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Econ 225b 2006
Tues. & Thurs. 9:00-10:15
Revised December 5, 2005
Office Hours Thurs: 1:30-2:30

Labor Economics and Welfare Policies - Econ 225b

The course builds on microeconomics, introduces analytical frameworks useful for interpreting outcomes in labor markets and household behavior, surveys the current understanding of labor supply and demand, human capital and wage inequality, discrimination, unemployment, and the consequences of taxes and transfers, unions, and incentive contracts. The course will use the textbook of George Borjas, Labor Economics (McGraw Hill, Boston, 3rd edition 2005). I list the chapters in the book and the dates when I will expect students to have done the reading on which I will rely for class discussions.

Chap.			
1 & 2	Labor Supply and Introduction	(Problem Set 1)	January 10, 12,
3	Topics in Labor Supply*	(Problem Set 2)	January 17, 19,
4	Labor Demand	(Problem Set 3)	January 24, 26
5	Labor Market Equilibrium*	(Problem Set 4)	Jan 31, Feb 2
6	Compensatory Wage Differentials: Job Amenities, etc.		February 7, 9
7	Human Capital : Reproducible Productivity Differentials*	(Problem Set 5)	February 14, 16
	MIDTERM EXAMINATION		February 21
8	Wage Structure and Income Inequality* (Problem Set 6)		February 23, 28
9	Labor Mobility: Internal Migration and Immigration (P.S. 7)		March 2, break 21
10	Labor Market Discrimination and Decomposition of Wage Gaps		March 23, 28
		*(Problem Set 8)	
11	Consequences of Labor Unions		March 30, April 4
12	Labor Market Contracts and Work Incentives		April 6, 11
13	Unemployment, Welfare Safety Nets, and Social Security		April 13, 18
	Review session or catch up if needed		April 20
	FINAL EXAMINATION		TBA

In addition to the textbook, some additional reading assignments (*) may be assigned, generally available to download from free websites from Yale network PCs. Problem sets will be included to monitor student understanding of some concepts and analytical methods as we proceed. Additional materials can be added (or withdrawn) to accommodate particular interests of the class and time limitations.

Credit Distribution: 50% final, 30% midterm, 10% problems, 10% participation in class