

Labor Economics

ECO 361 W – Fall 2007 – Tue & Thur 9:30-10:50

Instructor: Mark W. Frank, Ph.D.

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Online: Grades and other material will be placed on Blackboard

Office Hours: Tuesday & Thursdays, 2 to 3:30 pm (walk-ins at other times are welcome).

Required Books:

- Freakonomics Revised and Expanded Edition (2006) by Steven Levitt & Stephen Dubner
- The World is Flat Release 3.0 (Paperback) (2007) by Thomas Friedman

Recommended Book:

- Labor Economics (4th Edition, 2008), by George Borjas

Description: The first part of this class will cover the basic models labor supply and labor demand, including the theory of human capital. The rest of the class will be broken into smaller sub-sections that more closely analyze specific topics in the field of labor economics. These topics will include: methods of compensating and encouraging worker productivity, the problem of unemployment, the role and impact of minimum wage laws in the labor market, and the extent and consequences of worker discrimination, the impact of labor unions, and the extent and consequences of wage inequality. Additional topics may be added during the semester. Graphs and algebra will be used where necessary to develop the concepts central to economic theory.

Objectives: To develop an understanding of the workings of labor markets and their interaction with various institutions.

Evaluation: Grades will be based on the highest three of four possible in-class examinations, and several homework assignments. Exams will consist of multiple choice, short answer, fill-in-the-blank, and one essay question taken from class lectures and assigned readings. The final exam is comprehensive. Each of the student's three highest exams will be worth 25% of the final grade. Homework assignments will comprise the remaining 25%.

Letter grades will be assigned in the following manner:

Above 90%	A	80% to 89%	B	70% to 79%	C
60% to 69%	D	Below 60%	F		

Attendance Policy: Regular and punctual class attendance is expected; some of the homework assignments will have in-class components that cannot be made up if a student misses class! A student is allowed to drop one exam grade (only the highest three of the four exams will count towards the final grade). If a student misses *two* exams, however, then the comprehensive final exam will count twice. All late homework assignments are assessed a penalty of 5 points per day.

Student Absences on Religious Holy Days Policy: 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 whose absence 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.

University policy 861001 provides the procedures to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor involved a written statement concerning the religious holy day(s). This request must be made in the first fifteen days of the semester or the first seven days of a summer session in which the absence(s) will occur. The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or examinations are to be completed.

Disabled Student Policy: It is the policy of Sam Houston State University that no otherwise qualified disabled individual shall, solely by reason of his/her handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any academic or Student Life program or activity. Disabled students may request help with academically related problems stemming from individual disabilities from their instructors, school/department chair, or by contacting the Chair of the Committee for Continuing Assistance for Disabled Students and Director of the Counseling Center, Lee Drain Annex, or by calling (936) 294-1720.

Tentative Course Outline:

Class Days:	Topic:	Assigned Readings:
Aug 21	Introduction	*Borjas, chapter 1
Aug 23, 28, 30, Sept 4, 6	Labor Supply	*Borjas, chapters 2, 3
Sept 11, 23	Labor Demand	*Borjas, chapter 4 (pages 104-136), chapter 5
Sept 18	First Exam	
Sept 20, 25, 27	Human Capital	Levitt & Dubner, chapter 5 *Borjas, chapter 7
Oct 2, 4, 9, 11	Incentive Pay and Productivity	Levitt & Dubner, chapter 1, 3 *Borjas, chapter 12
Oct 16, 18, 23	Unemployment	*Borjas, chapter 13
Oct 25	Second Exam	
Oct 30, Nov 1, 6	Minimum Wages	*Borjas, chapter 4 (pages 136-147)
Nov 8, 13, 15, 20	Discrimination / Inequality	Levitt & Dubner, chapter 2, 4 *Borjas, chapter 10, 8
Nov 27, 29, Dec 4	Global Labor Market / Happiness Economics	Freidman, chapters 1, 5, 7
Dec 6	Third Exam	
Tuesday December 11th, 9:00 – 10:00 am	Comprehensive Final Exam	

* = Readings are recommended (not required).