The final exam is Tuesday, April 26, 7:00-9:30 p.m., in Classroom South 301. The exam covers the topics listed below (in order of the syllabus). You will need to answer any four out of five essay questions. Questions cover only material since the midterm.

1. Discrimination. Sources of labor market discrimination (e.g., Becker “taste” model and discrimination coefficient) and implications of employer and consumer based discrimination. Measurement of discrimination and interpretation (unadjusted and adjusted gaps or ratios) using Mincer wage equations. Evidence on gender wage gaps (Blau and Kahn, Doms and Lewis, and other readings). Evidence on racial wage gaps (Heckman and other readings).

2. Migration, People Flows, and Globalization [Molloy, Smith, Wozniak on internal migration; Freeman on globalization, etc.]. How migration is measured, determinants and basic facts of migration, migration trends over time and possible explanations (puzzles), and US mobility versus other countries. How does the international flow of people (migration across countries) compare to international flows of goods (trade) and capital (investment)? How is this measured? International flows of people, goods, and capital—the stylized facts.

3. Sources of earnings inequality; why and how inequality and employment patterns have changed over time. Technological change. “Simple” and “job task” SBTC. Race between technology and education. Other causes of inequality. Descriptive evidence on wages and employment. Policy implications? [Hirsch inequality slides, other readings, class discussion]

4. Economics of labor unions – labor demand constraint and tradeoff between wages and membership (including Hicks-Marshall laws of derived demand); determinants of bargaining power; NLRA union organizing rules. What do unions do—effects on union and nonunion wages, wage dispersion, and performance? Why has private sector unionism declined? Contrasts between the public and private sectors. [Hirsch JEP article; Hirsch slides]

5. Unemployment: definition; major types of unemployment; flows into and out of employment and unemployment; spells vs. duration; vacancies (openings), hires, separations, and the Great Recession and the current employment/unemployment situation. Job loss from displacement (involuntary job loss) over time; length of employment loss, and size of earnings losses (Farber). Lazear el al. and counter-cyclical (rather than cyclical) labor productivity. Why such a pattern? Evidence in Lazear et al.? Worker flows for growing and shrinking employment (JOLTS figures) and worker flows for growing and shrinking establishments (the Davis et al. figure sent to you and discussed in class).