ECON 339: LABOR ECONOMICS
Fall 2020
TuTh 4:20 PM – 5:40 PM, Online Class
Dr. Jeffrey T. Lewis (ECON)
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Office Hours: to be determined

TEACHING ASSISTANT
TA Ashley Wong (ashley.wong@u.northwestern.edu)
TA office hours and locations will be posted on Canvas.

COURSE OVERVIEW
Labor economics is the study of the workings and outcomes of the market for labor. Among
other topics, we will analyze the employment and wage effects of such social policies as welfare
reform, the Earned Income Tax Credit, the minimum wage, payroll taxes, mandated benefits,
immigration policies, safety and health regulations, antidiscrimination laws, and trade policies.

COURSE WEBSITE
This course has a website on Canvas. Everyone should automatically be enrolled in the Canvas
website upon official enrollment in the class. I will post my lecture notes on the website. Print
out the lecture notes. On Canvas, I'll also post an announcement with the link to my recorded
lecture (recorded through Zoom). Finish filling out the lecture notes as you watch the recording
of the Zoom lecture. The lectures are pre-recorded. We are not having live lectures on Zoom
during our regularly scheduled class time.

COURSE MATERIALS
The textbook for the course (which is optional) is *Labor Economics* (Eighth Edition) by George J.
Borjas. My lecture notes are based on Borjas's text and other sources. You will need a calculator
for the problem sets and exams.

PROBLEM SETS
Most weeks, I will post a problem set on Canvas. You will need to submit numerical answers or
answer multiple choice questions on Canvas. Canvas will automatically grade your submissions.
If you miss the deadline for submitting your answers, you will not receive credit for that problem
set. For questions about how to complete the Canvas problem sets, read the policy_canvas_psets
handout on Canvas (under Policies folder).

OFFICE HOURS
We will hold Zoom office hours. You can't check over your problem set answers during office
hours. You need to complete the problem sets on your own. You can ask us questions about the
course material or sample problems that we post on Canvas during office hours.

QUIZZES
We will give four quizzes this term (through Quizzes link on Canvas). The quizzes are open-note.
Here are the quiz dates:

Thursday, October 1 starting at 4:20 PM central time
Thursday, October 8 starting at 4:20 PM central time
Thursday, October 29 starting at 4:20 PM central time
Thursday, November 5 starting at 4:20 PM central time

EVALUATION
Here are the assessments that will be used to determine your final grade:

> Problem Sets/ Quizzes
> Exam #1
> Exam #2
> Final Exam

We will drop your lowest problem set score. We will drop your lowest quiz score. At the end of the term, we will do this calculation:

$$[(\text{your PS points} + \text{your quiz points})/(\text{total PS points} + \text{total quiz points})]\times100\%$$

This percentage score will constitute 10% of your final grade.

Your final grade will be determined by whichever calculation is highest (method *a*, *b*, or *c*):

a) 10%×(Problem Sets/Quizzes) + 30%×(Exam #1) + 30%×(Exam #2) + 30%×(Final Exam)
b) 10%×(Problem Sets/Quizzes) + 0%×(Exam #1) + 30%×(Exam #2) + 60%×(Final Exam)
c) 10%×(Problem Sets/Quizzes) + 30%×(Exam #1) + 0%×(Exam #2) + 60%×(Final Exam)

EXAM DATES
Exam #1 will be given online on Tuesday, October 20 from 4:20 PM – 5:40 PM central time.

Exam #2 will be given online on Tuesday, November 17 from 4:20 PM – 5:40 PM central time.

The Final Exam will be given online on Thursday, December 3 from 7:00 PM – 9:00 PM central time.

The exams are online (through Quizzes link on Canvas) and open-note. You must take the exams on the dates/times specified above.

EXCUSED ABSENCES/ MAKEUP POLICIES/ INCOMPLETES

Problem Sets/Quizzes

There are no makeup Canvas problem sets. If you miss the deadline for submitting your answers (for any reason), you will not receive credit for that problem set. We will drop your lowest problem set score. There are no makeup quizzes. If you miss a quiz (for any reason), you will not receive credit for that quiz. We will drop your lowest quiz.

Exams

There are no makeup exams for Exam #1 or Exam #2.

If you miss Exam #1 (for any reason), but do take Exam #2 and the Final Exam, then your final grade will be determined by whichever calculation is highest: method *a*, *b*, or *c*.

If you miss Exam #2 (for any reason), but do take Exam #1 and the Final Exam, then your final grade will be determined by whichever calculation is highest: method *a*, *b*, or *c*.

If you miss both Exam #1 (for any reason) and Exam #2 (for any reason), but do take the Final Exam, then your final grade will be determined by whichever calculation is highest: method *a*, *b*, or *c*. (Please note that the withdrawal deadline is after Exam #2.)

Incompletes

If you take the Final Exam, or start to take the Final Exam, then you cannot receive an excused absence for that assessment. Your exam score will be recorded. You wouldn't qualify for an Incomplete.

If you miss the Final Exam for an excused reason (such as an illness or family emergency), then you would need to email me and then petition for an Incomplete through the Dean's Office.

To qualify for an Incomplete if you do not take the Final Exam:

1) The Dean's Office would have to approve your Incomplete petition.

2) You would have to have taken either Exam #1 or Exam #2. (If you miss both Exam #1 (for any reason) and Exam #2 (for any reason), then you would not qualify for an Incomplete.)

3) It has to be possible for you to receive a final course grade of at least 60% if you take the makeup Final Exam.

If you receive an Incomplete, then you would take the makeup Final Exam during finals week of the next term.

GRADING POLICIES
For questions on how to deal with rounding on problem sets and exams, read the policy_rounding handout on Canvas (under Policies folder). Final grades will be decided on the following scale:

A	93.0-100		C+	77.0-79.99
A-	90.0-92.99		C	73.0-76.99
B+	87.0-89.99		C-	70.0-72.99
B	83.0-86.99		D	60-69.99
B-	80.0-82.99		F	Below 60

NORTHWESTERN POLICIES

Academic Integrity
The Provost's Office maintains information on resources and university principles related to academic integrity; see http://www.northwestern.edu/provost/policies/academic-integrity/.

Disability Accommodations
Any student requesting accommodations related to a disability or other condition is required to register with AccessibleNU (accessiblenu@northwestern.edu; 847-467-5530) and provide professors with an accommodation notification from AccessibleNU, preferably within the first two weeks of class. All information will remain confidential.

Policies Regarding Recordings

Recording by the Instructor: This class or portions of this class will be recorded by the instructor for educational purposes. These recordings will be shared only with students enrolled in the course in Canvas.

Recording by Students: Unauthorized student recording of classroom or other academic activities (including office hours) is prohibited. Unauthorized recording is unethical and may also be a violation of University policy and state law. Students requesting the use of assistive technology as an accommodation should contact ANU.

TENTATIVE TOPICS COVERED

Income and Substitution Effects
Budget Constraints and Indifference Curves
Log Models
Omitted Variable Bias
Labor Supply
Welfare (AFDC) and Welfare Reform (TANF)
Earned Income Tax Credit (EITC)
Labor Demand
Minimum Wage
Card and Krueger study (minimum wage)
Monopoly and Employment
Payroll Tax (tax burden and deadweight loss)
Mandated Benefits
Immigration
Compensating Wage Differentials
Human Capital (measuring returns to education, signaling model versus human capital model)
Tennessee STAR Experiment (randomized trial)
School Quality
Vouchers
Charter Schools (KIPP study)
General Training and Specific Training
Earnings Inequality
Measuring Wage Discrimination
Theories of Labor Market Discrimination
Government Antidiscrimination Policy
College Selectivity (regression matching strategy)
Trade