

# ECON 480-002: Labor Economics

Fall 2019

University of North Carolina at Chapel Hill  
Department of Economics

**Instructor:** Julien Isnard ([jpisnard@live.unc.edu](mailto:jpisnard@live.unc.edu))

**Lecture:** Tuesdays and Thursdays, 11:00am - 12:15pm (Gardner Hall 307)

**Office Hours:** Tuesdays, 10:00am - 11:00am or by appointment (Carroll Hall 046)

**Course Website:** Sakai ([sakai.unc.edu](http://sakai.unc.edu))

**Prerequisites:** ECON400 and ECON410 with a grade of “C” or higher

## Required Textbook:

Title: Labor Economics, 8<sup>th</sup> Edition (2019)

Authors: George J. Borjas

ISBN: 978-1260484397

Over the course of the semester, I will cover any and all necessary information during lecture. The textbook is meant to accompany those lectures. It is meant to be used as a reference, with additional readings to help provide a stronger understanding of lecture content. Additional readings will be posted to Sakai. I will not assign problems directly from the textbook. So, students should feel free to buy past editions (such as the 5<sup>th</sup>, 6<sup>th</sup>, or 7<sup>th</sup>).

## Course Description:

The purpose of this course is to introduce students to a new way of looking at the work force and serve as an introduction to the field of labor economics. Labor economists study the market where the traded good is the work (labor) performed by people. Workers supply labor and firms demand labor in exchange for wages (the price of labor). We will examine the economic theory behind workers’ labor supply, firms’ labor demand, and equilibrium in the labor market. In addition, we will examine the role of government in labor markets, the effect of immigration on labor markets, human capital attainment, and incentive/compensation schemes.

## Course Objectives:

Over the course of the semester, students will be expected to develop and implement the following skills, which will hopefully serve to improve their understanding of the professional world into which they will eventually integrate themselves.

- Explain how labor markets function.
- Apply economic theory to analyze and predict changes in the labor market.
- Analyze, present, and interpret microeconomic data.
- Craft an argument and support it with appropriate evidence.

- Develop skills for reading and analyzing economics journal articles.
- Develop critical thinking, writing, and presentation skills.
- Participate actively and substantively in class discussions.

**Attendance:**

Regular attendance and participation is strongly recommended. Students are responsible for any announcements that they might have missed. If a student should miss class, he/she should attempt to obtain any notes or announcements from one of his/her peers. It is expected that students will respect their peers and the instructor with appropriate behavior while in class and that students will arrive to class on time.

**Class Participation:**

Classroom engagement is highly encouraged. New topics can often come across imperfectly at first, and discussing the material can often improve student understanding. Students should feel comfortable politely speaking up in class, whether to ask questions or make a comment. Students will intermittently be called upon, but these moments are not meant to test anyone. They are part of a process of ensuring that students are digesting the material and moving forward in their understanding of the material.

**Electronics Policy:**

This being a lecture-based, introductory economics course, there is no need to have access to computers or cell phones during class. Given that such devices are also highly distracting to those around the user, they are forbidden. If you are expecting an important call (such as a response about a job interview or something regarding a family illness), please inform me before class and sit close to the exit. Beyond this, the policy will be implemented as follows. On the first offense, the student will receive a warning. On any subsequent offense, the student will receive a penalty of 1% applied to their final grade for each subsequent offense. In other words, a student that would have received a 91% but was caught three times would receive an 89%. As you can see, this would mean a difference in letter grades between an A<sup>-</sup> and a B<sup>+</sup>.

**Late Work:**

Deadlines are not flexible, nor are any extensions granted. Problem sets are to be submitted by the beginning of class on the due date. Problem sets turned in late, but before 5:00pm on the calendar day following the due date, will be penalized by 50%. Problem sets turned in any later than that will earn no credit.

**Missed Exams:**

There are no make-up midterm examinations. If a student must miss a midterm exam, he/she may be permitted to transfer the missed credit to the final exam, but in order to receive that permission, the student must contact the instructor in writing before the beginning of the exam with an acceptable explanation. If the reason is not foreseen, the student must contact the instructor as soon as possible thereafter. If documentation exists to support the request, it should also be included. The choice of whether to permit the transfer of credit is at the discretion of the instructor, but if allowed, the weight of the midterm will be placed on the final exam.

Regarding attendance for the final exam, the Chair of the Economics Department asks instructors not to change the date of a final exam unless the student has a compelling and documented personal reason. In that case, the make-up exam will be administered on a date later than the scheduled final. It will be set at a date and time that is convenient for both student and instructor.

**Academic Integrity:**

All students are expected to adhere to the Honor Code, which can be found at <http://instrument.unc.edu>. Then, with respect to this course, a few items should be explicitly stated. Firstly, students may use their notes, textbooks, and classmates to complete homework assignments. However, no assistance is permitted on exams. During the exam, however, students should feel free to ask the instructor for clarification. Finally, the use of cell phones, computers, or any other unauthorized device (e.g., an unapproved calculator) during examinations is an explicit violation of the honor code.

**Email Policy:**

Email is the best way to contact the instructor, including “ECON480” somewhere in the subject line. Students should reach out with any questions about class, economics, or other personal concerns. Responses will typically be provided within 24 hours, with potentially longer delays on weekends and campus holidays. If no response has been provided in that time, students should resend the email or remind the instructor in class. However, some questions carry potential benefits to the rest of the class and may be (anonymously) answered in a manner that reaches the entire class.

The forum on Sakai can also be useful for students that may prefer to ask their peers. These discussions will have a role in everyone’s success in the course. The instructor will monitor this forum and occasionally interject as needed.

**Other Resources:**

*EconAid:* The EconAid center is located in GA009 and is open Monday through Thursday, 9:00am - 8:00pm, and Friday, 9:00am - 3:00pm. It is occasionally open on weekends as well. There will often be peer tutors, TAs, ULAs, and professors from other courses. However, this center also offers students a great space to work on their economics coursework individually or in groups. There will usually be someone quite knowledgeable hanging around. This resource is invaluable.

*Accessibility Resources and Service Office:* UNC-CH facilitates the implementation of reasonable accommodations for students with (temporary or permanent) disabilities, chronic medical conditions, or pregnancy complications that result in difficulties accessing learning opportunities. All accommodations are coordinated through the ARS office. Students should contact ARS as early in the semester as possible (website: [ars.unc.edu](http://ars.unc.edu); telephone: (919)963-8300; email: [ars@unc.edu](mailto:ars@unc.edu)).

*Learning Center:* The UNC Learning Center offers individual consultations, peer tutoring, academic coaching, test prep programming, study skills workshops, and peer-study groups. Students who feel they might benefit should visit them in SASB North or visit their website to set up an appointment ([learningcenter.unc.edu](http://learningcenter.unc.edu)).

*Writing Center:* The Writing Center is located in SASB and offers personalized writing consultations as well as a variety of other resources. Students do not need a complete draft of their assignment to visit, as they can provide help at any stage. Students can chat with someone in the writing center or set up an appointment on their website ([writingcenter.unc.edu](http://writingcenter.unc.edu)).

*Medical and Counseling Services:* Students having any mental, physical, or other personal issues that interfere with their ability to focus on coursework should contact UNC Campus Health Services (CHS) or Counseling and Psychological Services (CAPS) immediately. CAPS is strongly committed to addressing the mental health needs of a diverse student body through timely access to consultation and connection to

clinically-appropriate services, whether for short or long-term needs. CAPS is located on the third floor of the CHS building and open for walk-in evaluation (websites: [campushealth.unc.edu](http://campushealth.unc.edu), [caps.unc.edu](http://caps.unc.edu); telephone: (919)966-2281).

### **Grading Components:**

#### *Quizzes: 5%*

There will be quizzes on Sakai throughout the semester, each covering 1-2 weeks of material, as shown on the schedule. The quizzes will be posted on Fridays and due the following Tuesday by 11:00am. Quizzes include multiple-choice questions of varying difficulty to build familiarity with the material and prepare students for the exams. Quizzes are open-book, open-notes, and untimed. They should take approximately 15-20 minutes, with two attempts allowed. It is to the students' benefit to work individually. Each student's lowest quiz grade will be dropped.

#### *Problem Sets: 20%*

There will be five problem sets, as shown on the schedule. For each assignment, 50% of the grade will come from completeness, and the other 50% will come from grading accuracy of answers to one randomly-selected question. Students may work in groups of up to three, making sure to put all individuals' names on submissions. Students are encouraged to attempt the problem sets individually first, even if intending to submit as a group, as this provides some of the best practice for exams.

#### *Midterm: 20%*

The midterm will take place on October 24<sup>th</sup> in class. The exam is closed-book, closed-notes, and will include material covered through the October 10<sup>th</sup> class. The exam includes multiple-choice questions to test general concepts and short-answer questions that require students to work through a topic-illustrative scenario.

#### *Policy Brief and Presentation: 20%*

In groups of 4 or 5 students, students will research a current or hypothetical policy relevant to labor economics. Using concepts from class and empirical evidence, students should describe the policy and analyze its impact on the labor market. Depending on the topic, groups will present at one of the three designated classes, shown on the schedule. Presentations will last 15 minutes, followed by questions from the class and/or instructor.

After the presentation, each student must submit a written policy brief, as shown on the schedule. Policy briefs are limited to three pages (double-spaced, 12pt font) plus references and optional tables/figures. Students are not expected to have the policy brief completed for the presentation, but the presentation can serve as an opportunity to present a draft to the class and elicit feedback.

#### *Final: 35%*

The final exam is closed-book, closed-notes, and will draw from material covered in all classes. The exam includes multiple-choice and short-answer questions. The University has assigned a time of 12:00pm - 3:00pm on Thursday, December 12<sup>th</sup> for the final exam.

**Grading Scale and Rules:**

The score ranges below reflect the minimum grades students will receive based on their raw score on assignments. The instructor may or may not decide to curve up final grades based on overall class performance.

	B <sup>+</sup> : 87.00-89.99	C <sup>+</sup> : 77.00-79.99	D <sup>+</sup> : 67.00-69.99		
A: 93.00-100	B: 83.00-86.99	C: 73.00-76.99	D: 63.00-66.99	F: 0-59.99	
A <sup>-</sup> : 90.00-92.99	B <sup>-</sup> : 80.00-82.99	C <sup>-</sup> : 70.00-72.99	D <sup>-</sup> : 60.00-62.99		

Students who believe their work was graded incorrectly or unfairly should return the original assignment or exam to the instructor, accompanied by a written explanation of why a regrade is requested within two class meetings (one calendar week) or the assignment being returned to students. The assignment will be regraded in its entirety, which means that scores may increase or decrease. All regrades are final. Moreover, scans of the assignment will be compared to the original. Any marks determined to have been made after the exam or assignment was returned to students will be considered an academic offense.

**Course Schedule:**

The schedule that follows is a rough outline of the timing of the course and the topics we will hopefully cover, but depending on how the course flows, some adjustments may be made.

<b>Date</b>	<b>Topic</b>	<b>Readings</b>	<b>Assignments</b>	<b>Exams</b>
August 20	Introduction	Syllabus, 1.1 - 1.3		
August 22	Economics Refresher	1.Appendix		
August 27	Labor Supply	2.1 - 2.6	Q1	
August 29		2.9, 2.13		
September 3		2.7 - 2.8, 2.10	Q2	
September 5		2.11 - 2.12, 2.14	PS1 Due	
September 10			Presentations	
September 12	Labor Demand	3.1-3.4		
September 17		3.5 - 3.7	Q3	
September 19		3.10		
September 24		3.9	Q4	
September 26	Equilibrium	4.1	PS2 Due	
October 1		4.2 - 4.3	Q5, PB Due	
October 3		4.4		
October 8		4.5 - 4.7	Q6	
October 10		4.8 - 4.9	PS3 Due	
October 15			Presentations	
October 17	No Class (Fall Break)			
October 22	Review Day			
October 24				Midterm Exam
October 29	Human Capital	6.1 - 6.4		
October 31		6.5 - 6.8		
November 5		6.9, 7.1 - 7.4	Q7, PB Due	
November 7	Worker Mobility	8.1 - 8.7		
November 12	Income Inequality	7.5 - 7.9	Q8, PS4 Due	
November 14	Compensating Differentials	5.1 - 5.6		
November 19			Presentations	
November 21	Discrimination	9.1 - 9.8		
November 26		9.9 - 9.11	Q9, PS5 Due	
November 28	No Class (Thanksgiving)			
December 3	Review Day		PB Due	
December 5	No Class (Reading Day)			
December 12				Final Exam (12:00pm - 3:00pm)