

Econ 380

Labor Economics

UNC Chapel Hill, Spring 2021

Instructor:	Abe Martin	Time:	MWF 10:10 am – 11:00 am
Email:	abe.martin@unc.edu	Phone:	212-920-7423
Place:			
Office Hours:	M/W/F 10:10 am – 11:00 am		

Course Session & Office Hours:

1. <https://unc.zoom.us/j/766974755>

Econ Aid Center:

1. <https://unc.zoom.us/j/105650016>

Hours: Generally open for all hours until 6 pm.

Class Schedule:

1. Lecture Section 001: MWF 10:10 am – 11:00 am

Office Hours: After class M/W 4:00 pm - 5:00 pm also by appointment.

Main References: This is a restricted list of various interesting and useful books that will be touched during the course. You need to consult them occasionally.

- **Main Textbook:** George Borjas, *Labor Economics*.

Both can be purchased online inexpensively. Homework assignments will not come from the textbook so older editions can be used.

Objectives:

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.

Prerequisites: An undergraduate-level understanding of Econ 101, Microeconomics and Macroeconomics, Algebra and Calculus.

Code of Conduct:

The University Honor Code is in effect. In particular, this implies that all work submitted is your own. Moreover, I expect professional behavior at all times. For example, the non-academic use of personal electronic devices is prohibited.

Grading Policy:

Letter grades are computed from the total points earned during the semester and assigned based on the scale nearby. There is no maximum number of A's nor B's awarded. However, in previous courses 20% - 25% of my students have earned in the A range, 30% - 40% have earned in the B range, and 20% - 30% have earned in the C range. Although the grade distribution may change this semester, the past scores should give you a sense of my grading standards.

A	95 and above
A-	90-95
B+	85-89
B	80-84
B-	75-79
C+	70-74
C	65-69
C-	60-64
D+	55-59
D	50-54
F	Below 50

Important Dates:

Final Exam	Course Grade	Details & Policy
Final Exam	30%	Comprehensive exam
Midterm I	20%	Midterm exam
Midterm II	20%	Midterm exam
Homework	25%	Several HW's will be assigned
Class Participation	5%	Attending, participating, etc.

Final Exam will be May 7th, 8:00 am-10:00 am

Course Policy:

- Regular attendance is essential and expected.

Schedule and weekly learning goals

The schedule is tentative and subject to change. The learning goals below should be viewed as the key concepts you should grasp after each week, and also as a study guide before each exam, and at the end of the semester. The applications in the second half of the semester tend to build on the concepts in the first half of the semester though, so it is still important to at least review those concepts throughout the semester.

- Introduction to Labor Economics
 - The U.S Labor Force
 - Unemployment
- Labor Supply
 - Worker Preferences
 - Worker Constraints
 - Optimal Work Decisions
 - Application: Anti-Poverty Policy
- Labor Demand
 - Labor Demand in the Short-Run
 - Labor Demand in the Long-Run
 - Application: The Minimum Wage
- Labor Market Equilibrium
 - Competitive Markets
 - Noncompetitive Markets
 - Application: Immigration Impacts
 - Application: Labor Markets and Development

Midterm 1: Introduction to Labor Economics - Labor Market Equilibrium

- Human Capital
 - The Schooling Model
 - The Signaling Model
 - Application: Empirical Studies
 - Application: Human Capital and Development
- Income Inequality
 - Measuring Inequality
 - Why is Inequality Rising?
 - Wage Dispersion: Superstars
- Discrimination
 - Taste-Based Discrimination
 - Statistical Discrimination

- Measuring Discrimination
- Application: Empirical Studies

Midterm 2: Human Capital - Discrimination

- Selected Topics (Time permitting)
 - Human Capital: The Supply Side
 - Social Interactions & Network Effects

Final Exam: Friday May 7th, 8:00 am-10:00 am