Econ 512: Labor Econ: Theory & Practice
Spring 2026

Lectures:	215 Gregory Hall	Monday and Wednesday 3:30 PM - 4:50 PM
Instructor:	Hoyoung Yoo	hoyoung@illinois.edu
		208 David Kinley Hall (DKH)
Grader:	TBD	
Office Hours:	Monday and Wednesday, 5:00 - 5:30 PM 208 DKH	
	Sign up link	
Credits:	GR (4)	

Course Information

Overview

The purpose of this course is to give you an overview of the basic elements of labor economics. The course will consist of two parts: (i) the theory and economic intuitions that form the fundamentals of labor economics, and (ii) real-world applications and the evaluation of labor market policies.

Objectives

At the end of this class, you:

- have sufficient knowledge in basic theory of labor economics
- have sufficient understanding in economics intuitions related to labor economics
- are able to link phenomenon in labor market to relevant labor economic theory
- are able to analyze labor market policies critically

Prerequisite

- This course is designed for economics majors and others who are eager to learn about Labor Economics.
- ECON 500 (Microeconomics) + ECON 501 (Macroeconomics) + ECON 502/503 (Economic Statistics/Econometrics); or department consent

Textbooks (required)

- The required textbook for this class is:

  – Labor Economics, George J, Borjas (McGraw-Hill 9th edition)
  – You can also use the older edition.

- Lecture notes and supplemental readings will be provided via Canvas.

  – These lecture notes are adapted from Chao Fu's course materials, with full credit to her contributions. Any errors remain solely my responsibility.
  – **Do not post any course materials on public sites.**

Canvas

Canvas will be the hub for class material, grades, and announcements. All lecture slides, homework, etc. will be posted there. If you are new to Canvas, you can check this video.

Evaluation

- In-Class Discussion/Participation (20% = 4 times × 5%):

  – Four in-class discussions are planned.
  – I will post the supplemental readings on Canvas one week before the discussion day.
  – You need to post your answer to the Canvas. On the discussion day, I will randomly call on students, and you need to present.

- Homework (30% = (8−2) times × 5%):

  – There will be approximately 8 homework in total. Homework must be submitted via Canvas in a pdf format.
  – The two lowest homework grades will be dropped. **However, any late homework submissions will not be accepted. Emails requesting exceptions for late submissions without reasonable, proved circumstances (medical issues, etc) will not be answered. No answer means your request is not accepted.**
  – You are welcome and encouraged to work in small groups on the assignments. However, as listed in the academic integrity section below, you are expected to write up and submit your own solutions.

- Exams (50% = 12% (midterm I) + 12% (midterm II) + 26% (final)):

  – There will be three exams in total: two midterms and one final.
  – The two midterms will be in-class on Wednesday, February 18th and Wednesday, April 1st.
  – The final exam information is to be determined.

Grading

- For all grading we will be using Canvas. After grading has been published, regrade requests should be submitted within one week. After one week, no regrade requests would be considered. Regrade requests are for handling grading errors, not for arguing with the grading rubric.

- If you have a regrade request, please use the following communication channels for regrade requests (remember to state which question(s) you would like to be regraded and explain clearly why you feel it is graded incorrectly):

  - **Homework:** Please contact the grader via emails. If you still have a complaint, send me a written request through email explaining your case clearly.
  - **Midterms:** Please contact the grader via emails. If you still have a complaint, send me a written request through email explaining your case clearly.
  - **Final:** Due to time constraints, we cannot consider any regrade requests or complaints for the final exam. However, I will make sure that your final grade is invariant under a potential small change in your Final exam's score.

- Keep in mind, that there is a possibility that you might get a lower score after the regrade.

- Homework deadlines and exam dates are NOT flexible. The only exception to this rule is a death in the family or illness requiring immediate attention from a physician. See Article 1 - Student Rights and Responsibilities.

  - For more details on these issues at: https://studentcode.illinois.edu/article1/part5/1-501.
  - If you cannot meet a deadline or have conflict with an exam date, it is your responsibility to make **prior** arrangements with the instructor for that given week (no later than noon one day before the deadline).
  - To request specific accommodations, you must submit verified documentation (e.g., a formal medical certificate). If the emergency cannot be verified, the standard grading policy will apply.

Tentative Class Schedule (Economics 440 in Spring 2026)

Week	Dates	Content	Readings, Assignments
1	1/21	Class Introduction Lec 1. Introduction to Labor Economics	Borjas, Chapter 1 and Appendix 1-1
2	1/26, 1/28	Lec 2-1. Labor Supply: Labor-Leisure trade-offs Lec 2-2. Labor Supply: Policy Applications + In-class Discussion I	Borjas, Chapter 2 Reading Assignment I (for 1/28)
3	2/2, 2/4	Lec 2-2. Labor Supply: Policy Applications Lec 3. Labor Demand	Borjas, Chapter 3 HW 1 due Feb 4
4	2/9, 2/11	Lec 3. Labor Demand Lec 4. Labor Market Equilibrium	Borjas, Chapter 4.1-4.2 HW 2 due Feb 11
5	2/16, 2/18	⋆ Review Session (Lectures 1-3) ◇ Midterm I on Feb 18th	
6	2/23, 2/25	⋆ Midterm 1 Review Lec 4. Labor Market Equilibrium + In-class Discussion II	Borjas, Chapter 4 rest Reading Assignment II (for 2/25)
7	3/2, 3/4	Lec 4. Labor Market Equilibrium Lec 5. Compensating Differentials	Borjas, Chapter 5 HW 3 due Mar 4
8	3/9, 3/11 (TBD)	Lec 5. Compensating Differentials Lec 6. Education	Borjas, Chapter 6 HW 4 due Mar 11
9	3/16, 3/18	Spring Break	Reading Assignment III (for 3/18)
10	3/23, 3/25	Lec 7. Wage Distribution + In-class Discussion III Lec 7. Wage Distribution	Borjas, Chapter 7 HW 5 due Mar 25
11	3/30, 4/1	⋆ Review Session (Lectures 4-7) ◇ Midterm II on April 1st	
12	4/6, 4/8	⋆ Midterm II Review Lec 8. Labor Mobility + In-class Discussion IV	Borjas, Chapter 8 Reading Assignment IV (for 4/8)
13	4/13, 4/15	Lec 8. Labor Mobility Lec 9. Labor Mobility	Borjas, Chapter 9 HW 6 due Apr 15
14	4/20, 4/22	Lec 9. Labor Mobility Lec 10. Labor Market Discrimination	Borjas, Chapter 9 HW 7 due Apr 22
15	4/27, 4/29	Lec 10. Labor Market Discrimination	Borjas, Chapter 10, 11 HW 8 due Apr 29
16	TBD	⋆ Review Session (Cumulative)	
The final exam information is to be determined.			

Course Policies

(1) Responding to Emails

Private emails to the grader or instructor should be reserved for truly personal matters. While emails about course materials, administration, or homework are allowed, responses are not guaranteed due to the large class size. For assistance for this matter, I strongly encourage attending office hours.

(2) Disability Accommodations

To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the Disability Resources and Educational Services (DRES) as soon as possible. To contact DRES you may visit 1207 S. Oak St., Champaign, call 333-4603 (V/TTY), or e-mail a message to disability@illinois.edu.

(3) Student Commitment

By registering for this course, you commit to self-motivated study, participation in course activities, and timely submission of all assignments. Furthermore, you commit to accessing the course website and checking email at least twice per week, as well as to devoting at least 8–12 hours/week to prepare for each module and complete the required assignments and readings.

(4) Academic Integrity

Do not engage in any form of academic dishonesty. The graders and instructors are required to follow the university's policy and will take strict action if we find any evidence of it.

Academic dishonesty will not be tolerated. Examples of academic dishonesty include, but not limited to, the following:

- Cheating, Fabrication, Facilitating infractions of academic integrity, Plagiarism, Bribes, Favors and threats, Academic interference, Examination by proxy, Grade tampering, Non-original works, etc

The University's full academic integrity policy is available at: https://studentcode.illinois.edu/article1/part4. Ignorance is not an excuse for any academic dishonesty. It is your responsibility to read this policy to avoid any misunderstanding. If you do not understand relevant definitions of academic infractions, contact your instructor for an explanation within the first week of class.

(5) Collaboration, Copying, and Plagiarism

You are encouraged to discuss course material, including assignments, with your classmates. Homework assignments are meant to be learning experiences. You may discuss the exercises with other students, but you must write-up the solutions on your own.

- **Please do not copy from other students, books, or websites.** Copying or any other form of cheating will result in a zero score for the homework and possibly a more severe sanction, depending on the circumstances. A record of plagiarism can have far more serious consequences for your future career than you might realize.

- **All work you turn in must be your own.** Acknowledge any help received on your assignments. Copied assignments will receive zero credit.

- **Likewise, posting any course material on public sites like Coursehero, etc, or making any course material available to other students is considered cheating and plagiarism.** Please do not do it. Serious action will be taken.

- **I strongly do not recommend heavily relying on generative AI, as it may hinder the development of your critical thinking skills.** However, I will not prevent you from using generative AI tools for assistance.

(6) Emergency Response Recommendations

If you have an emergency that will keep you from participating in the course, please notify your instructor by using the instructor's email address (not a Canvas message). Provide call-back information in your email (if necessary). You should also notify your program director of any emergencies. Emergency response recommendations can be found at the following website: https://police.illinois.edu/em/planning/emergency-response-guide/. I encourage you to review this website and the campus building floor plans website within the first 10 days of class.

(7) Family Educational Rights and Privacy Act (FERPA)

Any student who has suppressed their directory information pursuant to Family Educational Rights and Privacy Act (FERPA) should self-identify to the instructor to ensure protection of the privacy of their attendance in this course. See https://registrar.illinois.edu/academic-records/ferpa/ for more information on FERPA.

(8) Sexual Misconduct Policy and Reporting

The University of Illinois is committed to combating sexual misconduct. Faculty and staff members are required to report any instances of sexual misconduct to the University's Title IX and Disability Office. In turn, an individual with the Title IX and Disability Office will provide information about rights and options, including accommodations, support services, the campus disciplinary process, and law enforcement options. A list of the designated University employees who, as counselors, confidential advisors, and medical professionals, do not have this reporting responsibility and can maintain confidentiality, can be found here: https://wecare.illinois.edu/resources/students/#confidential. Other information about resources and reporting is available at https://wecare.illinois.edu/.

(9) Student Support

The Counseling Center is committed to providing a range of services intended to help students develop improved coping skills in order to address emotional, interpersonal, and academic concerns. Please visit their website to find valuable resources and services: https://counselingcenter.illinois.edu/.

- **Counseling Center Information**: 217-333-3704

  - Location: Room 206, Student Services Building 610 East John Street, Champaign, IL
  - Appointment: Scheduled for same day, recommend calling at 7:50 a.m.

- **McKinley Mental Health Information**: 217-333-2705

  – Location: 3rd Floor McKinley Health Center 1109 South Lincoln, Urbana, IL

  – Hours: 8 a.m. – 5 p.m., Monday through Friday (Appointment: Scheduled in advance).

- **Emergency Dean**: The Emergency Dean may be reached at (217) 333-0050 and supports students who are experiencing an emergency situation after 5 pm, in which an immediate University response is needed and which cannot wait until the next business day. The Emergency Dean is not a substitute for trained emergency personnel such as 911, Police or Fire. If you are experiencing a life threatening emergency, call 911. Please review the Emergency Dean procedures: http://odos.illinois.edu/emergency/.

(9) Artificial Intelligence (AI) Use Policy

AI tools (such as ChatGPT, Claude, Copilot, Gemini, and similar systems) are not permitted on exams or in-class activities unless explicitly stated. Use of AI on restricted assessments constitutes academic misconduct. My unsolicited guideline is as follows.

- Students may use AI tools for the following purposes:

  – Coding assistance, such as: debugging syntax errors, explaining error messages, suggesting alternative implementations.

  – Data analysis support, such as: help understanding documentation, suggestions for variable construction, outlining analysis steps (students must implement and interpret results themselves).

  – Writing support, such as: grammar and clarity edits, rephrasing for conciseness or organization, feedback on structure and flow.

  – When AI tools are used in substantial ways, students must acknowledge their use in a brief statement (e.g., in code comments or an appendix), describing what assistance was received.

- Students **must not** use AI tools to:

  – Generate full solutions to problem sets or assignments.

  – Write substantial portions of analysis, interpretation, or conclusions.

  – Automatically generate final code, regressions, or results and submit them without understanding and verification.

  – Circumvent learning objectives by outsourcing core analytical tasks.

  – Submitting AI-generated work as one's own intellectual contribution constitutes academic misconduct.

- AI tools can produce incorrect, misleading, or fabricated information and code. Students are fully responsible for:

  – Verifying correctness of all results,

  – Ensuring code runs as submitted,

  – Confirming that interpretations are accurate and supported by data.

  – Errors attributable to AI assistance are treated the same as any other errors.

(10) Modifications

The instructor reserves the right to make any changes she considers academically advisable. Such changes, if any, will be announced in class and Canvas. Please note that you are responsible for following the class and keeping track of possible announcements.