Labor Economics 225

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, 2nd edition 2000). 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 on for class discussions.

1 & 2 Labor Supply and Introduction
3 Topics in Labor Supply
4 Labor Demand
5 Labor Market Equilibrium
6 Compensatory Wage Differentials: Job amenities, etc.
7 Human Capital: Reproducible Productivity Differentials

MIDTERM EXAMINATION

8 Wage Structure and Income Inequality
9 Labor Mobility: Internal Migration and Immigration
10 Labor Market Discrimination and Decomposition of Wage Gaps
11 Consequences of Labor Unions
12 Labor Market Contracts and Work Incentives
13 Unemployment and Welfare Safety Nets

Review session

FINAL EXAMINATION

In addition to the textbook, some additional reading assignments may be given, or placed on my website for students to download. Several problem sets or short essays may be added to monitor student understanding of the key concepts and analytical methods as we proceed. Additional materials can be added or withdrawn to accommodate particular interests of the class.