Economics 76b: Labor Economics
Fall 2015

Professor Brainerd
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Office hours: Thursdays, 9:30 - 11:30 am

Course description: Economics 76b provides a survey of labor economics with an emphasis on policy issues. While the course teaches the analytical tools necessary to understand how labor markets work, it is structured around a number of prominent labor market policy issues, such as immigration, inequality, minimum wages, affirmative action and the role of unions.

For example, some of the questions we will examine include:
- Why do women earn less than men?
- Do immigrants hurt the wages or employment opportunities of native workers?
- Does increasing the minimum wage increase unemployment, and thus end up hurting the people it is intended to help?
- What has caused rising wage inequality in the U.S., and should we be concerned about it?
- Why have unions declined so much in the United States?

Learning goals: The primary goal of the course is to develop your ability to study, analyze and ultimately reach informed opinions about the numerous policy questions that arise with respect to labor markets in the U.S. and other countries. To help develop this ability, we will study these policy issues drawing on economic models of labor markets, examination of the role of labor market institutions, and empirical evidence on these issues.

Specific learning outcomes: after successfully completing this course, students will be able to:
- apply and explain at an introductory level the economic models that relate to labor supply, labor demand, and labor market equilibrium
- describe how economic theory and evidence apply to and explain trends in labor force participation, hours of work, and wages
- construct, defend, and analyze important labor policy issues
- demonstrate proficiency with simple quantitative and economics tools useful in understanding labor markets and labor market institutions
- comprehend, assess, and critique existing empirical work in labor economics

Prerequisite: Economics 2a or Economics 10a

Course materials: The required text is George Borjas, Labor Economics (6th edition), which is available from the book store. The 5th edition is acceptable as well. Please note that we will not cover all of the material in the textbook, nor is all of the material covered in class in the textbook. Additional required readings for the course will be posted on Latte.

Success in this four-credit course is based on the expectation that students will spend a minimum of 9 hours of study time per week in preparation for class (readings, discussions, problem sets, recitations, and preparation for quizzes and exams).
Course requirements: Students will be evaluated on the basis of problem sets, class participation and debates, two quizzes, and a final exam:

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<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Problem sets (5)</td>
<td>15%</td>
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<tr>
<td>Thoughts &amp; questions (TQs)</td>
<td>10%</td>
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<tr>
<td>Class participation</td>
<td>5%</td>
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<tr>
<td>Quiz 1</td>
<td>20%</td>
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<tr>
<td>Quiz 2</td>
<td>20%</td>
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<td>Final exam (cumulative)</td>
<td>30%</td>
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Attendance: Learning in this course is cumulative, with many topics building on previous topics. As a result, attendance is extremely important. I strongly recommend that you attend every class. Attendance will be taken in every class and will be the determining factor in borderline course grades. It can also affect your class participation grade.

Thoughts & questions (TQs): TQs are brief responses to questions on the readings that you will submit before class. Over the course of the semester you will write 10 TQs based on the reading for that class (you are welcome to write more than 10). The TQs will often be general questions such as What did you find most confusing in the reading? but will sometimes comprise more specific questions. You must submit TQs by 6 pm the night before class via Google Forms.

The TQs will be graded on a credit/no credit basis. You will receive credit for responses that reflect a good-faith effort to write thoughtfully about the reading. I anticipate 15-17 opportunities to submit TQs over the semester; you must submit 10 to get full credit for this part of your grade. In most cases you can decide which TQs to submit, although before class debates I will require all students in the class to submit a TQ.

Class participation: It is essential that you have done the readings before class and are prepared to actively participate in the class discussion about the readings. You will be graded on the quality of your comments and your ability to respectfully engage your fellow students.

Problem sets and exams: Five problem sets will be due during the semester, on the dates listed below. Complete problem sets must be turned in at the beginning of class on the due date. Late problem sets will not be accepted under any circumstances, including medical emergencies, printer malfunctions, track meets, and the failure of your roommate to turn your problem set in for you. To accommodate illness and unforeseen conflicts, I will drop the lowest score among your problem sets in the grade calculation. In other words, you must turn in four of the five problem sets; alternatively you can turn in all five problem sets and I will take the top four grades in calculating your problem set grade. The dropped grade can be used for any problem, but it is advisable to save it for medical or personal emergencies as only one grade will be dropped.

No make-up quizzes will be given in this course. Please note that absence from a quiz will be excused ONLY for a serious illness or family emergency that is appropriately documented; otherwise a grade of zero will be assigned. There are NO EXCEPTIONS to this rule.

Recitations: Optional recitations at a time and place TBA.

Laptop, tablet and cell phone policy: I come to class to help you learn, and I assume that you
are here because you want to learn. Using a cell phone, tablet or laptop to talk, text, email, or surf the internet is both disrespectful and distracting to me and to your fellow students. Because of this, \textit{the use of cell phones, tablets, and laptops in class is prohibited}. If you must take a call due to an emergency situation, please leave the classroom. If you are unable to take notes without the use of a laptop, please speak to me. Recording of my lectures is prohibited unless arranged in advance with me.

\textbf{Special accommodations:} If you are a student with a documented disability on record at Brandeis University and wish to have a reasonable accommodation made for you in this class, please see me immediately. Please keep in mind that reasonable accommodations are not provided retroactively.

\textbf{Academic integrity:} You are expected to be honest in all of your academic work. Please consult Brandeis University \textit{Rights and Responsibilities} for all policies and procedures related to academic integrity. Students may be required to submit work to TurnItIn.com software to verify originality. Allegations of alleged academic dishonesty will be forwarded to the Director of Academic Integrity. Sanctions for academic dishonesty can include failing grades and/or suspension from the university. Citation and research assistance can be found at LTS - Library guides. If you have any questions about my expectations, please ask. Academic dishonesty will not be tolerated.

\textbf{IMPORTANT DATES FOR ECON 76B:}
(Note that these dates are subject to change, particularly the debate dates)

- Tuesday, Sept. 15: No class (Rosh Hashanah)
- Tuesday, Sept. 22: Problem set 1 due in class
- Tuesday, Sept. 29: No class (Brandeis Monday)
- Friday, Sept. 25: Debate 1: Should the minimum wage be increased?
- Friday, Oct. 2: Problem set 2 due in class
- Friday, Oct. 9: Quiz 1
- Friday, Oct. 23: Problem set 3 due in class
- Tuesday, Nov. 3: Debate 2: Is inequality in the United States too high?
- Friday, Nov. 6: Problem set 4 due in class
- Friday, Nov. 13: Quiz 2
- Tuesday, Nov. 17: Debate 3: Should U.S. immigration policy be changed?
- Tuesday, Dec. 1: Debate 4: Are teachers’ unions too strong?
- Friday, Dec. 4: Problem set 5 due in class
Course outline and assigned readings

I. Introduction (Friday, Aug. 28)

• Borjas, Ch. 1

II. Labor supply (Tuesday, Sept. 1; Friday, Sept. 4)

• Borjas, Ch. 2
• “Can Tax Cuts Save the Global Economy? Ask a Cab Driver,” The Economist, June 28, 2003
  
Policy application: the impact of the new welfare program

III. Labor demand (Tuesday, Sept. 8; Friday, Sept. 11; Friday, Sept. 18)

• Borjas, Ch. 3

IV. Labor market equilibrium (Tuesday, Sept. 22; Friday, Sept. 25)

• Borjas, Ch. 4
• David Autor and Gordon Hanson, “Labor Market Adjustment to International Trade,” NBER Reporter 2014, no. 2
  
Policy application: the minimum wage debate
• “What’s a Minimum Wage Job Worth?” Wall Street Journal, April 1, 1996

V. Compensating differentials: someone has to do the dirty work (Friday, Oct. 2; Tuesday, Oct. 6)
• Borjas, Ch. 5
• Kevin Helliker, “They Left Professions For a True Calling as Personal Trainers,”
  Wall Street Journal, February 25, 1999

QUIZ 1: FRIDAY, OCTOBER 9

VI. The economics of schooling and training
  (Tuesday, Oct. 13; Friday, Oct. 16; Tuesday, Oct. 20)

• Borjas, Ch. 6

Policy application: how effective are job training programs?

VII. The earnings distribution (Friday, Oct. 23; Tuesday, Oct. 27)

• Borjas, Ch. 7

Views on inequality
• N. Gregory Mankiw, “Defending the One Percent,” Journal of Economic Perspectives, Summer 2013

VIII. Labor mobility (Friday, Oct. 30; Tuesday, Nov. 3; Friday, Nov. 6)

• Borjas, Ch. 8

Policy application: immigration
QUIZ 2: FRIDAY, NOVEMBER 13

IX. Labor market discrimination (Tuesday, Nov. 10; Tuesday, Nov. 17; Friday, Nov. 20)

- Borjas, Ch. 9

Policy application: the affirmative action debate

X. Unions: what do unions really do? (Tuesday, Nov. 24; Tuesday, Dec. 1)

- Borjas, Ch. 10

The state of unions in the U.S.
- Max Moran, “Adjunct Faculty File for Union,” The Justice, Nov. 10, 2015
- **Optional:** Nathan Burroughs, “Arguments and Evidence: The Debate over Collective Bargaining’s Role in Public Education,” Center for Evaluation & Education Policy, Education Policy Brief, Vol. 6, no. 8, Fall 2008

XI Labor market contracts (Tuesday, Dec. 1; Friday, Dec. 4)

- Borjas, Ch. 11

Why do CEOs earn so much money? Should they?

TUESDAY, DECEMBER 8: CATCH-UP AND REVIEW FOR THE FINAL EXAM