

## Economics of the Labor Market, MET EC356 C1

On campus course, Fall 2017

**Instructor:** Lee Tucker

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**Office hours:** Wednesday 4:00pm-6:00pm, or by appointment

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**Course Website:** The material for this class (this syllabus, readings, problem sets, announcements) will be posted on the course web page at: <http://learn.bu.edu/>

**Classes:** Wednesday 6:00pm – 8:45pm (CAS Room 204A, 725 Commonwealth Ave.)

### Overview

The aim of this course is to acquaint students with topics in modern labor economics. Topics to be covered include: labor supply and demand, compensating wage differentials, education and training, wage inequality, race and gender discrimination, unemployment and labor mobility. The course will draw heavily on both basic economic theory and on basic statistical methods that are used by economists.

The course will also place a heavy focus on understanding current issues and policy debates in the U.S. and global economies that pertain to labor markets, such as long-term unemployment, youth unemployment, the minimum wage, and the nature of and effects of technological change. A student who takes this course should leave with an improved understanding of the economic forces that are likely to impact his/her future experiences in the labor market.

These are challenging and broad topics, and this will be a challenging course. Intermediate microeconomic theory (EC201) or its equivalent is a required prerequisite to this course. An initial course in empirical economics (EC203, EC303, or EC305) is also strongly recommended, though it is not required.

### Grading

- Problem sets 25%
- Midterm 30%
- Final Exam 40%
- Class Participation 5%

Your final course grade will be a weighted average of your performance in each of the categories stated above. Letter grades will be determined according to the final distribution of all the students in the course. After the midterm, I will communicate you your preliminary cumulative percentage, as well as a preliminary corresponding letter grade. This letter grade is not binding in any way.

There will be four **problem sets** assigned, but only the three highest grades will count. Problem sets will be posted on the course website (see above) and will be due on the days indicated on the problem sets. Problem sets can be dropped at any time before the deadline in my mailbox (see above). They may also be emailed to me in PDF format at [tuckerl@bu.edu](mailto:tuckerl@bu.edu) up until the stated deadline.

Problem sets will be graded on a 10-point scale. Failure to hand in the problem set on time will result in a grade of 0 for the problem set. Group collaboration is encouraged, but it is not at all necessary. Problem sets must

be individually written and submitted. You must show your work to receive full credit.

There will be one **midterm** exam and a **final exam**. Both exams are required. No makeup midterm exams will be given. Failure to attend the midterm will result in a grade of 0 for the midterm. The midterm is scheduled for Wednesday, October 18th. The final exam will be held during the scheduled final exam window as established by Metropolitan College. Both the midterm and the final will be graded on a 100-point scale. The final will be more heavily weighted towards the last part of the course but will nevertheless be cumulative. You are welcome to use calculators in the exams, though they are not required.

The **class participation** grade will take into account your active participation in occasional class discussions, as well as questions and answers given during the course of regular lectures. Passive class attendance does not count towards the class participation grade.

### **Academic Conduct Code**

Cheating and plagiarism will not be tolerated in any College of Arts & Sciences course. They will result in no credit for the assignment or examination and may lead to disciplinary actions, up to and including expulsion from the university. Please take the time to review the Student Academic Conduct Code: <http://www.bu.edu/academics/cas/policies/academic-conduct/>

I take cheating *very* seriously, and I will pursue disciplinary action *aggressively* against anyone who cheats in my course. However, I do not wish to discourage you from discussing the course material or the problem sets with other students in the class. On the contrary – you should share your thoughts, questions and solutions. Working as a group will help you to solidify your understanding of the material, but it is important that you still think about the material independently and that you write up your own solutions. Whenever explanatory or descriptive text is required in a problem set, answers that are copied verbatim among collaborators will receive only half credit.

### **Students with Documented Disabilities**

If you have a disability that necessitates extra time for exams, or any other accommodations, you will need to give me a note from the BU office of Disabilities Services *at least one week before the midterm*.

### **Attendance**

Class attendance is not formally required, in the sense that I do not take attendance, and that you do not need to contact me to let me know that you will be missing class. Additionally, all presentation materials that I use will be posted online so that you may access them if you miss a class. However, you should plan to attend this class regularly. Much of the content and value of this course will take place in lectures in a way that cannot be replicated if you do not attend them. Furthermore, in order to receive full credit in the class participation grade, one should attend class regularly, and only discussions and questions that take place in class will count toward this grade.

### **Presentation Slides**

In general, I will upload my presentation slides to the course website in advance of my lectures. I encourage you to print the slides or bring an electronic copy with you to reference and/or annotate. Tablet or laptop use is allowed in class for the purpose of reviewing these slides or other course materials.

### **Required Text and Readings**

Ehrenberg, Ronald J., and Robert Stewart Smith, *Modern Labor Economics: Theory and Public Policy*, 12<sup>th</sup> edition, Pearson Education, Prentice Hall.

*Note:* Nearly all of the material covered in the course can also be found in the 13<sup>th</sup>, 11<sup>th</sup>, or 10<sup>th</sup> editions of Ehrenberg and Smith, although some of the examples may be out of date in the older editions. You may feel

free to use these editions.

Additional readings will be posted on the course website. I will include a few required readings, and several additional readings that are simply recommended for further understanding of current issues. I will notify you of these readings in class or over email when they are posted.

### Exam Content

The exams will draw primarily from the material presented in class. I may also ask basic questions involving material from the required non-textbook readings. Material that is in the textbook but that is not covered in class will not be included on the exams. I will provide students with a few review questions prior to exams, which are recommended as study material along with the problem sets.

### Email Policies

I do my best to respond to student emails in the order that they are received, within a reasonable period of time. However, lengthy questions about course content are usually best answered in person. If you have a lengthy question regarding course materials and are unable to come to regular office hours to ask it, please email me to set an appointment. If a question is too long or is unclear, I may ask you to set an appointment rather than providing an answer by email.

## COURSE SCHEDULE

Please note that the dates on which material will be covered are approximate. Topics may take more or less time than I anticipate, and I may decide to change the order in which we address various topics. Exams will cover material that has been covered in the actual lectures regardless of whether we are ahead of or behind the projected schedule.

Date	Topic	Textbook Chapters
<i>September</i> 6 <sup>th</sup>	Introduction, Overview of the Labor Market	1, 2
13 <sup>th</sup>	Statistical Methods	2, Appendix 1A
20 <sup>th</sup>	Labor Demand	3
27 <sup>th</sup>	Labor Demand Elasticities	4
<i>October</i> 4 <sup>th</sup>	Supply of Labor	6
11 <sup>th</sup>	Labor Supply: Household Production, the Family and the Life Cycle; Compensating wage differentials	7, 8
<b>18<sup>th</sup></b>	<b>MIDTERM</b>	
25 <sup>th</sup>	Investment in Human Capital and Education	9
<i>November</i> 1 <sup>st</sup>	Worker Mobility & Migration	10
8 <sup>th</sup>	Gender, Race, and Ethnicity in the Labor Market	12
15 <sup>th</sup>	Pay and Productivity	11
<b>22<sup>nd</sup></b>	<b><i>No lecture, Thanksgiving recess</i></b>	
29 <sup>th</sup>	Technological Change and Labor	
<i>December</i> 6 <sup>th</sup>	Course Review (second half of lecture)	
<b>TBD</b>	<b>FINAL EXAM</b>	