

York University
Faculty of Liberal Arts & Professional Studies
Department of Economics
Fall 2025

Course # and Title

AP/ECON 3249 A Labour Economics: Theory

Course Webpage

<https://eclass.yorku.ca/>

Course Instructor/Contact

Name: Laura Salisbury
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Lecture Time and Location

Time: T 11:30-2:30
Location: HNE 037

Prerequisite / Co-requisite

Prerequisites: AP/ECON 1000 3.00 and AP/ECON 1010 3.00 or equivalents. Course credit exclusions: AP/ECON 3240 3.00, GL/ECON 3540 3.00.

Course Description

Applies economic theory to labour markets. Topics include labour force participation, demand for and supply of labour, the effects of market structure on wages and employment, investment in education and training, worker mobility, theories of discrimination in the labour market, and unemployment.

Weighting of Course

Course grades will be based on a writing assignment, a midterm exam and a final exam. Your grade will be calculated as the **greater** of the following: (1) 20% at-home writing assignment, 20% in-class free-writing assignment, 20% midterm exam, 40% final exam; (2) 20% at-home writing assignment, 20% in-class free-writing assignment, 60% final exam. The midterm will be held on **October 28** during class time. The date of the final exam is TBD.

Missed exams/Tests

A student who misses the midterm exam will have ONE opportunity to write a make-up midterm the following week. A student who misses the make-up midterm date will receive a grade of zero, and the weight from the midterm will be transferred to the final exam. A deferral for the final exam will be granted **only for medical reasons**. In such cases students should submit a deferred exam application together with the supporting documents (attending physician's statement) to the economics department to my attention. The date and time of the deferred exam will be set at a later date. Students who may require further extensions or accommodation will have to submit a formal petition to the Faculty.

Deferred final exams must be requested using the following form:

<https://www.yorku.ca/laps/econ/undergraduate-programs/academic-resources/department-policies/deferred-standing/>

Writing Assignments

Writing assignments are collectively worth 40% of your final grade. Writing assignments in this course have an in-class and an at-home component. Each component is worth 20% of your final grade.

For the in-class component, we will conduct free-writing exercises during the last 10 minutes of the first 7 (non-midterm) classes. You will be provided with a notebook for writing in, which I will hand out and then collect at the end of class. In your writing, you should try to reflect on what we covered in class that day. What did you understand, and what did you have difficulty with? What did you find interesting, what did you find uninteresting? What did you agree with, what did you disagree with? Do not worry about spelling, grammar, or punctuation, just get as much written in 10 minutes as you can. You must participate in at least 5 of these 7 exercises to receive full credit for this component of the course. Your notebooks will be returned to you at the end of class on November 4th.

The at-home component of the writing assignment will expand on some of the free writing you did in the first 7 (non-midterm) classes. I would like you to choose a model, concept, or exercise that you identified as difficult in one of your free-writing sessions. Then, I would like you to develop a 1000-1500 word written discussion of this item, covering the following topics:

- 1) Why did you find the model/concept/exercise difficult at first?
- 2) What did you do to help yourself understand the model/concept/exercise better?
- 3) How would you explain this model/concept/exercise to someone who is having difficulty with it?

This will be a relatively informal piece of writing, but I am looking for something polished and readable – typed in complete sentences, please. The at-home writing assignment is due **November 25th**.

Late Assignments

Free-writing assignments are done in class, and no make-ups are provided. The at-home writing assignment is due on **November 25**. Late assignments will receive a grade penalty according to the following formula: an assignment that is D business days late will lose $5 \cdot (\ln(D) + 1)$

percentage points. Assignments that have not been submitted by December 2nd will receive a grade by zero.

Grading

The grading scheme for the course conforms to the 9-point grading system used in undergraduate programs at York (e.g., A+ = 9, A = 8, B+ = 7, C+ = 5, etc.). Tests will bear either a letter grade designation or a corresponding number grade (e.g. A+ = 90 to 100, A = 80 to 90, B+ = 75 to 79, etc.) I reserve the right to make adjustments to this grading scheme if necessary.

Course Text / Readings

The text for the course is **Benjamin, Gunderson, Lemieux, and Riddell, *Labour Market Economics*, 9th edition** (\$165 on Amazon.ca; used, electronic, and past editions are fine). Secondary readings are listed in the course schedule below and will be linked from the course website.

Problem Sets

Problem sets will be posted on the course website. These problem sets will not be graded; however, you are very strongly encouraged to work through them. They are intended to be practice for the midterms and final exam.

Important Course Information for Students

All students are expected to familiarize themselves with the following information, available on the Senate Committee on Curriculum & Academic Standards webpage;

<http://www.yorku.ca/secretariat/policies/index-policies.html/>

- York's Academic Honesty Policy and Procedures/Academic Integrity Website
- Ethics Review Process for research involving human participants
- Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities
- Student Conduct Standards
- Religious Observance Accommodation

Course Outline and Approximate Schedule

Dates	Topics	Supplementary Reading
Sept 9	Introduction	BGLR ch 1
Sept 16	Labour Supply – basic theory	BGLR ch 2
Sept 23	Labour Supply -- applications - public policy - labour supply over the life cycle	BGLR ch 3 & 4 Papers: - Eissa, N and JB Liebman (1996), "Labor Supply Response to the Earned Income Tax Credit," <i>Quarterly Journal of Economics</i> , 111(2): 605-637 - Goldin, C and L Katz (2002), "The Power of the Pill: Oral Contraceptives and Women's Career and Marriage Decisions," <i>Journal of Political Economy</i> , 110(4): 730-770
Sep 30	Labour Demand	BGLR ch 5
Oct 7	Equilibrium in the Labour Market - competitive markets - monopoly & monopsony	BGLR ch 7 Paper: - Card, D and A Krueger (1994), "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania," <i>American Economic Review</i> , 84(4): 772-793
Oct 14	Reading Week No Class	
Oct 21	Human Capital	BGLR ch 9
Oct 28	Midterm	
Nov 4	Human Capital -- empirical challenges and applications Last day for in-class free-writing exercise	Papers: - Ashenfelter, O and A Krueger (1994), "Estimates of the Economic Return to Schooling from a New Sample of Twins," <i>American Economic Review</i> , 84(5): 1157-1173 Angrist, J and A Krueger (1991), "Does Compulsory School Attendance Affect Schooling and Earnings?" <i>Quarterly Journal of Economics</i> , 106(4): 979-1014
Nov 11	Economics of Immigration	BGLR ch 11 Paper: - Card, D (1990), "The Impact of the Mariel Boatlift on the Miami Labor Market," <i>Industrial and Labor Relations Review</i> , 43(2): 245-257
Nov 18	Race and Gender in the Labour Market	BGLR ch 12
Nov 25	Race and Gender in the Labour Market (cont'd) Writing Assignment Due	Paper: - Bertrand, M and S Mullainathan (2004), "Are Emily and Greg More Employable than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination," <i>American Economic Review</i> , 94(4): 991-1013
Dec 2	Final Exam review	