

Economics of the Lifecycle

This course will consider economic issues that occur at each age as one moves through one's life. For example, we will look at economic factors affecting infant mortality around the world, economics of education, career choice, marriage (and divorce), fertility, division of labor in the household, child care, glass ceilings, poverty and wealth, health care, elder care, and retirement. For each stage of the lifecycle we will sample from the economic models relevant to that age, the empirical work that informs our understanding and especially the policy questions. Difference in one's experience based on race, gender, sexuality, income level and national origin will be an important component of our exploration. The course is focused mainly on "Western" economies.

Prerequisite: A "C" or higher in Economics 101. The course will make use of indifference curve analysis as well as supply and demand models. The course will also require interpretation of statistics and regression models. No prior statistics course is assumed.

Note: This course is not open to students who have taken Economics 301.

Class meeting times: This course meets Tuesday and Thursday from 2:30-3:55.

Office hours: Monday 11-12:30 and Friday 2:30-4
and by appointment

My office is 111 Hubbard Hall, phone 725-3790.

Email is a very efficient way to reach me. My email address is connelly@bowdoin.edu. I usually check it often during the day, but irregularly in the evening and on the weekend.

Reading Assignments:

Required books:

Saul D. Hoffman and Susan L. Averett, *Women and the Economy: Family, Work, and Pay*, Addison-Wesley-Longman, forthcoming (Spring 2004)
can be accessed at <http://www.buec.udel.edu/hoffmans/textbook/index.htm>

Jean Kimmel and Emily P. Hoffman, editors, *The Economics of Work and Family*, Kalamazoo, MI: W. E. Upjohn Institute for Employment Research, 2002.

Required reserve reading:

Much of the course is based on readings from articles and book chapters. These will be placed on reserve at HL Library or available electronically. Readings for the next class will be announced and should be completed prior to class.

Note: this class will involve substantial in class discussion so required readings must be read before class.

Course Requirements and Grading:

Course work will receive the following weights in calculating your final grade:

Discussion Group Questions/Class Participation	15%
Exam 1	25%
Exam 2	25%
Service Project	20%
Policy Project	15%

Class participation marks will be crucial in deciding borderline grade cases.

Discussion Group Questions: The class will divide itself into 5 or 6 discussion groups. It is intended that these groups will stay intact for the entire semester. However, I will entertain requests to transfer after the first group assignment. If things aren't working, please use this option. A group that isn't working well together can be frustrating for all involved. Discussion questions will be handed out periodically throughout the semester. Your discussion group should meet at least once a week. The entire group is responsible for group answers and I may call on any member of the group to participate in the discussion of issues. I will ask you to turn in some of the discussion question answers. Which parts are to be turned in will be clearly indicated on the questions. It will not be a surprise. Each group will turn in only one set of answers. At the end of the semester you will be asked to evaluate (in writing) each member of your group in terms of participation in the group process.

Exams: There will be two exams. The first is on March 11th, the second will be at the appointed time slot during finals week. (May 21th at 2:00P.M.). They are equally weighted and the second will cover material from the second half of the course only. The tests will emphasize the theoretical aspects of our analysis, testing both problem solving and your knowledge of the readings. Please note the exam time on your calendar now. It is your responsibility to be able to make these exam times.

Service Project: The entire class will be participating in data collection efforts of the State of Maine, Office of Child Care and Head Start Services. The Office of Child Care is conducting a survey of families who receive child care vouchers from the state. Each student will be responsible for making phone calls to survey recipients who have not responded to the mail survey. In addition to making the calls, we will meet in discussion groups to share impressions from the calls and produce a written report of the state. Group reports are due April 8th. I will assign a group grade and adjust it up or down for individuals based on anonymous peer evaluations from your group.

Policy Project: The last three classes (including one during reading period) will be devoted to a public policy symposium. You will work in groups. Each group will focus its attention on one of the policy issues we will have touched upon during the semester. Each group will prepare an economic analysis of a policy proposal. The report (8-10 pages) will discuss 1) the problems to be addressed by the proposal and why they merit government policy, 2) how the proposal will address these problems- who will benefit from the proposal and why this proposal is superior to other possible proposals, 3) what costs are involved in the policy and 4) any potential problems with the proposal. Each group should plan a 20 minute presentation on its proposal which will be followed by class discussion. The written report is due the day before the presentation so that all students in the class will have time to read and comment on it. Again, I will assign a group grade and adjust it up or down for individuals based on anonymous peer evaluations from your group.

Subject Outline

- I Introduction
- II Adolescence and Young Adults (Ages 16-29)
 - A Education
 - 1. Why Stay in School?
 - 2. Who Stays in School?
 - B Employment
 - 1. Labor/Leisure Model
 - 2. Occupational Segregation
 - 3. Inequality/ Poverty/ Welfare
 - C Marriage (and Divorce)
 - 1. Economic Theory of Marriage
 - 2. Economics of Divorce
 - 3. Marriage and Poverty
 - D Fertility
 - 1. Economic Theory of Fertility
 - 2. Interaction of Fertility and Employment
 - 3. Issues of Teenage Fertility
- III Adults Aged 30-49
 - A Caring for Children
 - 1. Family Leave Policy
 - 2. Child Care Policy
 - 3. Concerns for the Child's Well Being
 - B Work/Family Issues
- IV Adults Aged 50-64
 - A Glass Ceilings
 - B Caring for Elderly Parents
 - C Saving Decisions
- V Older Adults 65+
 - A Health Care
 - B Retirement

Subject Outline with Reading Assignments and Dates

(Dates for topic coverage are approximate. Test dates are fixed.)

Jan 27, 29 **I** ***Introduction***

Victor Fuchs, *How We Live: An Economic Perspective on Americans from Birth to Death*, Cambridge Massachusetts: Harvard University Press, 1983, Chap. 1.

Hoffman and Averett, Chap. 1 and 2.

Strober, Myra. "Rethinking Economics Through a Feminist Lens," *American Economic Review*, May 1994, 143-147.

II ***Adolescence and Young Adults (Ages 16-29)***

Victor Fuchs, *How We Live*, Chap. 4

Feb 3 **A** ***Education***

1. ***Why Stay in School?***

Francine Blau, Marianne Ferber and Anne Winkler, *The Economics of Women, Men and Work*, 3rd Edition, Saddle River, New Jersey: Prentice Hall, 1998, pp. 141-166.

2. ***Who Stays in School?***

Philip J. Cook and Michael J. Moore, "Dropout and Enrollment Trends in the Postwar Period: What Went Wrong in the 1970s?" *Risky Behavior Among Youths: An Economic Analysis*, Chicago: University of Chicago Press, 2001.

Marta Tienda and Ahituv Avner, "Ethnic Differences in School Departure: Does Youth Employment Promote or Undermine Educational Attainment?" *Of Heart and Mind: Social Policy Essays in Honor of Sar A. Levitan*. Garth Mangum and Stephen Mangum, editors, Kalamazoo, Mich.: W. E. Upjohn Institute for Employment Research, 1996, 93-110.

Feb 5, 10, 12

B Employment**1. Labor/Leisure Model**

Francine Blau, Marianne Ferber, and Anne Winkler, *The Economics of Women, Men and Work*, Ch 4.

2. Occupational Segregation

Francine Blau, Marianne Ferber and Anne Winkler, *The Economics of Women, Men and Work*, Ch 5.

Blau, Francine D; Simpson, Patricia; Anderson, Deborah.
“Continuing Progress? Trends in Occupational Segregation in the United States over the 1970s and 1980s.” *Feminist Economics*. Fall 1998, Vol. 4 (3), 29-71.

Evelyn Fox Keller, “An Anomaly of a Woman in Physics,” *Working It Out*, Sara Ruddick and Pamela Daniels, editors,

3. Inequality/ Poverty/ Welfare

Hoffman and Averett, Chap. 12.

Peter Gottschalk, “Inequality, Income Growth and Mobility: the Basic Facts,” *Journal of Economic Perspectives*, Spring 1997, pp. 21-40. (available online)

Mary Huff Stevenson and Elaine Donovan, “How the U.S. Economy Creates Poverty and Inequality,” in *For Crying Out Loud: Women’s Poverty in the United States*, edited by Diane Dujon and Ann Withorn, Boston, Massachusetts:South End Press, 1996, pp. 67-78.

Randy Albelda and Chris Tilly, “It’s A Family Affair: Women, Poverty and Welfare,” in *For Crying Out Loud: Women’s Poverty in the United States*, edited by Diane Dujon and Ann Withorn, Boston, Massachusetts:South End Press, 1996, pp. 79-85.

Feb 17, 19, 26

C Marriage (and Divorce)**1. Economic Theory of Marriage**

Francine Blau, Marianne Ferber and Anne Winkler, *The Economics of Women, Men and Work*, Ch 3, pp. 31-50.

Hoffman and Averett, Chap. 3.

2. Economics of Divorce

Hoffman and Averett, Chap. 4, pp. 24-39.

Evelyn Lehrer, "The Economics of Divorce," in *Marriage and the Economy: Theory and Evidence from Advanced Industrial Societies*, edited by Shoshana Grossbard-Shechtman, Cambridge: Cambridge University Press, 2003, pp. 55-74.

3. Marriage and Poverty

Hoffman and Averett, Chap. 4, pp. 1-17.

Leslie Whittington and James Alm, "The Effects of Public Policy on Marital Status in the United States," in *Marriage and the Economy: Theory and Evidence from Advanced Industrial Societies*, edited by Shoshana Grossbard-Shechtman, Cambridge: Cambridge University Press, 2003, pp. 75-104.

John Fitzgerald, "Marriage Prospects and Welfare Use," in *Marriage and the Economy: Theory and Evidence from Advanced Industrial Societies*, edited by Shoshana Grossbard-Shechtman, Cambridge: Cambridge University Press, 2003, pp. 177-200.

Mar 2, 4, 9

D Fertility

Hoffman and Averett, Chap. 5 and 6.

1. ***Economic Models of Fertility***

Schoen, Robert et al, "Why Do Americans Want Children?" *Population and Development Review*, 23(2):333-358.

2. ***Interaction between Fertility and Employment***

Susan Averett, "Fertility, Public Policy, and Mothers in the Labor Force," in *The Economics of Work and Family*, Jean Kimmel and Emily P. Hoffman, editors Kalamazoo, MI: W. E. Upjohn Institute for Employment Research, 2002, 105-132.

Rachel Connelly, "Comments on the Fertility/Employment Interaction" *Population and Development Review*, 22, 1996.

3. ***Issues of Teenage Fertility***

Wolfe, Barbara, Kathryn Wilson and Robert Haveman "The Role of Economic Incentives in Teenage Nonmarital Childbearing Choices." *Journal of Public Economics*, 81, 473-511. 2001.

Mar 11 First Exam

Spring Break March 16,18, 23, 25

III Adults Aged 30-49

A Caring for Children

Mar 30

1. ***Family Leave Policy***

Hoffman and Averett, Chap. 14, pp. 1-35.

Katherin Ross Phillips, "Working for All Families? Family Leave Policies in the United States," in *The Economics of Work and Family*, pp.159-180.

Apr 1, 6, 8
**Group report on
 Service Learning
 Project due Apr. 8**

2. ***Child Care Policy***

Hoffman and Averett, Chap. 14, pp. 35-69.

David Blau, "Federal Child Care Policy," in *The Economics of Work and Family*, pp. 7-42.

Barbara R. Bergmann, "Thinking about Child Care Policy," in *The Economics of Work and Family*, pp.43-70.

Arleen Leibowitz, "Child Care: Private Cost or Public Responsibility?" in *Individual and Social Responsibility*, edited by Victor Fuchs, Chicago: University of Chicago Press, 1996, pp. 33-58. Also comment by Francine Blau.

The Economic Rationale For Investing in Children: A Focus On Child Care:Conference Summary,

Apr 13

3. ***Concerns for the Child's Well Being***

Hoffman and Averett, Chap. 15.

Andrew Cherlin, "Going to Extremes: Family Structure, Children's Well-Being, and Social Science," *Demography*, 36(4), 1999, pp.421-428.

Victor R. Fuchs and Diane M. Reklis, "America's Children: Economic Perspectives and Policy Options," *Science*, 255, January 1992, pp. 41-46.

Apr 15

B Work/Family Issues: Keeping it all together

Cordelia Reimers, "Parents' Work Time and the Family," in *The Economics of Work and Family*, pp. 71-104.

Joyce Jacobsen, "How Family Structure Affects Labor Market Outcomes," in *The Economics of Work and Family*, pp.105-132.

Hoffman and Averett, Chap. 13.

IV Adults Aged 50-64

Scales-Trent, "On Turning Fifty," *Life Notes*, edited by Patricia Bell-Scott, New York: W.W. Norton, 1994.

Apr 20

A Glass Ceilings

Joe G. Baker, "Glass Ceilings or Sticky Floors? A Model of High-Income Law Graduates," *Journal of Labor Research*, Fall 2003, 24(4), pp. 695-711.

Alison L Booth, Marco Francesconi, and Jeff Frank, "A Sticky Floors Model of Promotion, Pay, and Gender," *European Economic Review*, April 2003, 47(2), pp. 295-322.

Wim Groot and Henriette Maassen van den Brink, "Glass Ceilings or Dead Ends: Job Promotion of Men and Women Compared," *Economics Letters*, November 1996, 53 (2), pp. 221-26.

Apr 22

B Caring for Aging Parents

Douglas A Wolf and Beth J. Soldo, "Married Women's Allocation of Time to Employment and Care of Elderly Parents." *Journal of Human Resources*. Fall 1994. Vol. 29 (4). 1259-76.

Ettner, Susan, "The Impact of 'Parent Care' on Female Labor Supply Decisions," *Demography*, Feb 1995, Vol 32(1), 63-80.

Apr 27

C Saving Decisions

B. Douglas Bernheim, Lorenzo Forni, Jagadeesh Gokhale and Laurence J. Kotlikoff, "How Much Should Americans Be Saving for Retirement?" working paper, Federal Reserve Bank of Cleveland.

John Sabelhaus and Karen Pence, "Household Saving in the '90s: Evidence from Cross-Section Wealth Surveys," *Review of Income and Wealth*, December 1999, 45(4), pp. 435-53. (Available online.)

V Older Adults 65+

Apr 29

A Health Care

Henry Aaron, "Health Care Reform: The Clash of Goal, Facts, and Ideology," in *Individual and Social Responsibility*, edited by Victor Fuchs, Chicago: University of Chicago Press, 1996, pp. 107-142. Also comment by Martin Feldstein.

Alan Garber, "To Comfort Always: The Prospects of Expanded Social Responsibility for Long-Term Care," in *Individual and Social Responsibility*, edited by Victor Fuchs, Chicago: University of Chicago Press, 1996, pp. 143-174. Also comment by John Shoven.

Fred Barnes, "What Health Care Crisis?" in *Race and Gender in the American Economy*, Susan F. Feiner, editor, Englewood Cliffs, New Jersey: Prentice Hall, 1994, pp. 307-312.

May 4

B Retirement

Marjorie Honig, "Married Women's Retirement Expectations: Do Pensions and Social Security Matter?" *American Economic Review*. May 1998, Vol. 88 (2), 202-06.

Silvana Pozzebo and Olivia S. Mitchell, "Married Women's Retirement Behavior," *Journal of Population Economics*. 1989, Vol. 2 (1). p 39-53.

Shoshana Grossbard-Shechtman, "A Note on Why Fewer Women are Retiring Early," May 1998.

David Blau, "Labor Force Dynamics of Older Married Couples," *Journal of Labor Economics*, 16(3), July 1998, 595-629.

May 6, 11 and 13 **Policy Forum**