Graph Review

Plotting coordinate points.
Slopes and intercepts
Slope of curve (uses slope of tangent line)

Chapter 1: The Labor Market

Four reasons that labor market is different from other markets
Five key labor market outcomes/trends
Three forces that have caused these labor market outcomes
S&D basics (moving along curves versus shifting curves; process for re-equilibration)
Theory; hypotheses; positive versus normative.

Chapter 2: Hours of Work

Neoclassical labor supply model: properties of indifference curves, properties of budget constraints
Graphical presentation of hours worked for individual (U-max choice from above model)
Income and substitution effects
Welfare policy issues (goals; barriers to work)

Chapter 3: Labor Force Participation

Definitions of terms
Male; female labor force participation trends
Show LFP decision graphically
   * corner solution
   * reservation wage
If out of LF: increase in wage causes pure substitution effect
LFP elasticities
Deficiencies in this model
Household model: three uses of time
Age-LFP profile for men; women.
Reasons for decline in male LFP over time (some different for diff. ages)
Reasons for increase in female LFP over time
LF changes during recession (added worker effect vs discouraged worker effect)
Chapter 4: The Demand for Labor in the Short Run

Pattern of employment over time
Marginal Productivity Theory of demand
Firm’s SR demand curve for labor

Chapter 5: The Demand for Labor in the Long Run

What is short run and long run?
Determinants of Elasticity of labor demand (4 laws of derived demand)
Why care about elasticity of labor demand?
Technological change and labor demand
Firm’s profit max choice of output

Chapter 6: The Determination of Wages

Actual data used to measure wages
Minimum wage laws (history; winners and losers)
Dual or segmented labor market theory (primary/secondary jobs)

Chapter 7: The Theory of Human Capital

Pattern of education and earnings (by age, sex, race; levels and growth as one ages)
Human capital investment theory
On-the-job training (OJT)
General versus specific training
5 implications of investment in OJT
Chapter 8: Occupational Wage Differentials

Hedonic wage theory and Compensating wage differentials

Chapter 9: Discrimination

Pattern of earnings ratios over time (by sex; race)
Pre-market versus market discrimination
3 Sources of market discrimination
Glass ceiling
Reverse discrimination
Measuring discrimination (residual or regression method; audit studies)
Economic progress for African Americans in past 40 years (improvements; concerns)
Economic progress for women in past 40 years
Legislation to combat discrimination: Title VII of the Civil Rights Act of 1964

Chapter 11: Union Membership and Collective Bargaining

Benefits of unions for workers (both union and nonunion)
Costs of unions (include no merit pay)
% Union membership over time
National Labor Relations Act: 1935
Taft-Hartley Act: 1947
Reasons for union membership decline

Chapter 12: The Economic Impact of Labor Unions

Union versus nonunion earnings
Estimates of union wage effect

Chapter 13: Unemployment

Pattern of unemployment rates over time and across demographic groups
Why worry about unemployment rate?
Measuring unemployment and three types of unemployment
Causes of Unemployment
Composition of Unemployment
Unemployment during Great Depression

Project subjects: See list online.