



Office/Contact: 67 George Street, Room 107 Theresa_Devine@brown.edu (401) 863-9311 during Office Hours Office Hours: Mondays 12-2	Course Meeting Information: Thursday 9:30-11:50 Taubman Center - 67 George Street
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Course Objective

The purpose of this course is to introduce you to economic analysis of labor market policy – a multi-faceted, complex, fascinating and important subject. Throughout the course, we will look at current policy questions and learn how labor economics can help us answer them.

Prerequisites

The foundation of labor economics is microeconomics. You should be prepared to work extensively with graphs. A review handout will be distributed. I urge you to do additional review if you do not feel confident with basic models. *Principles of Economics* by N. Gregory Mankiw is on reserve at Rockefeller Library. Intermediate micro is not required.

Course Materials

Text:

Ehrenberg, Ronald and Robert Smith, *Modern Labor Economics*, 11th Edition, 2012.

The text website www.aw-bc.com/ehrenberg is quite good. I encourage you to use this resource.

Canvas:

Canvas will be the online teaching tool for the course. Please verify that Canvas will send email notices to an email account that you check regularly. The syllabus is on Canvas so that you can use the hyperlinks to external sources. Readings are also in the Files folder on Canvas.

Media:

We will study additional policy examples from the New York Times, NPR segments, and other sources. Some links are in the syllabus; others will be provided during the semester through Canvas.

Notes:

A smartboard will be used in every class. Copies of slides will be provided at the start of class. We will fill in graphs and other material. I encourage you to bring colored pencils to class.

Labor Market Data:

We will learn about labor market data (how key measures like the unemployment rate are defined, where the data come from, etc.) and why the monthly data are so important.

Government websites that I will ask you to consult include:

1. U.S. Census Bureau: www.census.gov
2. U.S. Bureau of Labor Statistics: www.bls.gov

How the government measures unemployment and other useful definitions:

http://www.bls.gov/cps/cps_htgm.htm#concepts

BLS state and local payroll employment data – overall and by industry:

<http://data.bls.gov/pdq/querytool.jsp?survey=sm>

BLS state and local labor force data:

<http://data.bls.gov/pdq/querytool.jsp?survey=la>

BLS Quarterly Census of Employment and Wages (QCEW):

<http://data.bls.gov/pdq/querytool.jsp?survey=en>

3. Rhode Island Labor Market Information: <http://www.dlt.ri.gov/lmi/>

4. International Data: <http://stats.oecd.org/Index.aspx?DataSetCode=CWB>

Course Requirements

You are responsible for all material covered in class and in problem sets. To prepare for each class: (1) rework notes from the previous class with pencil and paper – making sure that you know terminology and how to work with the models, (2) review related sections of the text – with pencil and paper -- paying particular attention to both theory and cases/examples (whether or not the examples are discussed in class), and (3) read new sections of the text and available lecture notes so that you are familiar with the new topic when you walk into class.

Problem Sets. To learn economics, doing problems is essential. There will be four (4) problem sets. Some problems will use simple examples. Some will use real world examples. Each student must submit a completed problem set, but *I strongly encourage you to work together*. If you understand the material, explain it to a classmate who does not. You will learn something! Of course, you can always come to see me with questions. I also encourage you to work through the problems at the end of each chapter and the online problems at www.aw-bc.com/ehrenberg.

Issues Briefs. You will submit three (3) sets of issues briefs based on class readings and discussions and guided by questions from me. Issues briefs must be prepared independently.

Labor Market One-Page Memos. You will submit two (2) one-page memos summarizing the monthly U.S. labor market data. We will discuss how to write this kind of memo in class.

Grades

Final grades will be based on a weighted average, with problem sets counting 20 percent, issues briefs counting 60 percent (Set 1: 15 percent, Set 2: 20, and Set 3: 25 percent), memos 5 percent each, and class participation 10 percent. The assignment of letter grades will depend on the distribution of weighted averages, not an absolute scale.

In the event that you disagree with a grade, please submit a written request for review. Your request should include a clear statement of your argument attached to the original document. I will review your request carefully.

Disability Support

Please do not hesitate to request assistance from me if you need it. Students who require accommodation based on disability should contact Student and Employee Accessibility Services (SEAS) at 401-863-9588 or seas@brown.edu. For more information on the process, please see: http://www.brown.edu/Student_Services/Office_of_Student_Life/dss/

Course Outline

Dates	Topics	Readings
1/23	Introduction to Labor Economics and Labor Market Policy <i>Policy Example:</i> <i>Child school (labor) laws in India</i>	Chapter 1 NYT on child labor in India 2-26-13
1/30	Overview of the Labor Market Key Concepts and Terminology Understanding U.S. Labor Market Data <i>How is the unemployment rate defined?</i> <i>What is nonfarm payroll employment?</i> <i>Why are labor market data so important?</i> <i>Where do we find the current numbers?</i> How to write a one-page memo	Chapters 2, pages 25 to 34 NYT on calorie-packed-perk 6-20-13 NPR on Google perks 12-18-13 NY Fed on permanent vs temporary layoffs
2/6	Simple Model of the Labor Market <i>Memo 1 on December U.S. labor market due</i>	Chapter 2, pages 35-54. The December 2013 U.S. data are posted on the BLS website. See Employment Situation .
2/13	Labor Demand <i>Policy Examples:</i> <i>International trade and U.S. labor markets</i> <i>Wage and income taxes</i> <i>Wage subsidies</i> Problem Set 1 Due	Chapter 3 The January U.S. data will be posted on 2/7/14 at 8:30 am on the BLS website. See Employment Situation .
2/20	Labor Demand Elasticities <i>Policy Examples:</i> <i>Minimum wages</i> <i>Unions and wages</i>	Chapter 4 Card and Krueger paper Neumark and Wascher on C and K Forbes comment Atlantic on McDs and min wage 7/13 NPR on Walmart and min wage 7-16-13

2/27	<p>Labor Market Frictions Imperfect Competition <i>Policy Example:</i> <i>Monopsony and minimum wage policy</i></p> <p>Fixed Costs of Labor <i>Policy Examples:</i> <i>Employer-provided health insurance</i> <i>Growing use of part-time work</i></p> <p>Problem Set 2 Due</p>	<p>Chapter 5</p> <p>NYT on part-time work 10-27-12 NPR interview Greenhouse 11-5-12</p>
3/6	<p>Labor Supply <i>Policy Examples:</i> <i>Social Security and retirement decisions</i> <i>Public assistance and labor supply</i> <i>Cash benefits</i> <i>Work supports (child care)</i></p> <p>Issues Briefs 1 Due</p>	<p>Chapter 6</p>
3/13	<p>Determination of Pay Compensating Wage Differentials <i>Policy Examples:</i> <i>OSHA and Working in Danger</i> <i>Unpaid Internships</i> <i>Safety in factories in Bangladesh</i></p> <p>Education/Human Capital <i>Policy Examples:</i> <i>Public education</i> <i>Public subsidies for higher education</i> <i>Job training programs</i></p> <p>Signaling</p>	<p>Chapter 8</p> <p>NYT on unpaid internships 5-5-12 NYT on Bangladesh factory safety 6-30-13</p> <p>Chapter 9</p> <p>Building Futures RI Brown's new agreement with BF NYTimes on public sector pays for private training 1-8-12 video</p> <p>The February U.S. data will be posted on 3/7/14 at 8:30 am on the BLS website. See Employment Situation.</p>
3/20	<p>Pay and Productivity <i>Executive Compensation</i></p> <p>Problem Set 3 Due</p>	<p>Chapter 11</p> <p>NYT on exec compensation 9-22-12</p>
3/27	Have a nice break!	

4/3	Discrimination Inequality <i>Challenge for policy: jobs and wages available today</i> <i>Examples:</i> <i>Construction</i> <i>Manufacturing</i> <i>New local manufacturing firm: Edesia</i>	Chapters 12 Chapter 15 NPR on workers pay for low prices 4-10-13 http://www.edesiaglobal.org/
4/10	Field Trip: Edesia <i>Issues Briefs 2 Due</i>	The March U.S. data will be posted on 4/4/14 at 8:30 am on the BLS website. See Employment Situation .
4/17	Unions <i>Policy Examples:</i> <i>Private sector unions and right-to-work laws</i> <i>Public sector unions</i> <i>Public sector pensions</i> <i>Memo 2 on March U.S. labor market data due</i>	Chapter 13 NYT on union membership 1-24-13 Moody's on public sector pensions 6-27-13 Robert Clark at Anton/Lippitt 10-25-12 Joshua Rauh at Anton/Lippitt 10-25-12 Public Officials at A/L 10-12-25
4/24	Labor Market Search <i>Policy Examples:</i> <i>Unemployment insurance</i> What have we learned? <i>Problem Set 4 Due</i>	Chapters 10 and 14
4/25-5/6	Reading Period	
5/10	<i>Issues Briefs 3 Due at 2 pm</i> <i>67 George Street, Room 107</i>	

Student Data Sheet Please complete and submit on January 30th.

Name_____

Email_____

Phone_____

Program/year_____

Concentration/focus_____

Past Economics or Labor Courses (title please)_____

Current job/internship _____

Work experience_____

Dream career path_____

Anything you would like me to know?_____
