# The Ohio State University Freshman Seminar Program Course Proposal

#### **Course Information.**

- 1. Attach a sample syllabus that includes the following. (Sample syllabi can be found at <u>http://freshmanseminars.osu.edu</u>).
  - the course goals
  - a brief description of the content
  - the distribution of meeting times
  - a weekly topical outline
  - a listing of assignments
  - grade assessment information (A-E or S / U)
  - required textbooks and / or reading list
  - the academic misconduct and disability services statements (sample statements can be found at <a href="http://artsandsciences.osu.edu/currofc/resources.cfm">http://artsandsciences.osu.edu/currofc/resources.cfm</a>)
- 2. Attach a brief biographical paragraph that includes the current research interests, teaching awards and honors, and undergraduate courses taught by the participating instructor(s). The paragraph will be included in materials for first-year students.

Ethan Doetsch	Department of Economics				
Proposer's Name and Academic Unit					
GA					
Proposer's Signature					
doetsch.2@osu.edu	385-232-9396				
Proposer's e-Mail Address	Contact Phone Number				
4/27/16					
Submission Date Davie Black					
Signature Department Chair of Academic Unit					
Please indicate the semester you would like to offer the	seminar: AU'16 SP'				

This form and any attachments should be mailed to Freshman Seminar Program, 100 Denney Hall, 164 Annie and John Glenn Avenue, ATTN: Dawn Nolen or e-mailed to nolen.2@osu.edu. For additional information, please call 614/292-4680.

Rev. 3/10/16

## "Why do some people make more money than others?" Using Economics to Explain Earnings Inequality

Freshman Seminar Arts & Sciences 1137.xx 1-semester hour Credit

Meeting Time: TBD Meeting Place: TBD

Instructor: Ethan Doetsch, PhD Email: doetsch.2@osu.edu Office: Arps 367 Office hours: TBD

#### Course Description

Why do Warren Buffet, LeBron James, and Sheryl Sandberg make more money than you do? Why does the average college graduate make more money than the average person with only a high school diploma? Why do whites make more money, on average, than African Americans? Why does the average man make more money than the average woman? This seminar uses basic economic intuition to explain earnings inequality in the United States. It introduces students to the roles of labor markets, education, job characteristics, institutions, and labor market discrimination in explaining pay differences.

#### Course Objectives

By the end of the course each student should:

- describe what types of pay differences exist in the United States
- describe how economists explain differences in pay
- develop oral and written communication skills

# Required Text

There is no text to purchase for this course. Carmen will link to all required readings in the below course schedule.

#### Course Policies & Requirements

#### Class participation

Seminar-style classes are geared towards class participation and discussion. You are expected to participate with relevant comments, questions, and contributions during the seminar. Depending on the class size, not everybody can make a contribution during each class period, so aim for several quality contributions over the course of the semester.

You are expected to:

- regularly attend class
- read and <u>think</u> about the readings before the class period (this is critical, since the meeting time will be mostly devoted to a discussion of the readings, not a review of the readings)
- work on, but not necessarily complete, the discussion questions before the class period to support participation
- turn off and put away all electronic devices (phones, laptops, tablets, etc.) during meeting time
- treat your classmates with respect
- be alert, engaged, and attentive
- avoid pushing the discussion in irrelevant directions
- avoid monopolizing the discussion

If you have questions about the quality or quantity of your classroom participation, or how things are going generally in the course, please see me. I will send you a midterm review of your participation to let you know where you stand.

We only meet 14 times this semester, so you are expected to attend every class. Having more than two unexcused absences will significantly lower your class participation score. Absences due to a death in the family, illness, medical issues, university-sanctioned activities, etc. are excused with the submission of appropriate documentation to the instructor. If you have any questions about this, please contact me.

#### Discussion questions

To prepare you for class discussion, I will post discussion questions to Carmen. The aim of these is to help you focus your reading and thinking.

You are expected to review and begin to develop answers to these questions before each class period. If you change your mind over the course of a discussion or a point is clarified for you, you are encouraged to go back and change your answers to the discussion questions.

A typical set of discussion questions includes three or four short answer questions. You should use no more than three complete sentences to answer each question. Your answers should reflect that you thought about and understand the course material.

You must email me your answers to the discussion questions by 5:00 pm on the Friday of the week we discuss the corresponding topic. Please make sure your submissions are legible, clearly-written, and proofread before submission.

Naturally, you are encouraged to discuss course material and work with others; however, your submissions must be in your own words. Do not copy the submissions of other students and submit them as your own.

Each set of discussion questions will count equally toward your discussion question score.

#### Take-home final exam

At the end of the semester, you will complete a take-home final exam which consists of an essay question. You will have 60 minutes to write this essay, with an additional 15 minutes to proofread and correct any spelling or grammatical errors.

I will post the final exam on Carmen at the beginning of finals week. You may complete the exam and email me a file with your answer any time before [date TBD] at 5:00 pm.

For this final exam, you are expected to work alone. You may not consult with other students about the nature of the exam or your answer to it until everybody has submitted their exam. You may use any notes that you produced over the semester; but, due to the time constraint, I suggest you prepare and organize your thoughts beforehand.

## Grading

Your grade is based on class participation, discussion question answer submission, and a take-home final exam.

Item	Point Value
Class participation	100
Discussion questions	100
Take-home final exam	100
Total	300

Your final letter grade is the ratio of the points you obtain to the total points possible, rounded down to the nearest hundredth, according to the following rubric:

А	A-	B+	В	B-	C+	С	C-	D+	D	Е
1.0-	0.92-	0.89-	.086-	0.82-	0.79-	0.76-	0.72-	0.69-	0.66-	<0.60
0.93	0.90	0.87	0.83	0.80	0.77	0.73	0.70	0.67	0.60	

# Academic Misconduct

It is the responsibility of the Committee on Academic Misconduct to investigate or establish procedures for the investigation of all reported cases of student academic misconduct. The term "academic misconduct" includes all forms of student academic misconduct wherever committed; illustrated by, but not limited to, cases of plagiarism and dishonest practices in connection with examinations. Instructors shall report all instances of alleged academic misconduct to the committee (Faculty Rule 3335-5-487). For additional information, see the Code of Student Conduct (http://studentlife.osu.edu/pdfs/csc\_12-31-07.pdf).

# Students with Disabilities

Students with disabilities that have been certified by the Office for Disability Services will be appropriately accommodated and should inform the instructor as soon as possible of their needs. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue; telephone 292-3307, TDD 292-0901; http://www.ods.ohio-state.edu/.

# Course Schedule & Reading List

Discussion questions are due the Friday of the week we discuss a specified topic (by 5:00 pm).

## I. Measuring pay differences

Week 1: Measuring inequality: Top incomes
Reading: Piketty and Saez (2013) "Striking it richer" at
http://eml.berkeley.edu//~saez/saez-UStopincomes-2012.pdf
(5 pages, plus graphs)

Week 2: Measuring inequality: Wage structure
Reading: "Chapter 4: Wages", State of Working America at
http://stateofworkingamerica.org/subjects/wages/?reader
(only pages 177-192, graphs)

# II. Explaining pay differences

Week 3: The basics of labor markets: Supply and demand Reading: "Chapter 11: Markets for Factors of Production" in *Microeconomics* by Acemoglu, Johnson, and Robinson (only pages 253-261) available on Carmen

**Week 4:** More on the basics of labor markets **Reading:** "Chapter 11: Markets for Factors of Production" in *Microeconomics* by Acemoglu, Johnson, and Robinson (only pages 253-261) available on Carmen

Week 5: Technological change & education Reading: Autor (2010) "The Polarization of Job Opportunities in the U.S. Labor Market" (pages 1-15) http://economics.mit.edu/files/5554

Week 6: Technological change & education, continued Reading: Autor (2010) "The Polarization of Job Opportunities in the U.S. Labor Market" (pages 22-29) http://economics.mit.edu/files/5554

Week 7: Compensating wage differentials: Health & life
risks
Reading: Tuscano (1997) "Dangerous Jobs" (4 pages)
http://www.bls.gov/opub/mlr/cwc/dangerous-jobs.pdf
BLS Occupational Outlook Handbook (for looking up
interesting occupations) http://www.bls.gov/ooh/

Week 8: Compensating wage differentials: Moral disamenities
Reading: Frank (1996) "What price the moral high ground?"
(17 pages, ignore equations)
http://www.people.vcu.edu/~lrazzolini/GR1997.pdf

Week 9: Executive compensation: Board capture
Reading: "CEO Pay Depends on Boards Independence" from the
Wall Street Journal, 3/9/16
http://www.wsj.com/articles/ceo-pay-depends-on-boardsindependence-1457544986

Week 10: Executive compensation: Institutions and norms Reading: Piketty and Saez (2003) (pages 24-37 only) https://eml.berkeley.edu/~saez/pikettyqje.pdf

#### III. Explaining racial and gender pay differences

Week 11: Black-white earnings gap Reading: Maloney and Doetsch (2012) "What Explains Black-White Economic Inequality in the United States in the Early 21st Century?" (pages 161-174) available on Carmen

Week 12: Black-white earnings gap, continued Reading: Bertrand and Mullainathan (2004) "Are Emily and Greg More Employable Than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination" (22 pages) http://www2.econ.iastate.edu/classes/econ321/orazem/bertran d\_emily.pdf

Week 13: Gender earnings gap
Reading: "Motherhood Still a Cause of Pay Inequality" from
the New York Times, 6/12/12
http://www.nytimes.com/2012/06/13/business/economy/motherho
od-still-a-cause-of-pay-inequality.html

Week 14: Gender earnings gap, continued Listening: Stephen Dubner's Interview with Prof. Claudia Goldin on the Freakonomics podcast (44 minutes) <u>http://freakonomics.com/podcast/the-true-story-of-the-</u> gender-pay-gap-a-new-freakonomics-radio-podcast/

Week 15: Finals week Take-home final exam due by [date TBD] at 5:00 pm

# Biographical Sketch

Ethan Doetsch is a Senior Lecturer in the Department of Economics and teaches a variety of economics courses, including labor economics, world economic history, American economic history, and a course on ethics and economics. Migration and occupational mobility in early 20th century American labor markets are his main research interests. He was the recipient of the Undergraduate Economic Society's 2016 Undergraduate Teaching Award.