

**Economics 466: Economics of Population
Course Outline and Reading List
Fall 2008**

Instructor:

David Lam, Professor of Economics, 218 Lorch Hall, 763-9237, davidl@umich.edu

Graduate Student Instructor: Jessica Hoel, jesshoel@umich.edu, 119 Lorch Hall

Class Meeting Time and Place:

Monday 2:30-4:00, 1512 CC Little (lectures); Wednesday 2:30-4:00, 1570 CC Little (computer lab)

See UM CTools web site for office hours and announcements (<https://ctools.umich.edu>).

Course Description:

This course uses an economic perspective to analyze the dramatic changes in fertility, mortality, marriage, and household structure in recent decades in both industrialized and developing countries. The course includes a computer lab component built around statistical analysis of household survey data. Students will use the statistical package Stata to analyze demographic and economic change in the United States and other countries, applying recent innovations in the application of microeconomic theory and econometrics to the analysis of demographic behavior, labor markets, poverty, and inequality. Topics include: economics of fertility and marriage; economic and demographic analysis of population growth; intergenerational transmission of income inequality; impact of changing age structure on social security systems. Coursework includes: computer-based problem sets and writing exercises; a paper based on computer analysis of household survey data; written midterm and final examinations.

Prerequisites: Economics 401. Students are expected to have a basic familiarity with intermediate microeconomics. Given the emphasis on statistical analysis in the course, Economics 404 or 405 are strongly recommended. Familiarity with computer statistical packages will be useful but is not required.

Course Material:

There is no text book or course pack. All readings are available electronically through the CTools web site for the course.

Course web sites:

UM CTools: <https://ctools.umich.edu>

Web-based course on statistical analysis of survey data: <http://www.psc.isr.umich.edu/saproject/>

Grading: Required work for the course consists of the following:

- A 15 page term paper (counts for 30% of grade).
- Two mid-term exams (each exam counts for 30% of grade).
- Problem sets throughout the course (10% combined). We encourage collaboration on problem sets, but each student must write up a separate problem set for submission.

Upper-Level Writing Requirement: Writing requirements are the same for all students in the class.

Writing assignments include the problem sets and the term paper. The first draft of the term paper is due Wednesday, November 12. The final version of the paper is due at the end of the scheduled final exam time for the class. The grade on the first draft counts for 30% of the final paper grade. Note that you must get a grade of C- or better in the course in order to satisfy the upper-level writing requirement.

Important Dates:

Wednesday October 8:	Term paper proposal due
Wednesday October 15:	First mid-term exam
Wednesday November 12:	First draft of term paper due
Monday December 8:	Second mid-term exam (last class meeting)
Wednesday December 17:	Final term paper due at 12:30 p.m. (end of scheduled final exam time)

Outline of Lectures and Reading List
 (* indicates required readings, other readings optional)

Lecture 1 – September 3**Overview of Demographic Rates and Population Dynamics**

*Population Reference Bureau, “Transitions in World Population,” *Population Bulletin* v. 59, no.1, 2004, pp. 1-20.

Lecture 2 – September 8**Historical Patterns of Demographic and Economic Change**

*T. Paul Schultz, Chapter 2, “Preindustrial Equilibrium: A Malthusian Perspective,” pp. 9-33, in *Economics of Population*, Addison-Wesley, 1981.

*Ronald Lee, “The Demographic Transition: Three Centuries of Fundamental Change,” *Journal of Economic Perspectives*, 17(4), Fall 2003, pp. 167-180 (remainder of paper included below).

Lecture 3 – September 15**The Demographic Transition and Economic Impact of Rapid Population Growth**

*David Lam, “How the World Survived the Population Bomb: An Economic Perspective,” in *The Economics of Sustainable Development*, Sisay Asefa, ed. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2005, pp. 99-132.

**“The end of cheap food,” *The Economist*, December 6, 2007.

**“Malthus, the false prophet,” *The Economist*, May 15, 2008.

Lecture 4 – September 22**The Economics of Fertility: Quantity-Quality**

*V. Joseph Hotz, Jacob Klerman, and Robert Willis, “The Economics of Fertility in Developed Countries,” in M.R. Rosenzweig and O. Stark, *Handbook of Population and Family Economics*, 1997, pp. 292-298.

*Gary Becker and H. Gregg Lewis, “On the Interaction between the Quantity and Quality of Children,” *Journal of Political Economy*, March 1973: pp. S279-S288.

Gary Becker, “Nobel Lecture: The Economic Way of Looking at Behavior,” *Journal of Political Economy*, June 1993, pp. 385-409.

Lecture 5 – September 29**The Economics of Fertility: Opportunity Cost of Time**

*V. Joseph Hotz, Jacob Klerman, and Robert Willis, “The Economics of Fertility in Developed Countries,” in M.R. Rosenzweig and O. Stark, *Handbook of Population and Family Economics*, 1997, pp. 298-305.

James P. Smith; Michael P. Ward Time-Series Growth in the Female Labor Force, *Journal of Labor Economics*, Vol. 3, No. 1, Part 2, 1985, pp. S59-S90.

*James Feyrer, Bruce Sacerdote, and Ariel Dora Stern, “Will the Stork Return to Europe and Japan? Understanding Fertility within Developed Nations,” *Journal of Economic Perspectives*, Summer 2008, pp. 3-22.

Lecture 6 – October 6**Economics of Contraception and Abortion**

Martha Bailey, “More Power to the Pill: The Impact of Contraceptive Freedom on Women’s Life Cycle Labor Supply,” *Quarterly Journal of Economics*, February 2006, pp. 289-320.

Phillip Levine, *Sex and Consequences*, Princeton University Press, 2004.

Lecture 7 – October 13**Fertility, Investments in Children, and Intergenerational Mobility**

*David Lam and Suzanne Duryea, “Effects of Schooling on Fertility, Labor Supply, and Investments in Children, With Evidence from Brazil,” *Journal of Human Resources*, Winter 1999, 34(1): 160-192.

David Lam, “Evolutionary Biology and Rational Choice in Models of Fertility,” in Kenneth W. Wachter and Rodolfo Bulatao, editors, *Offspring: Human Fertility Behavior in Biodemographic Perspective*, National Academies Press, Washington, D.C., 2003, pp. 322-338.

October 20 – Fall STUDY Break – No Lecture**Lecture 8 – October 27****Human Capital Investments and Earnings**

Claudia Goldin and Lawrence Katz, *The Race Between Education and Technology*, Harvard University Press, 2008.

*Kermyt Anderson, Anne Case and David Lam, “Causes and Consequences of Schooling Outcomes in South Africa: Evidence from Survey Data, *Social Dynamics* 27(1): 137-59, 2001.

Lecture 9 – November 3**Measurement of Poverty and Inequality**

*Hilary W. Hoynes, Marianne E. Page, and Ann Huff Stevens “Poverty in America: Trends and Explanations,” *Journal of Economic Perspectives*, Winter 2006, pp. 47-68.

Shaohua Chen and Martin Ravallion, “The Developing World Is Poorer Than We Thought, But No Less Successful in the Fight against Poverty,” World Bank Policy Research Working Paper WPS 4703, August 2008.

Lecture 10 – November 10**Economics of HIV/AIDS**

*Anne Case and Cally Ardington, “The Impact of Parental Death on School Outcomes: Longitudinal Evidence from South Africa,” *Demography*, 43(3): 401-420, August 2006.

UNAIDS Report on the global AIDS epidemic, World Health Organization, 2006.

Kalanidhi Subbarao and Diane Coury, “Reaching out to Africa’s Orphans,” World Bank, 2004.

Lecture 11 – November 17**Economics of Marriage**

*Gary Becker, “A Theory of Marriage: Part I,” *Journal of Political Economy*, July/August 1973, pp. 813-836, 841-846.

David Lam and Robert Schoeni, “Family Ties and Labor Markets in the United States and Brazil,” *Journal of Human Resources*, Fall 1994, 29(4): 1235-1258.

Lecture 12 – November 24**Economic Links Between Generations**

*Gary Becker, “A Theory of Social Interactions, *Journal of Political Economy*, 82(6), Nov.-Dec. 1974, pp. 1063-1093.

Gary Becker and Kevin Murphy, “The Family and the State,” *Journal of Law and Economics*, April 1988, pp. 1-18.

Lecture 13 – December 1**The Demography and Economics of Age Structure**

*David Lam, “The Demography of Youth in Developing Countries and its Economic Implications,” World Bank Policy Research Working Paper #4022, October 2006 (background paper for the 2007 World Development Report).

*Ronald Lee, “The Demographic Transition: Three Centuries of Fundamental Change,” *Journal of Economic Perspectives*, 17(4), Fall 2003, pp. 180-190.

*Ronald Lee, “The Formal Demography of Population Aging, Transfers, and the Economic Life Cycle,” in Linda Martin and Samuel Preston, editors, *Demography of Aging*, Washington: National Academy Press, 1994, 8-49.