

## **ECONOMICS 153: LABOR ECONOMICS**

Summer A 2019  
University of California, Riverside

### **The Class:**

Time: T R 2:10 PM - 5:00 PM  
Place: 1212 Olmsted Hall

### **Instructor:**

Yoon Jae Ro  
e-mail: [yoan.ro@email.ucr.edu](mailto:yoan.ro@email.ucr.edu)  
3127 Sproul Hall  
Office Hours: T 12:10pm - 2:00pm, R 1:00pm-2:00 or by appointment

\*\* Coming to my office during office hours is the best way for me to address your questions. If my office hours don't work for you, then we can make an appointment to meet at a time that better fits your schedule.

### **Brief Course Description:**

This course focuses on theoretical and empirical analyses of wage and employment determination. Topics include labor supply and demand, education, health, income inequality, intergenerational mobility, discrimination, and immigration.

By the end of the course, students should have a basic familiarity with the stylized facts and institutions of the labor market and will be able to understand the theoretical and empirical tools used to analyze labor market and public policy issues.

### **Prerequisite:**

Economics 102 (intermediate micro). A basic course in statistics or econometrics (at the level of Stat 100 or Econ 107) will be helpful in understanding the material, but it is not required.

### **Readings:**

**Required:** The required textbook for the course is

R. Ehrenberg and R. Smith [ES], *Modern Labor Economics: Theory and Public Policy*, 12<sup>th</sup> ed., 2015, Routledge/Taylor & Francis (11<sup>th</sup> edition is fine)

\*\* Note a copy of the book will be put on reserve in the library.

Periodically throughout the course, I will assign readings from outside the book to provide added insight into topics we are studying. These will be available on ilearn.

**Optional:** The textbook is George J. Borjas, *Labor Economics*, 6<sup>th</sup> edition, McGraw-Hill, 2012. This textbook covers the same material as the Ehrenburg and Smith textbook and has additional study questions.

\*\* I will also be emailing your campus email account and posting grades on blackboard (<https://ilearn.ucr.edu/>) so please check these frequently. Since UCR is a public institution, email messages are subject to open access requests and other intrusions. Therefore, I will not address any specific grading or other sensitive issues via email. Those issues must be addressed in person. Also, do not state your SSN on any message.

The class Blackboard site is restricted for use of class-related material. Any files, including videos, are intended for educational use for this class only. The material is subject to copyright laws and should not be downloaded and distributed.

### **Course requirements and grading:**

There will be problem sets, in-class quizzes based on the material covered in lecture and the problem sets, a midterm exam, and a final exam. Students are expected to attend class, read all assigned readings, and participate in class discussions.

**Problem Sets (20%):** There will be two problem sets. I will provide detailed answer keys of the entire problem set. It will be your responsibility to read these carefully and correct any misunderstandings in the remaining questions before the exams. Problem sets must be turned in by the beginning of class on the day that it is due. Late work will not be graded.

**Quizzes (15%):** There will be five short quizzes in class. The date will be announced during the lecture. They will be similar questions to problem sets and exams. These quizzes are intended to help your understanding of the materials and exams. There will be no make-up quizzes. Only the highest three will be graded towards the final score. This allows you to miss two quizzes without it negatively affecting your grade.

**Midterm (25%): Tuesday, 7/16 2:10 PM – 5:00 PM, in the regular classroom**

**Final exam (40%): Saturday, 7/27 1:00 PM - 3:00 PM, in the regular classroom.**

The final exam is cumulative in that you will be responsible for all of the information that we have covered in this class.

### **Extra Credit:**

You can earn extra credit points (favorable nudges across grade thresholds at the end of the quarter) in this class. Extra credit can be earned in a variety of ways:

1. **Extra Credit Quizzes:** There will be online quizzes each consisting of multiple-choice questions.
2. **Extra Credit Activities:** There will be a number of voluntary activities in which students will be rewarded with extra credit points for participating.

The course grade will be determined by:

**20% Problem sets /15% In-class quizzes /25% Midterm exam/ 40% Final exam**

## Course Policies:

- **Communication:** Email is the best way to reach me. I will try to respond to your email in a timely manner (within 24 hours) but an immediate response is not guaranteed. I may not reply to email sent after 5pm until the next day.
- **Punctuality** - I expect you to be on time for class, to complete assignments in a timely manner, and to take exams when scheduled. I will end on time but please do not start packing up until the class is completely done, otherwise you may miss important announcements--or worse impose that cost on others around you. If you know that you need to leave early, please inform me and sit as close to the door as possible to minimize disruptions.
- **Understanding** – If you become ill, experience the death of a loved one, or have a major life disruption that is negatively influencing your participation in our class, please contact me as soon as possible so we can discuss your options. I cannot help, if I am unaware near the time of the hardship. If emergencies arise that require an absence from a session, be sure to get the notes and other information that was covered in class from a student you trust.
- **Respect** –In the classroom respect means paying attention in class and making it easy for all others to do so as well. If you must have your cell phone on due to other responsibilities, please change the ringer to vibrate and exit the class to answer your call. It is beneficial to the entire class for students to ask questions and make comments which relate to the material. Mutual respect and civility are expected in the classroom as well as in any communication between students, and between students and instructor.
- **Rules are non-negotiable** - The rules of the syllabus, content of the exams, content of the lectures, and calculation of the grade you earned are not a starting point for negotiations. While I am always willing to work with students on an individual basis, I cannot negotiate individual terms with each student.

## Tips on being successful in this class:

- (1) Come to class every single day. Because the material builds on itself rapidly, missing a class can and probably will confuse you later on down the road. We will be moving through the material quickly due to the condensed nature of the summer session, so missing a class means missing a chapter of material.
- (2) Ask if you have questions. Your questions are NOT an imposition; they are welcome and make the lectures more interesting. If you're confused, chances are other people are too. When you have a question, please raise your hand first. If you feel uncomfortable asking questions in class, please come see me during office hours and/or send me an email. In fact, come see me during office hours if you have any questions at all.
- (3) Do the reading assignments before class. Sometimes it will take several presentations of the material before it begins to sink in. My lectures will make a lot more sense if you have already reviewed the material.
- (4) Review your notes every day after class. This seems like a lot of work, but it will force you to go over everything while it is still fresh in your memory. When you have questions, write them down and ask them before class, at the beginning of the next class (so others may benefit), or in office hours.
- (5) Come and see me if you are falling behind as soon as you realize a problem. That way there is more that I can do to help.
- (6) I strongly recommend that you form a small study group with classmates who are willing to work as hard as you do. Do your readings, review your lecture notes, study until you feel you thoroughly understand

and can apply the material. Then sit down with your study group and compare notes to make sure they are complete and accurate. Teaching what you understand to each other will help everyone. In this way you will be aware of any gaps in your knowledge before you take an exam. You will also recognize that if you cannot communicate the material to others, it may be difficult to reflect your understanding on the exam.

(7) Do the problem set on your own before talking them over with others. You will need to be able to answer similar question on the exam on your own.

### **Other Important Reminders:**

(1) Academic Honesty. Consistent with university policy, cheating will be considered a serious offense, subject to the penalties discussed in the *UCR Senate Bylaws on Academic Integrity*. See [http://senate.ucr.edu/bylaws/?action=read\\_bylaws&code=app&section=06%20](http://senate.ucr.edu/bylaws/?action=read_bylaws&code=app&section=06%20)) These penalties include, among others, a failing grade for the course and dismissal from the University.

Examples of cheating in this course include:

- Claiming or submitting academic work of another's as one's own
- Obtaining, providing, accepting, or using any materials containing questions or answers to any exam or assignment without instructor authorization
- Completing or attempting to complete any assignment or exam for another individual without instructor authorization
- Allowing any examination or assignment to be completed for oneself, in part or in total, by another without instructor authorization
- Altering, tampering with, stealing, destroying or otherwise interfering with the resources or other academic work of another person
- Helping another student to commit cheating by intentionally failing to report an observed instance of academic dishonesty
- Plagiarizing work by 1) failing to enclose a direct quotation from a reference source within quotation marks and/or 2) paraphrasing the words or ideas of another person without proper citation or documentation.

(2) Accommodations for Disabilities. Students with disabilities should contact the to establish reasonable accommodations. For an appointment with a counselor, call 951-827-3861 (voice) or email at [specserv@ucr.edu](mailto:specserv@ucr.edu).

(3) Observing a Major Religious Holiday. You may make up course work missed to observe a major religious holiday only if you make arrangements in advance with the professor.

(4) Participation in a Required Activity. To make up course work missed to participate in a required activity for another course or a university-sanctioned event, you must provide the professor with adequate advanced notice and a written authorization from the faculty member of the other course or from a university administrator.

(5) Commercialized Lecture Notes. Commercialization of lecture notes and university-provided course materials is not permitted in this course.

**(Tentative) Schedule and reading list:**

**I. Introduction to the Course and the Labor Market (June 25)**

Chapter 1 (Skim).  
Chapter 2 (pages 25-55)

**II. Labor Demand (June 27 - July 9)**

Firm Demand for Labor Under Perfect Market Conditions  
Chapter 3 (pages 59-74, 86-94)

Labor Demand Elasticities  
Chapter 4 (95-109)

An Application: Payroll Taxes  
Chapter 3 (pages 76-81)

An Application: The Minimum Wage  
Chapter 4 (pages 109-118)  
Card, David, and Alan Krueger, "Minimum Wages and Employment: A Case Study of the Fast Food Industry in New Jersey and Pennsylvania," *American Economic Review*, Volume 84, pp. 772-793

**III. Labor Supply (July 9 – July 11)**

Labor Force Participation and Hours of Work  
Chapter 6 (pages 168-195)  
Mammen, Kristin and Christina Paxson, "Women's Work and Economic Development," *The Journal of Economic Perspectives*, Volume 14, Number 4 (Fall), 2000, pp. 141-164

An Application: Unemployment Insurance  
Chapter 6 (pages 195-198)

An Application: Welfare Reform  
Chapter 6 (pages 198-204)

-----Midterm Exam I (July 16)-----

**IV. Labor Supply Continued (July 18 – July 23)**

Human Capital Theory  
Chapter 9 (pages 282- 305)  
Ashenfelter, Orley, "How Convincing is the Evidence Linking Education and Income?" *Labour Economics and Productivity*, Volume 6, Number 4, 1994, pp. 1- 12

Signaling vs. Productivity  
Chapter 9 (pages 306-317)

Compensating wage differentials and non-wage compensation

Chapter 8 (pages 245-271)

Lubotsky, Darren H., "The Economics of Employee Benefits," from *Employee Benefits*, by Joseph Martocchio

**V. Labor Market Equilibria (July 23 - July 25)**

Wage Gaps, Employment Gaps and Discrimination

Chapter 12, 14

Bertrand, Marianne, and Sendhil Mullainathan. "Are Emily and Greg more employable than Lakisha and Jamal? A field experiment on labor market discrimination." *American economic review* 94.4 (2004): 991-1013.

Immigration or other special issue (if time)

Chapter 10 (321-331)

Card, David, "The Impact of the Mariel Boatlift on the Miami Labor Market," *Industrial and Labor Relations Review*, Volume 43, number 2 (January), 1990, pp. 245-257

-----**Final Exam Saturday July 27 1:00 PM - 3:00 PM**-----