

Darren Grant (I invite grad students to call me Darren) Section 01: 6-8:50 Th.

ECO 579, Labor Seminar, Fall 2007  
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Office Hours: 10-12 am, M, W, F; 4-6 pm Th.,  
by appointment or whenever the door is open.  
<http://www.shsu.edu/~dpg006/>

I'm missing "The Office" for this so we had better have a good time.

Pre-Wreck: This MBA class is designed for students who already possess basic (principles-level) knowledge of economics. I may occasionally refer to other, more advanced topics in economics and finance as well. Please speak to me if you feel you may not have the necessary background to take this class.

Learning Objectives: I want you, the student, to understand the basic theory of labor market operation and firm compensation policy and, even more importantly, how real-life labor markets work. To those ends, we will spend lots of time talking about each. A secondary objective is for you to learn how labor economists' do their stuff, which we will do by reading and discussing occasional academic papers relevant to the subject at hand.

Getting Help: My office hours are listed above. However, you are welcome to stop by my office anytime the door is open, or to call my office to see if I am in.

Cheat on Me: We at Sam Houston expect you to conduct your studies with integrity. Please see SHSU's "Academic Policy Statement 810213," available on Sam Houston's Web Site, for a discussion of what constitutes academic misconduct, including cheating and plagiarism, and for a discussion of the procedures utilized in adjudicating such cases. If I catch you cheating I will, in all but the most minor circumstances, turn you in to academic authorities. In these circumstances, my minimum penalty for cheating is a grade of 0 on that assignment.

Much of your grade comes from work that is to be completed outside of class, such as assignments and take-homes. Unless otherwise stated, you must not communicate with anyone except me about these. Please, don't even think about cheating—I will catch you.

By the Book: Borjas's *Labor Economics*. I will use the 4<sup>th</sup> edition, but the 3<sup>rd</sup> edition is virtually identical and much cheaper if you buy online. Shop around to save money. Please get a book and please read it—assigned chapters are listed on the schedule below.

Attendance: Attendance is expected and is incorporated into your class participation grade.

Begraded: Our seminar-style class features lots of outside reading, application, and discussion, and the grading scale is designed accordingly. Your grade will be based on four components: 1) class attendance and participation, 2) performance on three applied assignments, 3) two short take-home "contemplative exercises" that reflect skills developed on the homeworks we will go over in class, and 4) an in-class, essay-style final exam.

On the first of these, since it's a small class, I'm a fun guy, and it's interesting material, I want you to give me a reason to give you a high grade. On the second, I am hoping that you will perform at least competently on each assignment, which would earn an B, or to do exemplary/inspired work, which would earn an A. On the third, I expect you to assiduously work the assigned homework problems, which we will review in class. The final exam is integrative and will reflect technical skills developed in the homeworks, factual material from the notes, and class discussion of assigned readings.

Points are available as follows:

Attendance & Participation	20
Assignments, 3 @ 10 pts. each	30
Contemplative Exercises, 2 @ 10 pts. each	20
Final Exam	30

This adds to 100. The grading scale is: 88+ is an A; 75-87 is a B; 65-75 is a C; 60-64 is a D; 0-59 is an F. Note this is not the typical scale!—it is more generous.

Making Up: Since assignments and contemplative exercises are assigned well in advance, I do not expect to receive these late except in the most exceptional circumstances, such as severe illness or death in the family. In those instances, acceptable documentation must be provided, and you should contact me ahead of time if possible to ensure I will accept your excuse. The same policy applies for make-ups to your final exam.

Cell Phones: All beepers, pagers and cell phones must either be turned off prior to class starting or placed in silent mode. Violators must move to Elbonia.

ADA Compliance: It is my obligation and my pleasure to provide reasonable accommodation to students with disabilities, so as not to discriminate on the basis of that disability. Student responsibility primarily rests with informing me at the beginning of the semester and in providing authorized documentation through designated administrative channels. Disabled students may request help with academically related problems stemming from individual disabilities from their instructors, department/division chairs, or by contacting the chair of the Committee for Continuing Assistance for Disabled Students by visiting the Director of the Counseling Center in the Lee Drain Building or by calling (936) 294-1720.

Student Absences on Religious Holidays: Section 51.911(b) of the Texas Education Code requires that an institution of higher education excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. A student who is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from which the student is excused within a reasonable time after the absence. Refer to the Academic Calendar for the deadline date for

notification by students to the faculty members of the student's intent to be absent on religious holy days.

E-Mail Policy: E-Mail is an acceptable form of communication for all class matters.

Class Format: The class uses the following format. There are three units, of four or five weeks' duration. Each unit begins with a discussion of a particular labor market, featuring a combination of readings from academia and from the popular press. It continues with two or three lectures, and is capped with a day when we go over homework and turn in and discuss the assignment you were given for that unit. Here is the schedule:

### **Hi There**

Aug. 23 Why Labor Markets Aren't Like Product Markets

### **Basic Market Forces**

Aug. 30 The Market for Drug Dealers  
Sept. 6 Labor Supply (Ch. 2, 6)  
Sept. 13 Labor Demand (Ch. 4)  
Sept. 20 Equilibrium and Unemployment (Ch. 5, 13)  
Sept. 27 Discuss Homeworks and Teachers Assignment (due on this day)

Contemplative Exercise assigned Sept. 27, due Oct. 4

### **Human Capital**

Oct. 4 The Market for Baseball Players  
Oct. 11 Human Capital and Schooling (Ch. 7)  
Oct. 18 Skill Acquisition on the Job and Internal Labor Markets (Sec. 9-8..9-11)  
Oct. 25 Understanding the Wage Structure with Human Capital Theory (Sec. 8-1..8-4, 10-1, 10-8)  
Nov. 1 Discuss Homeworks and Data Analysis Assignment (due on this day)

Contemplative Exercise 2 assigned Nov. 1, due Nov. 8

### **Personnel Economics**

Nov. 8 Wal-Mart, Wal-Mart, Wal-Mart Wal-Mart Wal-Mart  
Nov. 15 Value Maximization and the Basic Theory of Incentives (Ch. 12)  
Nov. 29 HRM Systems  
Dec. 6 Discuss Homeworks and Presentation of Market Analyses (the third assignment)

### **See Ya**

Dec. 13 In-class Final Exam