic data.
- demonstrate command of existing macroeconomic knowledge, including:
 - understand basic economic analytical tools, which means being able to define, recognize, and provide illustrations of them;
 - understand the role of markets in allocating labor resources;
 - understand the impact of unions and discrimination on the labor market;
 - understand the impact of government intervention in the labor market.

Text/Websites

We will be using **Contemporary Labor Economics** by McConnell, Brue, and Macpherson (8e, McGraw-Hill Irwin, 2009). The authors also maintain a web site for text users at www.contemporarylabor.com.

Course Requirements and Policies

1. **Exams.** There will be four exams. Exams will be based on the experiments, assigned readings, problem sets, and lectures. Make-up exams will not be offered without a college-approved excuse.
2. **Problem Sets.** There will be **four problem sets** distributed. You will submit answers to selected questions prior to each exam. Several exam questions may come directly from the problem sets.
3. **Class Attendance and Participation.** An active learning approach is essential to doing well in this course. Consequently, you should expect to actively ask and answer questions during class. See the section on Responsibilities below.
4. **Academic dishonesty** is a breach of the trust that the instructor and your fellow classmates place in you and will not be tolerated. Academic dishonesty includes cheating, plagiarism, theft, or improper manipulation of laboratory or research data or theft of services. A substantiated case of academic dishonesty may result in disciplinary action, including a failing grade on the project, a failing grade in the course, or expulsion from the College" (Marietta College Undergraduate Programs, 2009-2010 Catalog, p.119). All suspected cases will follow the procedures outlined in the Marietta College Catalog. **Copyright violations** are also quite serious breaches of the law (see www.marietta.edu/~copy/tips.htm).
5. **Academic support services** and resources are available at Marietta College's Academic Resource Center (ARC) located on the third floor of Andrews Hall (376-4700).
6. Students with **documented disabilities** should notify the instructor and the Academic Resource Center to discuss their individual needs for accommodation in a timely manner.
7. **Co-curricular probation** for those on academic probation is in effect. Please refer to the college catalog for details (Marietta College Undergraduate Programs, 2009-2010 Catalog, p. 125).
8. Your **grade** will be determined as follows:

Grades are allocated as follows:		Grades will be assigned according to the following plus/minus system, using standard rounding methods:													
Exams (average of your best 3 scores)	60%	Grade ==>	A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	F
Problem Sets (average of your best 20 scores)	20%	Percent Score	97 +	93- 96	90- 92	87- 89	83- 86	80- 82	77- 79	73- 76	70- 72	67- 69	63- 66	60- 62	59-
Policy/Market Brief	20%														

Econ 371 Course Schedule: Fall 2009

Part I: Labor Supply Chapter 1 Chapter 2 Chapter 3 Chapter 4 Exam 1: September 17, 2009		Part III: Wage Structure, Regulation, and Search Chapter 8 Chapter 13 Chapter 15 Exam 3: November 10, 2009	
Part II: Labor Demand and Markets Chapter 5 Chapter 6 Chapter 7 Exam 2: October 15, 2009		Part IV: Unions and Discrimination Chapter 10 Chapter 11 Chapter 14 Exam 4: December 11, 2009 (8:30am)	

Peer Reviewed Writing Project

All writing projects must be word-processed (12pt font with 1" margins), double-spaced, page numbered, fully-justified, appropriately referenced (APA style), and error-free. Do not include a separate title page unless specified. Do not use any fancy binders--simply staple the pages together in the upper left hand corner.

Choose one of the following writing projects. Your final paper should be no more than 3000 words in length.

1. Labor Market Paper

Describe the major economic forces affecting a particular labor market over the last 20 years. Describe the forces in terms of supply and demand (and making use of any other relevant labor economic concepts). What has happened to the market wage and employment over the time period? I would expect to see data on wages and employment (if possible) plotted in a time series graph. I would also expect to see a supply/demand graph that describes any major changes in wages/employment over the time period.

2. Labor Policy Analysis

Select a recently enacted or proposed labor policy. Analyze the impact of the policy on the labor market (supply and/or demand). If the policy primarily affects labor supply illustrate the impact using budget and indifference curves and then labor supply curves. If the policy primarily affects labor demand illustrate the impact using demand curves (and the hiring rule). You may not use the minimum wage law as your example. In each case, carefully explain how the policy will affect hours supplied and/or demanded and the corresponding equilibrium wage.

Step 1: Outline

An outline (no more than 1 page) of your topic including a preliminary list of 3 references is due **October 8, 2009**. The outline should follow the format as mentioned above except that it should be *single-spaced*.

Step 2: First Draft

A first draft of the paper (hardcopy) must be completed and turned in on or before **November 19, 2009**. A minimum of 4 references must be duly noted in the reference section. A separate title page with your name should be attached to the top of the paper. The title of your paper should appear at the top of the page but your name should not appear anywhere else on the paper. If you make use of any data, either in graphical or tabular form, do not simply cut & paste from another source; type the data in yourself and give the appropriate reference. **Bonus Points:** A documented trip to the Writing Center prior to submitting your first draft will earn you 3% points toward your final paper grade.

Step 3: Editing Process

You will be required to edit the first draft of a fellow classmate's paper. A reviewer's evaluation form will accompany each draft. The evaluation form must be completed and returned to the instructor in class on **November 24, 2009**. The peer review is worth 10% of YOUR paper's final grade.

Step 4: Final Draft

The final draft (hardcopy and Word file) must be completed and submitted to the instructor by **December 3, 2009**. You must also submit your first draft with the reviewer's comments.