**Course Objectives.** In general, Labor Economics is the study of labor markets (e.g., the market for lumberjacks), labor market institutions (e.g., unions), public policy labor market issues (e.g., immigration or the minimum wage), the wage structure (e.g., income inequality), and the economics of human resource management (turnover, incentive pay). In particular, this course is oriented toward basic theories that help you understand how practical business decisions involving labor are, and should be, made. Thus, the course is focused on reasoning and analysis, rather than the acquisition of factual knowledge per se.

After completing this course, the student will have learned the following:

1. How basic labor market institutions, such as unions, and the government influence the operation of labor markets;

2. How incentives shape labor market outcomes, such as the allocation of labor across occupations or the intensity of work effort;

3. How opportunity costs shape labor market decisions, such as labor supply or which job benefits to offer;

4. How these forces play out in domestic and international economies.

**Prerequisite.** ECO 233, Principles of Microeconomics, or equivalent, is a prerequisite for this class. Please drop if you don’t have the prerequisite.

**Book.** The text is Ehrenberg and Smith, *Modern Labor Economics*, 10th ed. Earlier editions are much cheaper, acceptable to me, and available online if you look.

**Plan for the Course.** The course is organized, after some introductory material, into four units, listed on the schedule at bottom. This schedule identifies the topic for each class day, book chapters, and due dates for quizzes and graded assignments. I do not plan on changing anything on this calendar except for significant unforeseen circumstances.

Each unit contains four lectures, one application that illustrates how the theory explains behavior in everyday labor markets, one day for going over a set of homework problems, and a graded quiz or final exam.
**Cheating.** We at Sam Houston expect you to conduct your studies with integrity. Please see SHSU’s “Academic Policy Statement 810213,” available on Sam Houston’s Web Site, for a discussion of what constitutes academic misconduct, including cheating and plagiarism, and for a discussion of the procedures utilized in adjudicating such cases. If I catch you cheating I will, in all but the most minor circumstances, turn you in to academic authorities. In these circumstances, my minimum penalty for cheating is a grade of 0 on that assignment.

**Attendance.** Plan on being in class, and being on time. Both factor in to your professionalism grade.

Lateness by even a few students every day can be quite disruptive. Please make every attempt to be here on time. I take attendance at the beginning of class, so late students will be counted absent. I reserve the right to lock the door at the beginning of class, and open it once after about ten minutes for latecomers. I don’t like to do this, but I cannot let lateness disrupt class for everyone else who is on time.

**Begraded.** Your final average is calculated as follows:

- 3 Quizzes 20 pts. each 60 pts. total
- Professionalism (see below) 10 pts. 10 pts. total
- Comprehensive Final Exam 30 pts. 30 pts. total

100 pts. total

The unit-specific quizzes and comprehensive final exam each feature a mix of graphing, short answer, and multiple choice questions, some of which will be similar in style to the homework problems and exercises that are discussed in class. *I will replace your lowest quiz grade with your exam score in computing your final average, if that helps your grade.*

The grading scale is:

- A = 90-100
- B = 80-89.99
- C = 70-79.99
- D = 60-69.99
- F = 0-59.99

**Professionalism.** Professionalism is about exhibiting a courteous, conscientious, businesslike manner appropriate to an upper-division class in the College of Business. This includes coming to class regularly, and being on time; being prepared for class every day; having a single, well-organized notebook for class notes and materials; participating in class; maintaining proper classroom decorum; and doing all assigned work, graded or ungraded, conscientiously.
In particular, I expect students to attend at least nine of every ten classes, to be consistently punctual, to offer answers to questions asked in class, to present homework problems or answers to class exercises on the board when asked, to read all assigned articles prior to the class in which they are discussed, and to contribute to a positive class atmosphere. You should expect at least a B for class participation if you do all these things.

I expect that most or all of you will exhibit a high degree of professionalism in class. But, just to be clear, professionalism—which is extremely valuable in the workplace—is an “and,” not an “or.” That is, it only takes one thing—disorganization, or chronic lateness, or regular lack of preparation for class—to earn a reputation for being unprofessional in the workplace. Accordingly, I grade professionalism in this class in the same way: you need not exhibit unprofessional behavior in all areas to receive a low professionalism grade.

Making Up. Let’s not go down this road unless we really, really need to. Valid excuses are the biggies, only: death in the family, illness with doctor’s excuse, and the like. If you miss a quiz for an acceptable reason, I will replace its grade with the grade on your final exam.

Cell Phones. All beepers, pagers and cell phones must either be turned off prior to class starting or placed in silent mode. Violators must move to Elbonia.

ADA Compliance. It is my obligation and my pleasure to provide reasonable accommodation to students with disabilities, so as not to discriminate on the basis of that disability. Student responsibility primarily rests with informing me at the beginning of the semester and in providing authorized documentation through designated administrative channels. Disabled students may request help with academically related problems stemming from individual disabilities from their instructors, department/division chairs, or by contacting the chair of the Committee for Continuing Assistance for Disabled Students by visiting the Director of the Counseling Center in the Lee Drain Building or by calling (936) 294-1720.

Student Absences on Religious Holidays. Section 51.911(b) of the Texas Education Code requires that an institution of higher education excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. A student who is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from which the student is excused within a reasonable time after the absence. Refer to the Academic Calendar for the deadline date for notification by students to the faculty members of the student's intent to be absent on religious holy days.
Schedule. The first three classes of the semester concern preliminaries: Jan. 20 we will discuss problems the labor markets have to face, setting up the four units listed below; Jan. 25 we will discuss why labor markets differ from the standard product market (Ch. 5); Jan. 27 we will conduct an in-depth review of basic labor market supply/demand analysis (Ch. 2). Then come the four units listed below.

If a lecture has an associated book chapter, it is listed below. In order to facilitate the groupings below, some chapters are taken out of order, and some are not covered. Color code: black = lecture, red = homework, green = application, blue = graded work.

<table>
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<tr>
<th>Unit 1: The Value of Time</th>
<th>Unit 2: Unpleasantness</th>
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<td>Feb. 1: Equilibrium, Unemployment, and the Use of Time (Ch. 2, 14)</td>
<td>Feb. 24: Compensating Differentials (Ch. 8)</td>
<td>Mar. 29: Human Capital (Ch. 9)</td>
<td>Apr. 21: The Wage Equation</td>
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<td>Feb. 3: Labor Demand (Ch. 3)</td>
<td>Mar. 1: Pay, Comparative Advantage, and Sorting (Ch. 8)</td>
<td>Mar. 31: Schooling (Ch. 9)</td>
<td>Apr. 26: Fitting the Wage Equation to Data</td>
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<td>Feb. 8: Elasticity of Labor Demand (Ch. 4)</td>
<td>Mar. 3: Incentives and Effort (Ch. 11)</td>
<td>Apr. 5: General OJT (second half of Ch. 5)</td>
<td>Apr. 28: Discrimination (Ch. 12)</td>
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<td>Feb. 10: Labor Supply (Ch. 6)</td>
<td>Mar. 8: Designing Employment Contracts to Elicit Effort</td>
<td>Apr. 7: Firm-Specific OJT; Internal Labor Markets (last part of Ch. 11)</td>
<td>May 3: Income Inequality (Ch. 15)</td>
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<td>Feb. 15: Homework 1–have all problems worked out in advance</td>
<td>Mar. 10: Homework 2–have all problems worked out in advance</td>
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<td>May 5: International Trade and Labor (Ch. 16)</td>
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<td>Feb. 17: Multiple Perspectives on Occupational Licensure</td>
<td>Mar. 22: Teacher Supply and Sorting in Texas Public Schools</td>
<td>Apr. 14: Financing Human Capital Development in Professional Sports</td>
<td>May 12, 2:00: Final Exam, which will cover all four units but Unit 4 the most.</td>
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