

Chris Duelfer
205 Curtis Hall, (610) 606-4666 x3410
cduelfer@cedarcrest.edu

Office Hours: Mon. 11:00 – 12:00, 3:00 – 4:00
Wed. 11:00 – 12:00, 3:00 – 4:00
Fri. 11:00 – 12:00, 3:00 – 4:00

Cedar Crest College
Economics 302
Labor Economics
3 Credits
Fall 2009

Text:

McConnell, Brue, and Macpherson. Contemporary Labor Economics. Eighth Edition, McGraw-Hill Irwin, 2009. (ISBN 978-0-07-351132-0)

Prerequisite: ECO 102 or permission of the instructor

Description:

A micro and macro labor market analysis, including such topics as: wage determination; wage differentials; labor mobility; relationships among wages, prices, and employment; labor productivity; income inequality; and labor's share of national income.

Course Objectives:

This course will provide an overview and framework for understanding the way labor markets work. Labor markets have a very direct impact on our lives, and this course will examine issues such as: the factors that determine the wages for various occupations, the decline of manufacturing and the rise of the service economy, why some occupations decline in importance, the growth of women's participation in the labor force, the loss of job security, how technology is changing the labor market, and the lifetime value of a college degree.

Course Outcomes:

Economics is not a set of facts to be learned, it is a framework for thinking about problems and issues and for analyzing policies. Students should be able to:

- Understand how market forces influence the level of wages and salaries and the availability of jobs in various occupations, as well as the distribution of income in society.
- Apply basic economic principles to the analysis of: the flexible US labor market, which provides increasing prosperity for society at the cost of job insecurity for individuals; the role of technology and education in the growth of income inequality; and government policies which affect labor market outcomes.
- Understand the trends currently changing the nature of the workplace.

Assessment:

Students will use economic principles to explain the functions of labor markets and to analyze government policies that influence them via examinations, classroom discussion, and a paper.

Examinations:

There will be two hourly exams and a cumulative final exam. Exams can be rescheduled only with approval of the instructor **prior** to the exam date or in the event of an emergency. The exam dates are:

Exam #1: Thursday, September 24

Exam #2: Tuesday, November 3

Grading:

The two hourly exams and the final exam will each count approximately 25% of your grade. The word “approximately” is use to indicate that your level of participation will influence your final grade. A paper on a topic to be assigned in class will count for 25% of your grade. Your grade will reflect your understanding of the concepts covered in class as well as your ability to apply tools of economic analysis to various problems.

Course Requirements:

- Attend class, keep current on all assignments.
- Participate in class discussions and analyses of current events.
- **Ask questions** if you don't understand something.

Attendance:

It is vital that you attend class. If you are unable to attend, you must notify the instructor as quickly as possible. Excessive absences will result in a lower grade.

Honor Code and classroom protocol:

I fully support the Cedar Crest College Honor Code and the Classroom Protocol code as stated in the Customs Book.

Plagiarism: Students are expected to be familiar with Cedar Crest College's policy regarding plagiarism as stated in the Student's Guide. Depending on the severity of the offense, evidence of plagiarism will result in penalties that may range from a request to redo the assignment before a grade is assigned to failure of the course.

Students with Disabilities:

Students with documented disabilities who may need academic accommodations should discuss these needs with their professors during the first two weeks of class. Students with disabilities who wish to request accommodations should contact the Advising Center.

Extra Credit:

“Extra credit” is not available in this course. I believe that it is vital that you understand and are able to apply the concepts we cover, that the exams, discussions, and paper are the best way to evaluate your performance, and that extra credit is unfair to other students who do “only” the required course work. If you are having difficulties with the course, it is your responsibility to seek help immediately; I will be glad to provide it.

The Course**Labor Supply and Labor Demand**

Introduction to labor economics. Models of labor supply: work versus leisure and the Becker model. Human Capital Theory. The demand for labor in the short and long run.

Ch. 1 – Labor Economics: Introduction and Overview

Ch. 2 – The Theory of Individual Labor Supply

Ch. 3 – Population, Participation Rates, and Hours of Work

Ch. 4 – Labor Quality: Investing in Human Capital

Ch. 5 – The Demand for Labor

Labor Markets in Operation

The determination of wages under various market conditions. How labor markets allocate labor. Compensation packages and incentives. The efficiency wage. Wage differentials.

Ch. 6 – Wage Determination and the Allocation of Labor

Ch. 7 – Alternative Pay Schemes and Labor Efficiency

Ch. 8 – The Wage Structure

Discrimination, Job Search, and Income Inequality

Models of gender and racial discrimination. External and internal labor markets. Sources of income inequality.

Ch. 14 – Labor Market Discrimination

Ch. 15 – Job Search: External and Internal

Ch. 16 – The Distribution of Personal Earnings

Unemployment

Types and causes of unemployment and the public policy response.

Ch. 18 – Employment and Unemployment