ECON 339: LABOR ECONOMICS
Winter 2020
TuTh 12:30 PM – 1:50 PM, University Hall 122
Dr. Jeffrey T. Lewis (ECON)
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Office Hours: will be posted weekly/ (or by appointment)

TEACHING ASSISTANT
TA Egor Kozlov (EgorKozlov2020@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 by 5:00 PM the day before class. You should print out the materials and bring them to class. Problem sets, problem set solutions, and other materials will also be posted on the website. I will post announcements on the website stating what you should print out for class and when assignments are due.

COURSE MATERIALS
The textbook for the course is *Labor Economics* (Eighth Edition) by George J. Borjas. Some sections of the textbook will be assigned for the exams. 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 two problem sets on Canvas- version *a* and version *b*. Version *a* will involve mostly graphical problems. You will hand in version *a* in lecture. For version *b*, 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). At least one of the problem sets later in the term will involve Stata.

OFFICE HOURS
During office hours, you can ask us questions about version *a*, but you need to complete version *b* on your own. Make sure you attempt version *a* before you come to office hours. Bring your work with you to office hours so that we can look over your work to help determine where you might have made a mistake. Do not come to office hours with a blank problem set sheet.

QUIZZES
We will give quizzes during lecture this term. The default is that the quizzes will be unannounced. The quizzes will be open-note (not open-phone or open-computer or open-device). Bring your calculator to every class.

EVALUATION
Grades are based on the following distribution:

Problem Sets and Quizzes together	15%
Exam #1	20%
Exam #2	25%
Final Exam (cumulative)	40%

None of your problem set scores will be dropped. We will drop your lowest quiz score. At the end of the term, we will do this calculation:

[(your PS points + your quiz points)/(total PS points + total quiz points)]×100%

This percentage score will constitute 15% of your final grade.

None of your exam scores will be dropped. You cannot use a formula sheet on any of the exams.

EXAM DATES
Exam #1 will be given in class on Thursday, February 6.
Exam #2 will be given in class on Thursday, March 5.
The Final Exam will be given on Monday, March 16 from 3:00-5:00 PM.

You must take the Final Exam on the date and time specified above.

EXCUSED ABSENCES
If you miss an exam (or quiz) for an excused reason, such as illness, a family emergency, or travel with a University sports team, then you need to fill out the excused absence form on Canvas, staple your documentation to the back of the excused absence form, and hand everything in to me during the next lecture after the exam. If you are feeling unwell, you should report in person to the Student Health Service or CAPS prior to the time of the exam. In the absence of documentation, an absence will be considered unexcused. If you miss an exam or quiz for an unexcused reason, you will receive a 0 on that assessment. Missing class for a job interview, a job-related activity, an internship interview, an internship-related activity, any activity related to another class, or a family event would not constitute an excused absence.

<u>If you take an exam, or start to take an exam, can you receive an excused absence for that exam?</u>
No. If you take an exam, or start to take an exam, you cannot receive an excused absence for that assessment. Your exam score will count and it will be used to determine your final grade in the class. If you feel that you are too unwell to take the exam, do not take the exam. Instead, you should report in person to the Student Health Service or CAPS prior to the time of the exam.

MAKEUP POLICIES

Problem Sets
Since you do not have to be physically present in the classroom to submit your answers to the Canvas problem sets, there are no makeup Canvas problem sets (version *b*). If you miss the deadline for submitting your answers, you will not receive credit for that problem set. If, due to illness, you miss class when version *a* of the problem set is due, send me an email and bring documentation to the next class. The default is that your missing version *a* score will just be replaced with your Final Exam score. If you fail to turn in version *a* of the problem set for an unexcused reason, you will receive a 0 on that assignment.

Quizzes

We are going to drop your lowest quiz score. If you only miss one quiz and you miss that quiz because of an excused reason, that score will just be dropped. If you only miss two quizzes and you miss both quizzes for excused reasons, your first missing score will be dropped and your second missing score will be replaced with your Final Exam score. If you only miss two quizzes, and you miss one quiz for an excused reason and one quiz for an unexcused reason, your score from your excused absence will be dropped and your score of 0 from your unexcused absence will be counted.

Exams

If you miss Exam #1 or Exam #2 for an excused reason, you will not take a makeup. All of the weight from the missed exam will be added to the Final Exam.

If you miss both Exam #1 and Exam #2 for excused reasons, then your final grade will be determined by whichever calculation is lower (method *a* or *b*):

a) 100%×(Problem Sets and Quizzes together)
b) 100%×Final Exam

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

1) Your absence from the Final Exam has to be for an excused reason.

2) You have to have either taken Exam #1 and Exam #2, taken Exam #1 and missed Exam #2 for an excused reason, or taken Exam #2 and missed Exam #1 for an excused reason. (If you miss both Exam #1 (for any reason) and Exam #2 (for any reason), 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 do not take the Final Exam and do not qualify for an Incomplete, then your score of 0 on the Final Exam will be counted. If you do not take the Final Exam and receive an Incomplete, then your final grade will be determined by whichever calculation is lower (method *a* or *b*):

a) 100%×(Problem Sets and Quizzes together)
b) 15%×(Problem Sets and Quizzes together) + 20%×Exam #1 + 25%×Exam #2 + 40%×Makeup Final Exam

(For method *b*, if you missed either Exam #1 or Exam #2 for an excused reason, then that weight will be added to the Makeup Final Exam.)

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). If a grading mistake was made on your exam, you need to give me your exam during the lecture following the lecture in which the exams were initially returned. 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

CLASSROOM POLICIES

Do not have your phone out during class. Do not have your tablet out during class. Do not have your computer open during class. Shut down your computer before we start class. Do not put your head down on the desk during class. If you are feeling unwell, you should report in person to the Student Health Service or CAPS.

If, through ANU, you are permitted to use a computer or tablet to take notes during class, have ANU email me that information as soon as possible at the beginning of the term.

If you violate a classroom policy and we ask you to leave the classroom and you decline to leave, then you will receive an F in the class for the term.

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 with a documented disability needing accommodations is requested to speak directly to the AccessibleNU office (http://www.northwestern.edu/accessiblenu/) and the instructor, as early as possible in the quarter (preferably during the first two weeks of classes). All discussions will be confidential.

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