

University of Illinois at Urbana-Champaign
College of Liberal Arts & Sciences
Department of Economics
Fall 2018

Econ 440: Economics of Labor Markets

Instructor: Yue Wu

Class Time: T/TH 3:30pm-4:50pm

Location: DKH 2125 (David Kinley Hall)

Office Hour: After class or by appointment

Email: yuewu7@illinois.edu

Course Description:

With simple economic models, case studies and empirical facts, this course aim to understand and analyze labor market dynamics. We'll start with looking at the microeconomic determinants of labor demand and supply and how they balance to reach an equilibrium.

Next, we extend and generalize the basic supply-demand framework and dive into more interesting topics. What is the impact of immigration on the earnings of native-born workers? How much more can you earn if you hold a college degree? What is the impact of affirmative action programs on the earning and employment opportunity of women and minorities?

Course Reading:

- Borjas, G., Labor Economics, McGraw-Hill
- Other materials will be posted on Compass2g as needed

Topics:

- Labor supply
- Labor demand
- Labor market equilibrium
- Firm characteristics
- Human capital
- Migration
- Labor market discrimination
- Unemployment

Student Assessment:

Scoring

- | | |
|-----------------------------------|---------------|
| • 2 Midterm exams | 40% (20%+20%) |
| • Paper and in-class presentation | 30% (20%+10%) |
| • Homework | 20% |
| • Class participation | 10% |

Exams

There will be 2 midterm exams in class for this course and no final exam. Conflict exams or make-up exams will not be offered.

Tentative schedule

- Midterm I: Wednesday, Oct 4th
- Midterm II: Monday, Nov 27th

Actual exam time will be announced one week prior to the exams.

Paper & Presentation

There will be a final paper (5-10 pages) due on Friday, Dec 15th. You will also be giving a 10 minutes presentation on your own paper towards the end of the semester. More will be discussed on this later in the semester.

Homework

There will be 4 homework assignments throughout the semester. The purpose of the homework is to facilitate understanding of the course material and help you to better prepare for the exams.

Class participation

Class participation will be based on attendance. Attending all lectures except for two will give you full 10 points. For each other class you miss, 0.5 points will be deducted. To encourage participation in the class, 1% bonus point will be added to your final course grade if you are active in the class.

Academic Integrity:

“Expectations of Students. It is the responsibility of each student to refrain from infractions of academic integrity, from conduct that may lead to suspicion of such infractions, and from conduct that aids others in such infractions. Students have been given notice of this Part by virtue of its publication. Regardless of whether a student has actually read this Part, a student is charged with knowledge of it. Ignorance is not a defense.”

Full text on the University Policy in the student’s codebook available:

http://studentcode.illinois.edu/article1_part4_1-401.html

Tentative Schedule:

Wk	Day	Date	Lecture	Topics	Assignments
1	Mon	28-Aug	1	Introduction	
	Wed	30-Aug	2	Ch2: Labor Supply	
2	Mon	4-Sep		Labor Day	
	Wed	6-Sep	3	Ch2: Labor Supply	
3	Mon	11-Sep	4	Ch2: Labor Supply	
	Wed	13-Sep	5	Ch3: Labor Demand	
4	Mon	18-Sep	6	Ch3: Labor Demand	HW
	Wed	20-Sep	7	Ch4: Labor Market Equilibrium	
5	Mon	25-Sep	8	Ch4: Labor Market Equilibrium	
	Wed	27-Sep	9	Ch4: Labor Market Equilibrium	
6	Mon	2-Oct	10	Review	HW
	Wed	4-Oct	11	Midterm I	
7	Mon	9-Oct	12	Paper & empirical methods	
	Wed	11-Oct	13	Ch6: Human Capital	
8	Mon	16-Oct	14	Ch6: Human Capital	
	Wed	18-Oct	15	Ch6: Human Capital	
9	Mon	23-Oct	16	Ch9: Labor Market Discrimination	
	Wed	25-Oct	17	Ch9: Labor Market Discrimination	
10	Mon	30-Oct	18	Ch8: Labor Mobility	HW
	Wed	1-Nov	19	Ch8: Labor Mobility	
11	Mon	6-Nov	20	Ch8: Labor Mobility	
	Wed	8-Nov	21	Ch11: Unemployment	
12	Mon	13-Nov		Fall Break!	
	Wed	15-Nov		Fall Break!	
13	Mon	20-Nov	22	Ch11: Unemployment	
	Wed	22-Nov	23	Review	HW
14	Mon	27-Nov	24	Midterm II	
	Wed	29-Nov	25	Presentations	
15	Mon	4-Dec	26	Presentations	
	Wed	6-Dec	27	Presentations	
16	Mon	11-Dec	28	Presentations	
	Wed	13-Dec	29	Presentations	
				No Final Exam	Final paper

Grading Scale:

Grade	Percentage	Grade	Percentage
A+	97.00-100.00	C+	77.00-79.99
A	93.00-96.99	C	73.00-76.99
A-	90.00-92.99	C-	70.00-72.99
B+	87.00-89.99	D+	67.00-69.99
B	83.00-86.99	D	63.00-66.99
B-	80.00-82.99	D-	60.00-62.99
		F	0.00-59.99