

ECO 361 – 02
Labor Economics
Department of Economics and International Business
Sam Houston State University
Spring 2008

Instructor:	Dr. J. Ulyses Balderas
Lecture:	W 6:00 – 8:50 pm in TUC 117
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Office hours:	T/Th 1:00 – 2:00 pm; and by appointment

COURSE DESCRIPTION:

This course is about how labor markets work. In particular, it focuses on the behavior of, and relationship between employers and employees. How do they respond to general incentives of wages, prices, profits, and nonpecuniary aspects of the employment relationship such as working conditions. The course is divided into two parts. The first part will cover the basic ideas of labor supply, labor demand, and their interaction. The second part will focus on some specific topics in labor economics including compensating wage differentials, human capital, labor mobility, and labor market discrimination, among others.

We will be discussing questions such as: How individuals choose whether or not to work, and if so, how much? How do families decide who works outside the home and who takes care of the children? How do employers decide how many people to hire and how much to pay them? Why do some people go to college and others do not? Why do some people get paid more than others? How government policies affect the labor market?

Specifically, after completing this course, the student will have learned the following:

1. Understand basic labor economics theory and modeling techniques.
2. Apply their understanding of theoretical models to “real world” issues.
3. Understand important labor policy issues using the tools of economics.
4. Evaluate arguments on important issues related to labor economics.

PREREQUISITES:

The prerequisite for this class is Principles of Microeconomics (ECO 233). Do not take this class without the prerequisite!

TEXTBOOK:

Hyclak, Johnes and Thornton, *Fundamentals of Labor Economics*, Houghton Mifflin, 2005.

GRADING:

There will be three exams (two midterms and a final exam). Each midterm represents 25 percent, and the final represents 35 percent of the final grade. The remaining 15 percent will be “in-class” exercises, participation, assignments and attendance. The first midterm is scheduled for Wed Feb 20. The second is scheduled for Wed, Apr 2. The final is scheduled for Wed, May 14 (from 8:00 to 10:00 pm).

Note: Since this is a 2hr 50 min class, I will have to lecture after the midterms. You will have 80 minutes to complete each exam (from 6:00 to 7:20pm) and I will lecture the rest of the class.

Grades will be assigned in the following manner:

Percentage	<i>Letter grade</i>
Above 90%	A
86 – 89 %	A/B
80 – 85 %	B
76 – 79 %	B/C
70 - 75 %	C
66 – 69 %	C/D
60 – 65 %	D
Less than 60 %	F

ADDITIONAL NOTES / POLICIES

In-Class Exercises: In-class group exercises will be given frequently. These exercises will be used to promote discussion of the issues we cover and most importantly, give students practice with the material in preparation for exams. Students will be called on to provide answers to the class. Furthermore, I will post additional assignments on blackboard. The due dates of each assignment will be announced later.

Attendance: Attendance is absolutely crucial to success in this class. Substantial student practice will take place through in-class exercises. In order to re-enforce the importance of attendance, it will be factored into final grades.

Material from a Missed Class: If you miss a class. You are responsible for obtaining the material you missed. You should arrange to obtain notes from a classmate, not from the professor (I have a “No Borrowing Notes Policy”). I encourage you to come to my office hours to discuss the material you missed, but you must first obtain the notes, go over the information for yourself, and prepare specific questions.

Missed Exams: Make-up exams will not be given. Exam absences will only be excused for compelling circumstances (generally family emergencies or documented illness) in which case the other exams will be re-weighted. In particular, I will give extra weight and additional material from the missed exam to the final examination. Students anticipating conflict with an exam date due to over-scheduling (3 or more exams on the same day) must bring these to my attention within the first two weeks of class.

Student Absences on Religious Holidays: If you have a conflict between religious observance dates and course examinations, you must notify me within the first two weeks of class so that your needs may be addressed. Request forms are available in the Department of Economics office in SHB 232. The form must be completely filled out and personally presented to the instructor or sent by certified mail, return receipt requested, within the time limits established.

Special Accommodations: It is the policy of Sam Houston State University that no otherwise qualified disabled individual shall, solely by reason of her/his disability, be excluded from the participation in, be denied the benefits of, or be subject to discrimination under any academic program or activity. Students with documented disabilities who may need academic accommodations should speak with me during the first three weeks of the class. Students may request academic assistance when needed from a Committee for Continuing Academic Assistance for Disabled Students by visiting the Director of the Counseling Center in the Lee Drain Building Annex, or by calling ext. 4-1720.

Email Policy: I am always glad to receive emails from my students. However, some issues need to be addressed about your email correspondence to me. I teach different classes and sections during a semester so please write the class name and the meeting time in the email subject. Also make sure you include your name in your email.

Extra Credit Assignments: Are not given. Therefore, avoid coming at the end of the semester telling me “*If I do not pass this class, I can not graduate*” or “*I need to pass this class because I am in probation*”.

Class Disruptions: Ringing cell phones are not welcome in my class so make sure you turn off your cell phones and pagers.

IMPORTANT DATES

Jan 16	WED First class day
Feb 20	WED Midterm 1
April 2	WED Midterm 2
May 14	WED Final Exam (8:00 – 10:00pm)

Note: Midterm dates are subject to change at the discretion of the instructor.

TENTATIVE COURSE SCHEDULE

Topic	Chapter
Introduction to Regression Analysis	1 & Appendix ch. 1
The Supply of Labor: Labor force participation	4
The Supply of Labor: Hours of work	5
EXAM 1	1,4,5
The Demand for Labor	2
Topics in Labor Demand	3
Labor Market Equilibrium	7
Human Capital	6
EXAM 2	2,3,6,7
Monopsony and Minimum Wages	9
Personnel Economics	11
Unions and collective bargaining	12
Labor Market Discrimination	13
FINAL EXAM	9, 11, 12, 13

I have read and I understand the rules, policies and outline of the class:

Print Name (legibly):

Signature:

Date: