

# ECON 4600 – Spring 2020

## Labor Economics

<b>Instructor:</b> Ian M. Schmutte	<b>Class:</b> MLC 213
<b>Office:</b> Amos B408	TR 12:30–1:45pm
<b>E-mail:</b> schmutte@uga.edu	<b>Office Hours:</b> Thurs. 2:00–3:15pm and by appointment

*This syllabus is a general plan for the course. Any deviations I announce supersede this document.*

## Basic Information

**Course Description:** The application of economics to the study of labor markets. Topics include: The demand for and supply of labor, unemployment, inequality, investments in education and job training, firm compensation strategies, and labor market discrimination. We will also discuss labor market policies and institutions such as the minimum wage, unemployment insurance, occupational health and safety legislation, and the role of labor unions.

**Prerequisites:** ECON 4010 (Intermediate Microeconomics).

### Textbook:

*Modern Labor Economics: Theory and Public Policy*, 12th Edition, Ronald G. Ehrenberg and Robert S. Smith

The textbook **is** required. You will need it for homework assignments and to augment the lecture material. This book is available used for around ten dollars, but you should order it as soon as possible ([https://www.amazon.com/gp/offer-listing/0133462781/ref=dp\\_olp\\_used?ie=UTF8&condition=used](https://www.amazon.com/gp/offer-listing/0133462781/ref=dp_olp_used?ie=UTF8&condition=used)).

**Communication:** You should contact me through UGA e-mail, [schmutte@uga.edu](mailto:schmutte@uga.edu). Most communication outside of class, including distribution of notes and homework assignments, will occur via eLC. I will make most announcements during class, but you should also monitor both your UGA e-mail and eLC daily throughout the semester. **Do not** send me e-mail through eLC. I will almost certainly not see it there.

### Course Objectives

You will learn to use the tools of economics to study the exchange of labor services. By the end of the course, you will understand how economists use models and data to better understand how labor markets work. Labor economics is at the heart of many of today's most heated policy debates. We will discuss unemployment, income inequality, investments in education, the labor market effects of immigration, and many other topics. You will use what you learn to critically evaluate arguments that appear in the academic and popular press.

Our jumping off point is a model you already know: one of demand for labor by firms, supply of labor by workers, and a decentralized equilibrium in wages and employment. We will use this model to make predictions about the labor market and assess evaluate policy. We will consider problems with the basic model and discuss several adaptations that better capture the exchange of labor in a market economy.

Another key objective is to understand how economists use data to test models and to evaluate policy. We will learn about the problem of causal inference that plagues the analysis of observational

data, and several approaches to address it when studying labor markets empirically.

## Assessment

Homework	10%
Project	30%
Midterm 1	30%
Midterm 2	30%

### Homework

I will assign homework approximately once per week, which will be collected and graded by the course TA. You are responsible for getting your homework to her by the assigned deadline, either by giving it to me in class, or bringing it to her office. We **only** accept and grade physical paper copies of the homework. Your homework should also be neat and legible. We will deduct points for homework submissions that are not stapled. **It is your responsibility to check your work to make sure you understand the homework problems and their solutions.**

### Exams

I will give two exams. You must take them during the scheduled times. I will not administer make-up exams. Prior to each exam, I will provide practice exams that will give you a sense of the exam format and content.

### Honors Option and ECON 6600

It is possible to take this class with an honors option, and also to take it for master's degree credit when cross-enrolled for ECON 6600. Students should inform me of their interest in the honors option within the first week of classes and bring me the relevant paperwork to sign.

To receive credit for the honors option or 6600, students must submit a 2,000 word paper. I will announce the details of the paper assignment in class. For the honors option assignments, the following deadlines will apply:

### Final Grades

I will assign your final grade as follows:

A	$\geq 90$
B+	87–89
B	83–87
B-	80–82
C+	77–79
C	70–76
D	60–69
F	$\leq 59$

# Course Policies

## **Attendance**

Your attendance is vital to learning the material and achieving the course objectives. If you must be absent, show up late, or leave early, please let me know in advance. It is your responsibility to get notes from your classmates. I will not take attendance regularly, and attendance will not factor directly into grading decisions.

## **Academic Honesty**

As a University of Georgia student, you have agreed to abide by the University's academic honesty policy, "A Culture of Honesty," and the Student Honor Code. All academic work must meet the standards described in "A Culture of Honesty," found at <http://www.uga.edu/honesty>.

## Key Dates

- First Exam: March 3
- Last class meeting: April 23
- Second Exam: April 30, 12:00–3:00pm