

College of Urban Affairs
Cleveland State University
Local Labor Market Analysis
UST 621

Fall Semester 2004

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Office Hours: Monday 4-5 PM or by appointment

Meeting Time: Monday 6:00 - 9:50 PM

Course Description and Objectives: This course surveys applied labor market economics. The theoretical operation of urban labor markets will be examined in detail. We will also be looking at how metropolitan labor markets function. Emphasis will be placed on the demand for, and supply of, labor and the institutional structure within which the labor market operates. We will also be examining how welfare reform and anti-poverty policy are working.

Prerequisites: It is highly recommended that you have successfully completed an Introductory Microeconomics course before taking this course. A working knowledge of Algebra I is also useful.

Text: Ronald G. Ehrenberg and Robert S. Smith, **Modern Labor Economics: Theory and Public Policy** 8th Edition (New York: Addison, Wesley, Longman, 2000).

Most of the articles that are in the reading list are posted on the M (or N) drive under the class name: Hill/UST621/readings

All of the readings in this course, including the class text (Ehrenberg and Smith), are also required reading for economic development general examination.

Grades and Incompletes: There will be midterm and final examinations. The midterm is worth 40% of your grade and the final is worth 60%. There will be no incompletes.

1. Introduction

Ehrenberg and Smith, Chapter 1: Introduction

Chapter 2: Overview of the Labor Market

Groshen, Erica and Simon Potter (2003) Has Structural Change Contributed to a Jobless Recovery? **Current Issues in Economics and Finance** (August) 9(8) **POSTED**

Data Concepts and resources: The Meaning of: Employment, Unemployment, Not in the labor force, voluntary and involuntary part time worker; The spatial dimensions of labor markets; Differences in data when collected by place or residence or place of work.

Examine the following web sites:

<http://www.econdata.net/>

<http://lmi.state.oh.us/>

<http://www.huduser.org/datasets/pdrdatas.html>

<http://www.bea.doc.gov/>

2. An Overview of Urban Labor Markets and Neighborhood Poverty

Randall W. Eberts, "Urban Labor Markets," Staff Working Paper, 95-32, W.E. Upjohn Institute for Employment Research **POSTED**

Data Concept: Inflating and deflating data

Data Resources:

Examine the BLS web site

<http://www.bls.gov/>

CEA web site:

<http://www.whitehouse.gov/cea/>

The Economic Indicators Page of the CEA:

<http://www.gpoaccess.gov/indicators/>

Statistical tables from the CEA's Annual report:

<http://www.gpoaccess.gov/eop/index.html>

THREE THINK TANKS

National Bureau of Economic Research

<http://www.nber.org/>

NBER's access to statistical releases:

<http://www.nber.org/releases/>

W.E. Upjohn Institute for Employment Research

<http://www.upjohninst.org/>

The Brookings Institution, Metropolitan Policy Program

<http://www.brookings.edu/urban>

3. The Demand for Labor

Ehrenberg and Smith, Chapter 3: The Demand for Labor

Chapter 4: Labor Demand Elasticities

Chapter 5: Quasi-Fixed Costs and Their Effects on Demand

Maury B.Gittleman and David R. Howell (1995), "Changes in the Structure and Quality of Jobs in the United States: Effects by Race and Gender, 1973-1990,"

Industrial and Labor Relations Review, April, volume 48, number 3, pp.420-440. **POSTED**

Harry J. Holzer, **What Employers Want? Job Prospects for Less-Educated Workers**, Chapter 6, "Summary of Findings and Policy Implications," pp.126-135

Rebecca Blank, "Contingent Work in a Changing Labor Market," in Freeman, Richard B. and Peter Gottschalk, Eds. (1998) **Generating Jobs: How to Increase Demand for Less-skilled Workers** (New York: Russell Sage Foundation) pp. 258-294, optional.

4. The Supply of Labor

Ehrenberg and Smith, Chapter 6: Supply of Labor to the Economy

Chapter 7: Labor Supply: Household Production, the Family and the Life Cycle

Data Resources: The Current Population Survey

<http://www.census.gov/>

<http://www.bls.census.gov/cps/cpsmain.htm>

<http://www.census.gov/hhes/www/income.html>

5. Factors Affecting The Choice of Employment

Ehrenberg and Smith, Chapter 8: Compensating Wage Differentials and Labor Markets

Chapter 9: Investments in Human Capital: Education and Training

Chapter 10: Worker Mobility: Migration, Immigration and Turnover

Chapter 11: Pay and Productivity: Wage Determination within the Firm

Data Resources:

County Business Patterns (also SOCDs): <http://fisher.lib.virginia.edu/cbp/>

On Productivity: Federal Reserve Bank of San Francisco, Center for the Study of Innovation and Productivity

<http://www.frbsf.org/csip/data.php>

6. Distributional Affects of the Labor Market

Ehrenberg and Smith, Chapter 12: Gender, Race and Ethnicity in the Labor Market

Chapter 14: Inequality in Earnings

Chapter 15: Unemployment

7. Urban Poverty and the Spatial Mismatch Hypothesis

Michael Teitz and Karen Chapple, "The Causes of Inner-City Poverty: Eight Hypotheses in Search of Reality," **Cityscape** 3(3) 1998: 33-70. **POSTED**

Keith R. Ihlandfeldt and David L. Soquist, "The Spatial Mismatch Hypothesis: A Review of Recent Studies and Their Implications for Welfare Reform," **Housing Policy Debate** 9(4) 1998: 849-892. **POSTED**

Kelly DeRango A Note on Commutes and the Spatial Mismatch Hypothesis, Staff Working Paper, 00-59, W.E. Upjohn Institute for Employment Research **POSTED**

Laura Leete and Neil Bania, "The Impact of Welfare Reform on Local Labor Markets," **Journal of Policy Analysis and Management** 18(1), 1999: 50-76. **POSTED**

Data Resources:

<http://www.census.gov/hhes/www/poverty.html>

Panel Survey on Income Dynamics: <http://www.isr.umich.edu/src/psid/>

National Longitudinal Survey : <http://www.chrr.ohio-state.edu/info.html>

<http://www.brook.edu/es/urban/welfarecaseloads/2000report.htm>

<http://povertycenter.cwru.edu/>

8. Unions and the Public Sector

Ehrenberg and Smith, Chapter 13: Unions and the Labor Market

Data Resource:

<http://www.bls.gov/news.release/union2.toc.htm>

9. Neighborhood Development, Minimum Wages, Living Wages and the EITC

Jeremy Nowak, "Neighborhood Initiative and the Regional Economy," **Economic Development Quarterly** 11(1) (February): 3-10.

Edward Gramlich and Colleen Heflin "The Spatial Dimension: Should Worker Assistance be Given to Poor People or Poor Places?" **Generating Jobs**, pp.54-71. (optional)

David Card and Alan B. Krueger, "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania," **American Economic Review** September 1994, pp.772-793.

Data Resource:

<http://www.epionline.org>