

ECON 339: LABOR ECONOMICS

Winter 2025

MW 3:30 PM – 4:50 PM, Harris Hall L07

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Office Hours: will be posted weekly/ (or by appointment)

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* (Ninth Edition) by George J. Borjas. Some sections of the textbook will be assigned for the exams. You don't need to buy the book because the relevant chapters will be posted on Canvas under Course Reserves. My lecture notes are based on Borjas's text and other sources. You will need a calculator and a ruler for this class.

PROBLEM SETS

Some problem sets you will need to hand in in class (drawing budget constraints, graphical problems, etc.). Other problem sets you will submit online on Canvas (submit numerical answers or answer multiple choice questions). 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't check over all of your final answers on the problem sets. You can, however, ask us a question if you are stuck on something on the problem set. You can ask us anything about the course material or the section problems (or sample problems that we post).

SECTION (Friday 3:30-4:30 PM)

We are not going to meet in section on Fridays. I will either post a section video (to use as a guide to complete the problem set) or hold office hours (or both).

QUIZZES

We will give quizzes during lecture this term (not during section). The default is that the quizzes will be unannounced. The quizzes are closed-note quizzes (can't use any of your notes or devices). Bring your calculator to every class. Make sure you keep up with the course material.

EVALUATION

Grades are based on the following distribution:

Problem Sets and Quizzes together	10%
Exam #1	25%
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:

$$[(\text{your PS points} + \text{your quiz points}) / (\text{total PS points} + \text{total quiz points})] \times 100\%$$

This percentage score will constitute 10% 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 Wednesday, February 5.

Exam #2 will be given in class on Wednesday, March 5.

The Final Exam will be given on Friday, March 21 from 3:00-5:00 PM.

You must take the Final Exam in our classroom 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.

If you take an exam, or start to take an exam, can you receive an excused absence for that exam?

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. 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 a problem set is due in class (physical copy), then fill out the excused absence form and bring your documentation to the next class. The default is that your missing problem set score will just be replaced with your Final Exam score. If you fail to turn in a problem set that is due in class 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) $100\% \times (\text{Problem Sets and Quizzes together})$
- b) $100\% \times \text{Final Exam}$

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 63% 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). 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	63-69.99
B-	80.0-82.99		F	Below 63

CLASSROOM POLICIES

Do not have your phone 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 want to take notes in class on a tablet, that's fine. You can do so.

NORTHWESTERN UNIVERSITY SYLLABUS STANDARDS

This course follows the Northwestern University Syllabus Standards. Students are responsible for familiarizing themselves with this information:

<https://www.registrar.northwestern.edu/registration-graduation/northwestern-university-syllabus-standards.html>

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)
 Regression Review
 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