

**Economics 483
Labor Economics
C. Link
Fall 2007**

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Link’s e-mail address: Clink@udel.edu

Try out the Web Page: <http://www.udel.edu/Economics/clink> (note: the letters are all lower case except for the ‘E’ in Economics.)

Required Materials: Selected readings from McConnell and Brue, Contemporary Labor Economics (Available only at the main UD Bookstore.).

Course Material Book: (Only available at Lieberman’s at 45 East Main Street in the Galleria)
Course Readings: (Handouts will be given out over the semester)

Link’s Office: 408 Purnell
Phone: Office - 831-1921
E-mail: clink@udel.edu
Office Hours:
9:00 - 10:00 am,
Tue. and Thurs.; 9:00 - 11:00 Wed.,
and by appointment

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General Requirements

The requirements for the course will depend on the "grade track" you select. See handout "Grading Procedures for EC 483."

All students, however, will take **two** examinations, do three problem sets, and work some short take-home exercises.

Grade Tracks

For an "A" grade:

1. Participate in class meetings. (This means attend class & come prepared.)
2. Complete all assignments in a satisfactory manner. (Problem sets, take home exercises, etc.)
3. Earn an "A" average on the exams.
4. Plan and develop a term paper topic which will extend your interest and expertise in the area of labor economics. Length: 9 - 10 pages double-spaced. If you are choosing this track, the proposal is in my office no later than **Thursday September 27, 2007**.
5. Read and review 1 article by a professional economist. Dr. Link will give you some options. (The review must be turned in no later than Friday **November 16** at 4 p.m. Late reviews receive a one-grade reduction.) The length is 5 pages.

OR a student may be a major participant in a class debate. Debates will take place during the latter part of the semester. Students selecting this option will have to make this known to Dr. Link no later than Thursday, **October 11** in class.

For a "B" grade:

1. Participate in class meetings (This means attend class & come prepared.)
2. Complete all assignments in a satisfactory manner. (Problem sets, take home exercises, etc.)
3. Earn a "B" average on the exams.
4. Read and review 1 article by a professional economist. Dr. Link will give you some options. (The review must be turned in no later than Friday **November 30** at 4 p.m. Late reviews receive a one-grade reduction.) The length is 5 pages. **OR** a student may be a major participant in a class debate. Debates will take place during the latter part of the semester. Students selecting this option will have to make this known to Dr. Link no later than Thursday, **October 11** in class.

For a "C" grade:

1. Participate in class meetings (This means attend class & come prepared.)
2. Complete all assignments in a satisfactory manner. (Problem sets, take home exercises, etc.)
3. Earn a "C" average on the exams.

Note: All reports, journal reviews, term papers, as well as the rate of return problem set will be done on a word processor. (Penalty for not doing these on a word processor: one-grade reduction. All late assignments will involve a one-grade reduction on that exercise or problem.)

Examinations

The first exam will occur on Thursday, October 11 and will be worth 100 points. The second exam, also worth 100 points, will cover material since the first exam and be administered on the last day of class (December 4) or as a take home exam (class choice). There will be no makeup exams! If you miss the first exam and have a University approved excuse, the second exam will be weighted more heavily.

Students will be allowed to rewrite an exam on a take-home basis. If you rewrite the exam, I expect you to do your own work. Basically, if you decide to rewrite the exam the most you can receive on any question is one-half of the difference between what you earned on the in-class exam and the maximum points possible on the question. Suppose you earned 6 out of 10 on the in-class portion of a question. If you rewrite the question **perfectly** you would receive an extra 2 points. You cannot rewrite questions where you missed only 1 point.

Term Paper (For those choosing the "A" option)

The term paper will be worth 100 points and be on a topic mutually agreeable to the student and the instructor. The length for the text of the paper is a minimum of 8 and a maximum of 10 pages--**no exceptions**. (Tables, bibliography, figures, etc. can be included as appendices and do not count as part of your ten pages.) The paper must be double-spaced be in Times New Roman font and have a font size of 12. Also, you must use citations (footnotes) where appropriate and follow generally accepted formats for term papers. Papers will be due **no later** than 4 p.m. on Friday, December 7, 2007. (More detail is found in the handout in class "grading policies".)

Article Review (For those choosing the "A" or "B" option)

(More detail is found in the handout in class "grading policies".)

Problem Sets

There will be several exercises and problem sets worth a total of 100 points.

Class Participation:

Although class participation is not specifically figured into the grade, I am certain that if your grade is on the borderline and you have been a constructive participant and have attended class regularly, you are likely to receive the benefit of the doubt and receive the higher grade.

Moreover, if it becomes obvious that students are coming to class unprepared, I reserve the right to administer pop quizzes at any time. Each pop quiz would be worth 5 points. There are no make-ups on pop quizzes.

Anyone missing more than 3 classes which are not University approved absences will automatically have a one grade reduction in the course grade. (Suppose you earned a B+ in the course, your final grade would be a C+)

For each topic and included in the course material are what I will refer to as "questions to ponder." Don't be surprised if you are occasionally asked to write about them in class. Use these questions as a guide in the assignments and studying for exams.

Total Points:

Exams	200
Problem sets & exercises	100
Paper (for persons selecting "A" track)	100
Pop quizzes and/or take-home exercises	to be determined
Journal articles (weight depends on grade track chosen)	
Class Debate (weight depends on grade track chosen)	

Exam 1: October 13

Exam 2: Last day of class (December 4 in-class, or take-home exam)

Potential debate topics: Students selecting this option will have to make this known to Dr. Link no later than Thursday, October 11 in class. There would be class presentations on November 29 and/or December 4. **I will need at least 6 students from the ‘A’ and ‘B’ tracks to participate in a debate or the debate will not be an option for the A and B tracks.** Each team in a debate would have 25 - 30 minutes to make their case. The teams can decide whether they want to alternate speakers (pro then con, or vice versa) or make a complete case (by flip of a coin) and then have the other team present. The grade on the debate will be determined by both the team effort as well as by the substance and quality of the presentation made by each individual. However, if one team member does a poor job, that would not significantly affect the grades other members who have clearly put in the time and made the effort to put forth a strong case (and who have made strong individual presentations).

1. “Immigration to the U.S. is harmful and should be curtailed” (Pro and Con immigration to the U.S.).
2. “The US should adopt a universal coverage-single payer health care system like the one in Canada.” (Pro and Con)

Material on the debate presentations is game for the second exam.

For reviews of an article by a professional economist:
(For those choosing the "A" or "B" option)

1. Briefly summarize.
2. Use conventional citation and bibliographic procedures.
3. What is your reaction to the article? (e.g. What was/were the objective(s)? Did the author achieve the objective or objectives? Are there policy implications?) I am trying to expose you to professional economics journals and have you both read and interpret the results. I am asking you to be original. I will give you 3 articles from which to select your review. Select the topic of that is of greatest interest to you.
4. Your grade will be 60% on the economic analysis and 40% on the ability to write a well-organized and well-cited essay. That is, if the paper is thrown together with poor grammar, etc. expect a low grade.

Articles that you may review if you are participating in the "A" or "B" track (do 1, 2 or 3 – only one of them):

1. Jonathan Gruber and Brigitte Madrian, "Health Insurance, Labor Supply, and Job Mobility," National Bureau of Economic Research, Working Paper #8817, March 2002. (<http://www.nber.org/papers/w8817>)
2. David M. Cutler and Adriana-Muney, "Education and Health: Evaluating Theories and Evidence," Working Paper 12352 (<http://www.nber.org/papers/w12352>).
3. Francine D. Blau and Lawrence M. Kahn, "Changes in the Labor Supply Behavior of Married Women: 1980 – 2000", Institute for the Study of Labor (IZA), discussion paper 2180, June 2006. (You should be able to access this by going to the IZA web site: <http://www.iza.org> When you get into the site, click on Research, then click on discussion papers, then enter 2180 where is says DP number. You can also go by author or title.

The review will be 5 pages and is due no later than Friday, November 16 at 4:30 pm, if you are in the A track and Friday, November 30 at 4:30 pm, if you are in the B track. Penalty for missing deadline: one grade reduction.

Term Paper (For those choosing the "A" option)

The term paper will be worth 100 points and be on a topic mutually agreeable to the student and the instructor. The length for the text of the paper is a minimum of 8 and a maximum of 10 pages--**no exceptions**. (Tables, bibliography, figures, etc. can be included as appendices and do not count as part of your ten pages.) The paper must be done on a word processor and double-spaced. Also, you must use citations (footnotes) where appropriate and follow generally accepted formats for term papers. Papers will be due **no later** than 4 p.m. on Friday, December 7, 2007. **You may use the following guidelines in thinking about a paper topic.**

1. **Purpose**. To explain and inform (and give policy implications if appropriate)
2. **Role of the writer**. A critic and/or an advocate (For instance, if you were examining the role of Social Security and its future, you could critique the current program looking at its main benefits and costs.)
3. **Audience**. You may assume that you are an economic advisor to a corporate president or to a governor or to the President of the United States. You could use the information noted in 2 and give the executive key information needed for her to come up with policy. Your goal is to impress the executive.
4. **Subject**. You must focus your topic enough so that you can say something meaningful in the page limits noted above.
5. **Evaluation criteria**. The final grade for the paper will be based on two factors: the quality of the economic analysis (60 percent) as well as the clarity and organization (40 percent) in the paper. Would you turn in a sloppy piece of work to your boss? Doing so is a good way to a) stay in the low level position you are currently in or 2) lose your job.

Paper topics must be finalized with the instructor no later than **Thursday, September 27 at 4:00 pm**. Each student must submit to me a brief summary--in writing--describing the proposed paper. I will make comments. The proposal, as well as the interim reports and final paper, **must** be done using Word or some other word processing program. I want the proposal in two or three well-organized paragraphs. Don't just give me an outline!!

Students will be given extra credit on the paper if they use the Writing Center or Writer's Workbench at the UD. For the extra credit you must document use of these resources!

Key dates for the paper: (steps 1-4 below are worth 20 of the 100 points)

1. Proposal due by **September 27** (Proposal should be no more than 1 page) I am here to help! Feel free to come in and talk about topics. I want you to select a topic that you would like to learn more about that is related to labor economics. Do not just give me an outline. (5 POINTS)
2. Progress report due on **October 18**(written description of activities accomplished to date with a bibliography that you have collected to date) You need to have 6 - 8 citations by this time. (5 POINTS)
3. Students will be divided into groups of 3 and by **Monday, November 26**, a rough draft (done on a word processor) will be circulated to other students in the group and evaluated by those students. This draft will be returned to each student no later than **Friday November 30**. Students will then make revisions. (5 POINTS)

I will need documentation that this step in the process has been accomplished! You will receive and fill out an evaluation sheet indicating whether or not students responsible for making comments did in fact do so.

4. The finished paper is due by **Friday December 7**, at 4 p.m. Remember, if you are having problems with the paper, come see me and we can solve the problem(s). (5 POINTS)

Each date missed costs you 5 points!!!!!!!!!!!! For instance, if you missed all 4 of the above dates, the BEST you could do on the paper is an 80, or B-.

Course Outline

- I. Demand for Labor
 - Demand Theory: Different Market Structures
 - Wages & employment
 - Factors impacting the elasticity of demand for labor
 - Applications - Minimum Wage
 - Baseball Players Labor Market
 - Tax Incidence
 - Nurse Labor Markets
 - Tariffs
 - Technology and its impact on employment
- II. Extension of the Theory of Demand (Non-wage labor costs and training costs are included in the model)
- III. Investments in Human Capital: Education and Training
- IV. Migration and Turnover
- V. Supply of Labor
 - Development Theory of Labor Supply
 - Applications - Married Females Labor Supply
 - Economics of Fertility
 - Welfare Programs (apply to new reforms in welfare)
 - Issue of overtime
- VI. Inequality in Earnings
- VII. Employment and Unemployment (with special emphasis on comparisons with Europe)
- VIII. Productivity
- IX. Health as an Investment in Human Capital

Examples of Paper Topics for Economics 483 (obviously not exhaustive)

Living wages and Their Effects on Poverty
Day Care and the Costs of Work
Disability Insurance
Dunning Delinquent Dads
Will Lowering Tax Rates Raise Labor Supply
The Earnings Test for Social Security
The Abolition of Mandatory Overtime
Guaranteed Loans for College Students
How to Value a Life
Compulsory School Attendance Laws
Subsidized On-the-Job Training
Occupational Licensing
Should Developing Countries Use Western Technology?
Have Women Been "Taking Jobs Away" from Youths?
Would a Youth Sub-minimum Wage Displace Adult Workers?
Monopsony in Professional Sports
Double Time for Overtime
Illegal Migration
Job Mobility and the Vesting of Pensions
The Effect of Limiting Mandatory Retirement
Layoffs and Unemployment Insurance
Increased Structural-Frictional Unemployment
Economic Welfare and the Incidence of Unemployment
Voting Against Unionization
Right-to-Work Laws
Union Goals and Antitrust Policy
Union Democracy and Union Militance
Unemployment Benefits and the Duration of Strikes
Final Offer Arbitration in major league baseball
Do Unions Raise Professors' Wages?
Union Wage Gaps and the Extent of Union Control
Domestic Content Legislation and Auto Workers' Employment
Legislating Workplace Safety
"Taxing" Employers for Work-Related Injuries
Taxing Fringe Benefits
Valuing In-Kind Transfers
Extended Unemployment Insurance Benefits
Shifting the Short-run Phillips Curve Through Retraining
Tax-Based Incomes Policies

Other Examples of General Topics for Term Papers

1. Discrimination: gender or racial.
2. Can Productivity be Increased by Changing the Way People are Paid?
3. Has There Really Been a Change in the Wage Structure in the U.S.?
4. Issues in Civil Rights and Their Effects on the Labor Market.
5. Families Headed by Women: Impacts on Labor Markets (e.g., relate to poverty and income distribution).
6. Issues of Retirement and Its Impacts on Labor Markets (also Issues of Aging).
7. Welfare Programs in U.S. and Their Effects on Labor Markets.
8. Economics of College Sports.
9. Issues Relating to Funding of College or Elementary and Secondary Education.
10. The Influence of Economic Incentives on Work and Retirement.
11. Labor Unions' Impacts on Labor Markets.
12. Health Care Systems.
13. Should We Increase the Amount of Immigration to the U.S.?
14. Issues Related to Job Training and the Labor Market.
15. Workers Compensation and Its Impacts on the Labor Market.
16. Are Labor Unions Doomed to Extinction in the U.S.?
17. Has Social Security Affected Retirement Decisions?

Examples of Relevant Economics Journals:

American Economic Review

American Journal of Agricultural Economics

Challenge

Contemporary Policy Issues

Demography

Economic Inquiry

Journal of Economic Perspectives

Economic Letters

Industrial and Labor Relations Review

Industrial Relations

International Labor Review

Journal of Development Studies

The Journal of Economic Literature (excellent source for articles)

Journal of Health Economics

The Journal of Human Resources

Journal of Labor Economics

Journal of Law and Economics

Labor History

Monthly Labor Review

The National Tax Journal

Public Choice

Public Interest

The Southern Economic Journal

ATTENDANCE

Although attendance does not officially count towards your grade, I do "take attendance" at each class. Students are expected to attend punctually all scheduled classes. Given a choice between arriving late and missing class, a student is advised not to arrive late. This is a senior level course so you are presumably here because you want to be. If you do not plan on attending class regularly, I suggest you drop the class now. **More than 3 unexcused absences will result in a ONE FULL GRADE REDUCTION IN YOUR COURSE GRADE for each unexcused absence beyond 3!** (e.g. if you have an A- in the course and have more than unexcused absences, you will receive a B-.)

Other Important Notes:

1. Students are to take the examinations at their scheduled time. Students missing an examination without a University recognized excused absence will be given a zero (0) score on the missed exam. Students who do not take an examination due to a University recognized excused absence will have the remaining examination counted proportionately more such that there will be no penalty for missing the exam. HOWEVER, THERE ARE NO MAKEUP EXAMINATIONS. Unless otherwise stated in the syllabus, problem sets, journal articles and all other material to be handed in, will be due at 11:00 a.m. on the due date. NO CREDIT WILL BE GIVEN FOR ASSIGNMENTS TURNED IN LATE except for those accompanied by a written University recognized excused absence (see Undergraduate Catalog). Similar rules apply to ALL MATERIAL HANDED IN. Punctual (i.e., on-time) classroom attendance is required. Arriving late to class and/or leaving early is distracting and diminishes the educational attainment of those attending class in accordance with University Policy. Personally, I think it is rude and inconsiderate to obstruct the serious pursuit of learning that students are entitled to and expect. I will end class at or before 12:15.
2. **Cheating will not be tolerated.** Confirmed cases of academic dishonesty will be pursued and punished to the utmost permitted by University regulations. Students are required to be familiar with and abide by the Student Code of Conduct as described in the Undergraduate and Graduate Catalog. You are encouraged to become familiar with the University's Policy of Academic Dishonesty that can be found on line Student Guide to University Policies. The content of the Guide applies to this course. The faculty of the Department of Economics is strongly committed to upholding the University policy on academic dishonesty. You are responsible for knowing and abiding by this policy.
The content of the Handbook applies to this course. Examples include exams, major and pop quizzes, problem sets, journal articles and term papers. Details of the policy are stated in the Official Student Handbook in the Code of Conduct, Section 1, Academic Dishonesty. It can be found online at <http://www.udel.edu/stuguide/07-08/code.html#honest>
3. **Assignments, announcements, etc.:** You are responsible for all assignments, announcements and materials presented in class, at the class web site, and in your email. Material on exams may not be in any of the readings. Announcements always are made at the start of class. If you miss an announcement, either in class or on the web or in your email, it is

your problem, not mine. You are responsible for watching your email and the web site for important announcements!

Not doing so may cost you points

4. Tuesday, October 23, is the last day to withdraw from courses without academic penalty.

5. Tuesday September 11 is the last day to register or add classes without financial penalty. Students withdrawing from a course will receive a permanent 'W' on their record.

6. Your Economics 483 Course Material Booklet and relevant readings from the various packets and The Selected readings from the McConnell-Brue readings. You are responsible for bringing them to class every day.

7. Cell phones are not allowed. If your cell phone rings during class, you may be asked to leave class.

8. If you come to class **LATE** after a major exam has begun, you will have to stop when the rest of the class stops: 12:15 for major exams.

9. During the semester we will be doing group as well as individual projects (worth points) in and out of class. I understand that other students in the relevant group will be asked whether or not you "carried your weight" in the project. If not penalties will be imposed. Also, if you have an unexcused absence and the class did group projects on that day, you will receive a zero for the exercise.

10. You are responsible for all problem sets. Unless you are told otherwise, you will do all of your work on the pages provided.

Student Copy

ACKNOWLEDGEMENT

I acknowledge that I have received and have in my possession a copy of the syllabus, reading list and grading procedures for ECON 483. I also acknowledge that I have read the above syllabus and the grading procedures for this class and understand clearly the instructor's policies described herein. I further acknowledge that I understand the punctual classroom attendance policy as well as the penalty for more than 3 unexcused absences. I additionally acknowledge that I understand the University's attendance regulations and agree to abide by them as they pertain to this course.

(signed)

(date)

(name - please print)

Dr. Link's Copy

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(Signed)

(Date)

(Name - please print)

Biographical information:

Name

Phone #

E-mail address

Campus address

Have you had a calculus course? (Circle one: Yes No)

Are you familiar with Windows Excel? (Circle one: Yes No)

Have you had Econ 422 or Econ 415? (Circle one: Yes No)

If you said that you are familiar with Excel, do you feel confident using the program?
(Circle one: Yes No)

Have you received a C or better in intermediate microeconomics or its equivalent?
(Circle one: Yes No)

If your answer is 'No', you should drop the course since intermediate micro is a prerequisite for EC483!!!!!!