Course Syllabus
ECON 4430 Labor Economics
Fall 2022

Instructor: Andrew Shephard (`asheph@econ.upenn.edu`), PCPSE 601.
Teaching assistant: Justin Lam (`jflam@sas.upenn.edu`), PCPSE 500.

Course Description: This a one semester course in labour economics for undergraduate students. Labour economics is the study of labour markets. We will survey a broad range topics that include: the theory of labour supply (both static and dynamic), labour demand, labour market equilibrium, unemployment, employment contracting and personnel economics, investments in education and training, discrimination, and patterns of inequality. We will also discuss applications of economic theory to important public policy issues such as minimum wage laws and welfare reform. In addition, this course will have an important empirical component. We will review basic econometrics and survey some of the major empirical issues in labour economics.

Prerequisites: Econ 2100 (previously Econ 101, intermediate micro theory), Math 1400 (Math 104, Calculus, Part I) and either Math 1410 (Math 114, Calculus Part II) or Math 1510 (Math 115, Calculus Part II with Probability and Matrices). Note that credit cannot be received for both Econ 0430 and Econ 4430. Wharton students can satisfy the Econ 2100 (Econ 101) prerequisite with BEPP 2500 (BEPP 250) Honors. Regular sections of BEPP 2500 (BEPP 250) do not count as a substitute for Econ 2100 (Econ 101). Econ 2300 (Econ 103, Statistics for Economists) is recommended.

Textbook and readings: The textbook for this course is *Labor Economics* (8th Edition) by George Borjas. Earlier editions are also OK but the book chapters and sections may be renumbered. Please contact the instructor if you are unsure. There may be occasional supplemental readings, and details of these will be provided in class. The lecture notes will be available on Canvas prior to class. While the notes are very important, please be aware that they are incomplete and reading the lecture notes without attending the class may be misleading.

Office hours: Professor Shephard will have office hours on Tuesdays, 1:00–2:30pm, and Thursdays, 10:30am–12:00pm. Justin will have office hours on Mondays, 10:30am–12:00pm, and Wednesdays, 10:30am–12:00pm. Please contact us by email if you want to speak to either of us outside of these regular scheduled times.

Problem sets: There are three equally weighted problem set that will be assigned throughout the semester. One of these will include a substantial empirical component. (My expectation is that most students will use R for the empirical part.) These will be due on the announced date, and 25% of your final grade will be determined by these. While you

are encouraged to work in small groups, each student must write up and submit their own answers written in their own words (no copies).

Exams: There will be three in-class midterm exams. There is no final exam. Your lowest exam score will count for 20% of your final grade, your highest score for 30%, and the intermediate score for 25%. All exams are closed book, and no study aids are permitted. The first will take place on Thursday September 29th, and you will receive your grades in advance of the end of the course drop period. The second will take place on Thursday November 3rd. The third midterm will take place on Thursday December 8th (the final class). Note that this third midterm will also cover some core material from the early classes (guidance will be provided in class). Attendance at all exams is mandatory and there will be no makeup midterms. In exceptional circumstances please contact the instructor in *advance* by email.

Ed Discussion: We will make extensive use of *Ed Discussion*, a tool for online question and answers, and threaded discussion among students or between students, instructors and TAs. We will be using Ed Discussion to make course announcements and answer questions about course material and logistics. By asking your question and getting an answer on Ed Discussion, you create a positive externality: other students benefit from your questions and you benefit from theirs. The instructor and teaching assistants will actively moderate Ed Discussion both to answer questions and approve (or correct) answers written by your fellow students. Students who actively participate in Ed Discussion (by asking questions, answering questions, posting content relevant to the course, etc.) may earn extra credit. Ed Discussion is accessible through the link on the Canvas class site.

Regrading policy: Any regrade requests must be submitted to the instructor by email within *one week* of the work being returned. Any requests should provide a clear and concise statement of where you believe the grading error has been made. Errors in grading arising from illegible or garbled answers are not subject to correction. If the request arises because you think different students have been graded differently, all the affected students should submit their work as a group.

Mask policy: Penn no longer requires students to wear masks so no one in this class has to wear a mask. However, if you want to wear a mask – for any reason – I support you in that decision and will respect your choice. Please be aware the class masking policy may be revised during the semester, if conditions change.

Class recordings: The University is currently planning for an in-person teaching semester and there will be *no* regular recording of lectures. If you are unable to attend a lecture due to illness, then you should notify Professor Shephard by email in advance of the lecture and complete a Course Absence Report. When possible, the missed lectures will be recorded and

shared only with students with an excused absence. Please note the class recordings policy may be revised during the semester, if conditions change.

Sharing class material: All course material – including problem sets, practice exams, exams, and their respective solutions – are to be used exclusively by current students enrolled in this course, and are not to be shared with people outside of this class in any format.

Academic integrity and departmental course policies: Academic integrity is a very important part of student life, and the University and Department of Economics takes it seriously. Please carefully read the University Code of Academic Integerity (`http://www.upenn.edu/academicintegrity/`). Students who are suspected of committing infractions will be reported to the Office of Student Conduct, and students found in violation of academic integrity will receive a failing grade for the course. All Economics Department course policies apply even if they are not explicitly listed here. See: `https://economics.sas.upenn.edu/index.php/undergraduate/course-information/course-policies` for full details.