

# Labor Economics, Econ 7150: Spring 2013

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*Instructor Peter Philips*

*<http://econ.utah.edu/profile.php?site=economics&unid=u0035312&view=biography>*

*Office Hours TBA*

*[philips@economics.utah.edu](mailto:philips@economics.utah.edu)*

*[leighlakeranger@yahoo.com](mailto:leighlakeranger@yahoo.com)*

*801 599-2374 cell*

*801 466-3159 home*

*801 581-7481 Department*

## **Americans with Disabilities Act (ADA) Statement**

The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in the class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Olpin Union Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations. All information in this course can be made available in alternative format with prior notification to the Center for Disability Services. ([www.hr.utah.edu/oeo/ada/guide/faculty/](http://www.hr.utah.edu/oeo/ada/guide/faculty/))

## **Wellness Statement**

Personal concerns such as stress, anxiety, relationship difficulties, depression, cross-cultural differences, etc., can interfere with a student's ability to succeed and thrive at the University of Utah. For helpful resources contact the Center for Student Wellness - [www.wellness.utah.edu](http://www.wellness.utah.edu); 801-581-7776.

## **Course Goals**

1. Through lectures, readings and in-class student presentations, qualify students to teach labor economics at an undergraduate level
2. Through a broad review of the labor economics literature, orient students regarding how to do research in the field
3. Through extensive classroom student presentations, improve students public speaking skills and ability to think on their feet when confronting critical questions regarding labor economic analysis
4. Through homework exercises and in-class examples, students will become proficient in extracting labor market related data
5. Through exposure to a lifetime of labor economics research by the instructor, provide students with a practical example of how labor economics research can be conducted.

- By providing personal experiences in the quest for funded research, give students some insight into how to obtain grants for research

## Schedule

Events	Dates
Classes begin	Monday, January 7
Last day to add without a permission code	Sunday, January 13
Last day to drop (delete) classes	Wed., January 16
<b>Martin Luther King Jr. Day holiday</b>	<b>Monday, January 21</b>
Last day to add, elect CR/NC, or audit classes	Tuesday, January 22
<b>Presidents' Day holiday</b>	<b>Monday, February 18</b>
Last day to withdraw from classes	Friday, March 1
<b>Spring break</b>	<b>Sun.-Sun., March 10-17</b>
Last day to reverse CR/NC option	Friday, April 19
Classes end	Wednesday, April 24
Reading day	Thursday, April 25
<a href="#">Final exam period</a>	Fri-Thur, April 26-May 2

## Assignments, Tests and Grading

### **Pierre Cahuc and Andre Zylberberg, *Labor Economics***

This graduate level text will provide students with a convenient review of the labor economics literature (up to 2004) and a good reference to begin literature searches in specific areas. Students will be required to prepare weekly lectures from this text. Two-thirds of your grade will be based on your in-class presentations of these chapters plus a journal article of your choice presented in the last two weeks of class. For each chapter, the student must prepare a powerpoint presentation that is digitally distributed via email to all students and the instructor prior to the first class meeting in the week the assignment is due. Not all students will present each week and not all the chapter will be covered by one student. Students also need to be actively engaged in asking questions of other students during their presentations. Students will be graded both on their presentations and their class participation during other students' presentations.

One third of the student's grade will be the final exam which will cover class lectures, the text, additional assigned readings and labor market data extraction. The final will be comprehensive. Students may opt to replace the final exam with a term paper approved by the instructor. The term paper is due the day of the final exam.

## **Grading Policy (Evaluation Methods & Criteria)**

Academic success requires verbal as well as written analytical proficiency. This course is designed to give students extended experience in verbally presenting analytical concepts from labor economics based on their readings of the text and some journal articles. It is also designed to encourage students to ask challenging questions and challenges student presenters to respond effectively to questions regarding the material they are presenting. The instructor will seek to create a safe classroom environment where students are comfortable developing their speaking-analytical skills and thinking on their feet. This will help students in their future job talks and other professional presentations. To this end, students will be graded weekly on their powerpoint presentations both in their written form and in their classroom presentations. Students will be judged on 1) their ability to accurately summarize the material they read, 2) their ability to compare and contrast competing viewpoints and/or apply the material they have read to novel circumstances, 3) their ability to develop a critical perspective on the material they are presenting including being able to identify the limits of the theories they are summarizing, identify empirical problems with these theories as well as any logical inconsistencies that may exist. Students will also be judged on their ability to respond accurately and effectively to questions posed to them during presentations. The instructor recognizes that for many students this is a novel challenge and students showing progress in these abilities will be recognized both for their improvement as well as the eventual level of effectiveness attained. Each week students will receive an A, B, C or unsatisfactory grade for their written powerpoints and their class presentations. There will not be time for all students to present in class each week and the instructor will endeavor to distribute class presentation opportunities roughly equally among students. However, it is unlikely that there will be absolute equality in presentation opportunities. These written-presentation grades will be averaged over the whole semester to compute an average grade for two-thirds of the overall course grade. The instructor will also weight later presentation grades higher in cases where marked improvement has occurred.

The final exam and or term paper will account for one-third of the students' grade based on the ability demonstrated in written form of the student to have accomplished 1) an accurate summary of material addressed, 2) an ability to compare and contrast and/or apply to novel circumstances the material addressed and 3) the demonstration of a critical understanding and/or perspective of the material.

Homework will be graded pass-fail with each fail reducing your course grade by one point on a 12 point grading scale.

## **Assigned Readings and Homework<sup>1</sup>:**

Week 1 (Jan. 7)

Cahuc Chapter 1: Labor Supply (Students read this chapter this week and present in class next week)

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<sup>1</sup> Additional homework assignments will be given after Week 5 based on experience with currently assigned homework.

"Competition, Racism and Hiring Practices Among Early California Manufacturers," *Industrial and Labor Relations Review*, October, 1986 pp. 61-74 (co-authored with Martin Brown). Published, 10/1986.

Homework: from bls.gov extract and graph total nonfarm employment in the US since 1939

Week 2 (Jan. 14)

Cahuc Chapter 2: Education and Human Capital (Students read this chapter this week and present in class next week)

"Gender-Based Wage Differentials in Pennsylvania and New Jersey Manufacturing" *Journal of Economic History*, May 1982, pp. 181-186. Published, 05/1982.

Homework: go to bls.gov and extract and graph US construction employment since 1939

Week 3 (Jan. 21) Martin Luther King Jr. Day holiday      Monday, January 21

Cahuc Chapter 3: Job Search (Students read this chapter this week and present in class next week)

"Technological Innovation and Payment Systems," *Business History Review*, Winter 1987 pp. 564-601 (co-authored with Martin Brown). Published, 03/1987.

Homework: go to bls.gov and extract and graph construction employment for California using NAICS industry categories since 1990 and SIC industry categories from the earliest available date to 2002. Compare results for NAICS and SIC for overlapping years.

Week 4 (Jan. 28)

Cahuc Chapter 4: Labor Demand (Students read this chapter this week and present in class next week)

"The Decline of Child Labor in the U.S. Fruit and Vegetable Canning Industry", *Business History Review* Winter 1992 Vol. 66 pp. 723-770 (co-authored with Martin Brown and Jens Christiansen). Published, 03/1992.

Homework: go to <http://www.crgraphs.com/> and review labor market graphs. select one and write a one paragraph interpretation of its meaning.

Week 5 (Feb 4)

Cahuc Chapter 5: Compensating Wage Differentials (Students read this chapter this week and present in class next week)

"A Step in the Right Direction Friedman's New Estimates of Union Membership: The United States, 1880-1912," *Historical Methods, A Journal of Quantitative and Interdisciplinary History*, Volume 32, Number 2, Spring 1999, pp. 87-92.

Homework: go to [research.stlouisfed.org/fred2/graph/](http://research.stlouisfed.org/fred2/graph/) and extract two labor market data series using their graph utility and interpret your graphs with one paragraph each.

Week 6 (Feb 11)

Cahuc Chapter 6: Contracts, Risk Sharing and Incentives (Students read this chapter this week and present in class next week)

Introduction to: Building Chaos: An International Comparison of the Effects of Deregulation on the Construction, (co-edited with Gerhard Bosch) Routledge Press, London, 2003, 240pp. index. Published, 2003.

Week 7 (Feb 18) Presidents' Day holiday Monday, February 18

Cahuc Chapter 7: Collective Bargaining (Students read this chapter this week and present in class next week)

Introduction to: Portable Pensions for Casual Labor Markets: Lessons from the Operating Engineers Central Pension Fund, Quorum Books, 1995 (co-authored with Teresa Ghilarducci, Garth Mangum and Jeff Petersen). Published, 01/1995.

Week 8 (Feb 25)

Cahuc Chapter 8: Unemployment and Inflation (Students read this chapter this week and present in class next week)

"Losing Ground: Lessons from the Repeal of Nine "Little Davis-Bacon" Acts" with Garth Mangum, Norm Waitzman, and Anne Yeagle; Economics Department, University of Utah, February 1995. Released, 02/1995.

Week 9 (March 4)

Cahuc Chapter 9: Job Reallocation and Unemployment (Students read this chapter this week and present in class after break)

Race and Prevailing Wage Laws in Construction Industry, Comment on Thieblot," (with Hamid Azari-Rad) Journal of Labor Research, Vol. XXIV No. 1, Winter 2003, pp161-168. Published, 2003.

**Week 10 (March 11) Spring break Sun.-Sun., March 10-17**

Week 11 (March 18)

Cahuc Chapter 10: Technological Change, Globalization and Inequality (Students read this chapter this week and present in class next week)

State Prevailing Wage Laws and School Construction Costs," (with Hamid Azari-Rad and Mark Prus), Industrial Relations, Vol. 42, No. 3, July 2003, pp. 445-457. Published, 07/2003.

Week 12 (March 25)

Cahuc Chapter 11: Labor Market Policies (Students read this chapter this week and present in class next week)

Impact of the OSHA Trench and Excavation Standard on Fatal Injury in the Construction Industry, Journal of Occupational and Environmental Medicine, Vol. 44, No. 10, October 2002, pp. 902-905 with (Anthony Suruda, Brad Thomas Whitaker, Donald Blowitz and Richard Sesek). Published, 2002.

Week 13 (April 1)

Cahuc Chapter 12: Institutions and Labor Market Performance (Students read this chapter this week and present in class next week)

Li, Sheng and Peter Philips, "Analysis of the Impacts of the Number of Bidders upon Bid Values: Implications for Contractor Prequalification and Project Timing & Bundling," Journal of Public Works Management & Policy, Vol. 12, No. 3, 503-514 (2008) . Published, 12/01/2008.

Week 14 (April 8)

Students choose article of their own choosing from Industrial Relations, Industrial and Labor Relations Review, Journal of Labor Research, Labor Economics or Journal of Human Resources to read this week and present in class in next two weeks.

Kim, Jaewhan and Philips, Peter, "Health Insurance and Worker Retention in the Construction Industry," Journal of Labor Research, 2010, Volume 31, Number 1, 20-38. Published, 02/24/2010.

Week 15 (April 15)

JaeWhan Kim, Kuo-Liang Chang and Peter Philips, "The Effect of Prevailing Wage Regulations on Contractor Bid Participation and Behavior: A Comparison of Palo Alto, California with Four Nearby Prevailing Wage Municipalities" Industrial Relations. Published October 2012.

Week 16 (April 22)

The Construction Industry and the Great Recession (current research with JaeWhan Kim (Instructor Handout)

**Final Exam Tuesday, April 30, 2013**

**8:00 – 10:00 am**