

Econ 590: Labor Economics: Theory & Practice

Spring 2025

Lectures:	111 Gregory Hall	Monday and Wednesday 11:00 AM - 12:20 AM
Instructor:	Hoyoung Yoo	hoyoung@illinois.edu 18B David Kinley Hall (DKH)
Grader:	Sofia Dunets	sdunets2@illinois.edu
Office Hours:	Monday and Wednesday, 8:30 - 9:20 AM Monday and Wednesday, 1:00 - 2:00 PM	Zoom link or 319 Gregory Hall Zoom link or 18B DKH
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 530 (Microeconomic Theory I) + ECON 531 (Macroeconomic Theory I) + Econ 532 (Econometric Analysis I); 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.

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 (10% = 5 times \times 2%)
 - 5 in-class discussions are planned.
 - I will post the supplemental readings on Canvas one week before the discussion day.
 - I will randomly call on students, and the following rules will apply:
 - (a) If you have done the readings and can share your thoughts (no right or wrong answers—demonstrate your critical thinking!), you will receive full credit (2%).
 - (b) If you are NOT called, I cannot tell whether you have done the readings or not, and you will still receive full credit (2%).
 - (c) If you are called but have not done the readings and cannot provide any input based on them, you will receive partial credit (1%).
 - (d) If you are called but are absent, you will receive no credit (0%).
- Homework (30% = (7–2) times \times 6%):
 - There will be approximately 7 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 (60% = 15% (midterm I) + 15% (midterm II) + 30% (final)):
 - There will be three exams in total: two midterms and one final.
 - The two midterms will be in-class on Wednesday, February 19th and Wednesday, April 2nd.
 - The final exam is scheduled based on the University’s finals schedule: Thursday, May 15th 8 AM. The final will be cumulative.

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 590 in Spring 2025)

Week	Dates	Content	Readings, Assignments
1	1/22	Class Introduction Lec 1. Introduction to Labor Economics	Borjas, Chapter 1 and Appendix 1-1
2	1/27, 1/29	Lec 2-1. Labor Supply: Labor-Leisure trade-offs Lec 2-2. Labor Supply: Policy Applications	Borjas, Chapter 2 Reading Assignment I (for 2/3)
3	2/3, 2/5	Lec 2-2. Labor Supply: Policy Applications + In-class Discussion I Lec 3. Labor Demand	Borjas, Chapter 3 <u>HW 1 due Feb 5</u>
4	2/10, 2/12	Lec 3. Labor Demand Lec 4. Labor Market Equilibrium	Borjas, Chapter 4.1-4.2 <u>HW 2 due Feb 12</u>
5	2/17, 2/19	* Review Session (Lectures 1-3) ◊ Midterm I on Feb 19th	
6	2/24, 2/26	* Midterm 1 Review Lec 4. Labor Market Equilibrium + In-class Discussion II	Borjas, Chapter 4 rest Reading Assignment II (for 2/26)
7	3/3, 3/5	Lec 4. Labor Market Equilibrium Lec 5. Compensating Differentials	Borjas, Chapter 5 <u>HW 3 due Mar 5</u>
8	3/10, 3/12	Lec 5. Compensating Differentials Lec 6. Human Capital	Borjas, Chapter 6 <u>HW 4 due Mar 12</u> Reading Assignment III (for 3/24)
9	3/17, 3/19	Spring Break	
10	3/24, 3/26	Lec 7. Unemployment + In-class Discussion III Lec 7. Unemployment	Borjas, Chapter 12 <u>HW 5 due Mar 26</u>
11	3/31, 4/2	* Review Session (Lectures 4-7) ◊ Midterm II on April 2nd	
12	4/7, 4/9	* Midterm II Review Lec 8. Wage Distribution	Borjas, Chapter 7 Reading Assignment IV (for 4/14)
13	4/14, 4/16	Lec 8. Wage Distribution + In-class Discussion IV Lec 9. Labor Mobility	Borjas, Chapter 8 <u>HW 6 due Apr 16</u>
14	4/14, 4/16	Lec 9. Labor Mobility Lec 10. Labor Market Discrimination	Borjas, Chapter 9 Reading Assignment V
15	4/21, 4/23	Lec 10. Labor Market Discrimination + In-class Discussion V Lec 11. Labor Unions	Borjas, Chapter 10
16	4/28, 4/30	Lec 11. Labor Unions Lec 12. Incentive Pay	Borjas, Chapter 11 <u>HW 7 due Apr 30</u>
17	5/5, 5/7	Lec 12. Incentive Pay * Review Session (Cumulative)	
The final exam will be held on Thursday, May 15th at 8 AM. The location 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/>.

(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.