

UNIVERSITY AT ALBANY
Department of Economics
Economics 370 - Economics of Labor (1750) Fall 2015
MWF 11:30AM-12:25PM Room BA130

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or by appointment

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Hours: TBD

Course Objectives:

Should I study for my MBA? Why do employers pay equally qualified people different wages according to irrelevant characteristics? Does the minimum wage alleviate poverty and/or unemployment? Should the government provide unemployment insurance? Why has the gap between high and low earners increased so much in recent decades? These types of question are only answerable with reference to labor economics. The objective of this course is to provide a comprehensive and coherent view of the labor market so that students can take an informed perspective on the issues raised by these questions and many more.

Prerequisites (The following paragraph is required by the Department of Economics):

The prerequisite(s) for this course are: Economics 110 and 111. The Economics Department intends to deregister students whose Albany course records do not show that the required courses were completed with passing grades. This may occur as late as the end of the semester, and students will be assigned a W grade by the Registrar. Individual exceptions to the prerequisite requirements require written permission of the instructor and approval by the Director of Undergraduate Studies in Economics during the drop/add period. ECO 210 (or equivalent calculus course) and ECO 300 are highly recommended (please reconsider about this class if you do not take ECO 210 and ECO 300).

Required Reading:

G. J. Borjas, *Labor Economics*, McGraw-Hill (any edition will do).

Some chapters will be covered in more detail than others. You should read the whole text but you will only be examined on those parts of the text covered in class.

Grading: Exam grades count for 85% of the course grade, the homework grade will count for 15% of the course grade. The weightings:

Midterm 1	25%
Midterm 2	25%
Final	35%

Homework

15%

Final is cumulative. The grade is A to E basis.

Exams & make-up exams:

The midterm exam dates are announced in class. The final date is subject to University 2015 fall final schedule. Any exams you miss will be given a grade of **zero**, unless you have an exceptional excuse AND you can document it and notify me before exams. Exceptional excuses **do not** include activities in other classes, weddings, or marital/relationship problems. If you miss an exam and I feel that the documented excuse is exceptional, I will give you make-up exams.

Homework:

Homework assignments will be posted on Blackboard. I will notify you through Blackboard when the homework are posted. It is your responsibility to check your Blackboard regularly. Assignments will be graded by TA with **total 10 points**. Solutions to the homework assignments will be posted immediately after the day the problem set is due. **CONSEQUENTLY, I WILL NOT ACCEPT LATE HOMEWORK ASSIGNMENTS.** If you cannot attend class you can put the homework in my mail box in BA108 before the class time. Also, I only accept hard copy homeowrks in class . If you wish to submit electronic homework, talk with TA. If he/she gives permission, you can e-mail your homework to him/her. At the end of the semester, the homework with lowest grade will be dropped. You are only allowed to drop one homework without penalty.

Course Outline (the following list of topics covered is tentative):

Topic	Borjas Chapters		
	5 th Edition	6 th Edition	7 th edition
<i>Preliminaries: Supply and demand for labor</i>			
1. Introduction	1	1	1
2. Labor Supply	2	2	2
3. Topics in Labor Supply	2	2	2
4. Labor Demand	3	3	3
<i>Labor market models with application to minimum wage</i>			
5. Competitive labor market equilibrium	4	4	4
6. Non-competitive labor markets	5	4	4
7. Minimum wages	3.10, 4	3.10, 4	3.10 4
<i>Deviations from the law of one price</i>			
8. Compensating differentials and dangerous jobs	5.1	5.1	5.1
9. Human Capital	6	6	6
10. Labor market discrimination	9	9	9
<i>The macroeconomics of labor</i>			
11. The Wage Structure	7	7	7
12. Unemployment	12	12	12