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Queens College – CUNY
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**BUS 383: Business and Economic Demography
Spring 2007**

Section	Code	Meeting time	Location	Final exam
AT3RA	3043	Tue/Thu, 10:50–12:05	Powdermaker Hall 154	Thu 5/24 8:30 am–10:30 am tentatively in PH 154

Course Overview. We are a nation of over 300 million people now, twice our size in 1950. The world as a whole is home to some 6.5 billion people, or about twice the number living in 1965. What are the factors that produce population growth, why has growth been more rapid in the rest of the world than in the U.S., and what are the prospects for the future? What are the implications of changing population sizes and compositions around the world for economic and environmental well-being?

These are big questions, and in this course we will explore how to answer them. Along the way, we will find in order to understanding population-level dynamics, we will also need to examine the microeconomic behavior of individuals. How do people choose to work or retire, save or consume, marry or not, reproduce, and immigrate? What are the implications of these behaviors for markets, for policy, and for society?

In this course, you will develop a newfound appreciation for how economics, the dismal science, can be applied to an extraordinarily wide array of important human behaviors. You will develop analytical skills and empirical data skills that are useful in research, government, and business. Finally, we will discuss specific business applications of tools and concepts.

Required Text. We will use a **course reader** developed specifically for this class. You must purchase the reader at the Queens Copy Center Inc., 65-01 Kissena Blvd at 65th Ave., just to the east of campus. The contents of the course reader are listed at the end of this syllabus.

Class Attendance. Although most of the concepts we will cover are included in the course reader, a considerable number are not. *You should plan on attending all class sessions* in order to learn the material and do well in the class.

Course Requirements. There will be six problem sets graded on a check-plus, check, check-minus basis. It is of utmost importance that you just do the work and hand it in on time. *I will not accept late problem sets.* A check-plus can make up for a check-minus, but even a student with all check-minuses will get 90% of the total points available on the problem sets, *if he or she turns all of them in on time.*

I will drop your lowest problem set grade in determining your overall course grade. Use this “free pass” on one problem set wisely, such as for when you may become sick or must travel. To be clear: you must turn in 5 of the 6 problem sets to have a shot at full credit.

Outside of class participation, the problem sets are the most valuable tool you have for learning the course material. Feel free to form study groups in order to cover and learn the course material, but you must

submit your own work. *Copying answers will result in a zero for all students whose problem sets are identical.*

The problem sets will be handed out and then due in class on the dates listed in the course schedule in this syllabus. After handing them out, I will also post the problem sets online at the [course website](#). They will also be online on the course Blackboard site. (For both, see “Web sites” below.) I will distribute problem set answer keys in class and on the course Blackboard site, *but not on the public course website.*

There will also be a final exam during May 18 – May 26; the exact date, time, and location will be announced as soon as they are known. Those with time conflicts must first see the registrar and then me.

The final will be cumulative, but knowledge of specific intricacies from the first 6 chapters will not be tested. Rather, you should expect to demonstrate your grasp of the concepts, not the details of the models or the math. This course is about creative thinking and problem solving. Your best preparation for the final exam, and for obtaining a good course grade, is to complete all the problem sets, take both exams, check your answers, and ask questions in office hours or in class when it is convenient.

Grading. I will determine your final grade based on your performance using the following weights on the course requirements:

Problem sets (your best 5 out of the 6)	30%
Midterm exam	30%
Final exam	40%

Web sites. Most course materials will appear both on the publicly viewable [course website](#) and on Blackboard. You can take your pick. But for answer keys to problem sets and midterms, you must use the Blackboard site. Or just pick up the answer keys in class.

1. The [course website](#) is accessible by navigating to <http://qcpages.qc.cuny.edu/~redwards/QC-BUS383>
2. The Blackboard website is available at <http://www.cuny.edu> through the Log-in link at the bottom on the left-hand side. Once in, look for “Blackboard” under “SSO Applications” and click it. Then on the next screen, click on “Queens College.” You should see BUS_383 listed under “My Courses” on the right. Click it.

Help for Blackboard is available at <http://qcpages.qc.cuny.edu/edtech/BlackBoard/students.html>

Course schedule:

Week	Tuesday	Thursday
1	Jan 30 Class 1: Background (1 of 3)	Feb 1 Class 2: Background (2 of 3) Problem Set 1 handed out
2	Feb 6 Class 3: Background (3 of 3)	Feb 8 Class 4: Aging (1 of 7)
3	Feb 13 Class 5: Aging (2 of 7) Problem Set 1 DUE, Problem Set 2 handed out	Feb 15 <i>No class; QC is on a Monday schedule</i>
4	Feb 20 Class 6: Aging (3 of 7)	Feb 22 Class 7: Aging (4 of 7)
5	Feb 27 Class 8: Aging (5 of 7) Problem Set 2 DUE, Problem Set 3 handed out	Mar 1 Class 9: Aging (6 of 7)
6	Mar 6 Class 10: Aging (7 of 7) Problem Set 3 DUE	Mar 8 Class 11: Household (1 of 6)
7	Mar 13 Class 12: Household (2 of 6)	Mar 15 <u>IN-CLASS MIDTERM EXAM</u>
8	Mar 20 Class 13: Household (3 of 6) Problem Set 4 handed out	Mar 22 Class 14: Household (4 of 6)
9	Mar 27 Class 15: Household (5 of 6) Problem Set 4 DUE	Mar 29 Class 16: Household (6 of 6)
10	Apr 3 <i>No class; Spring Break!</i>	Apr 5 <i>No class; Spring Break!</i>
11	Apr 10 <i>No class; Spring Break!</i>	Apr 12 Class 17: Immigration (1 of 5)
12	Apr 17 Class 18: Immigration (2 of 5)	Apr 19 Class 19: Immigration (3 of 5)
13	Apr 24 Class 20: Immigration (4 of 5) Problem Set 5 handed out	Apr 26 Class 21: Immigration (5 of 5)
14	May 1 Class 22: Macro Consequences (1 of 4)	May 3 Class 23: Macro Consequences (2 of 4) Problem Set 5 DUE, Problem Set 6 handed out
15	May 8 Class 24: Macro Consequences (3 of 4)	May 10 Class 25: Macro Consequences (4 of 4)
16	May 15 Class 26: Business Demography (1 of 2) Problem set 6 DUE	May 17 Class 27: Business Demography (2 of 2)
	TBA <u>FINAL EXAM</u> Cumulative, but with an emphasis on 2nd half	

Queens College – CUNY
BUS 383: Business and Economic Demography
Course Outline and Reading List

I. Background: Trends in Mortality, Fertility, Immigration, Population Size, and Consequences

A. Background

1. Ronald Lee (2003) “The Demographic Transition: Three Centuries of Fundamental Change,” *Journal of Economic Perspectives* 17(4), 167–190.
2. John R. Wilmoth (2002) “Human Longevity in Historical Perspective,” Chapter 2 in Paola S. Timiras, ed., *Physiological Basis of Aging and Geriatrics*, Boca Raton, FL: CRC Press, 3rd edition.
3. National Research Council (2000) “Transitional Fertility,” Chapter 3 in *Beyond Six Billion* Washington: National Academy Press, pp. 53–62, 78–82.
4. National Research Council (1997) “Summary,” in *The New Americans*, Washington: National Academy Press, pp. 1–13.
5. John Knodel (1999) “Deconstructing Population Momentum” *Population Today* 27(3), 1–2, 7.

B. Population pyramids and other tools

6. Cheryl Stauffer (1999) “Building Pyramids” *Population Today* 27(5), 3.

II. The Micro and Macroeconomics of Aging

A. Population aging around the world

7. National Research Council (2001) “Our Aging World”, Chapter 2 in *Preparing for an Aging World: The Case for Cross-National Research*, Washington: National Academy Press, pp.30–47, 61–65.

B. Retirement

8. Gary Burtless and Joseph F. Quinn, (2001) “Retirement Trends and Policies to Encourage Work among Older Americans,” in P.P. Budetti, R.V. Burkhauser, J.M. Gregory, and H.A. Hunt, eds., *Ensuring Health and Income Security for an Aging Workforce*, Kalamazoo, MI: Upjohn, pp. 375–397, 410–415.
9. Jonathan Gruber and David Wise (1998) “Social Security and Retirement: An International Comparison,” *American Economic Review* 88(2), 158–163.

C. Saving and public pension systems like Social Security

- † Life-cycle saving and a model of unfunded “pay-as-you-go” pensions — see lecture notes
10. Burton G. Malkiel (1999) “A Life-Cycle Guide to Investing,” Chapter 13 in *A Random Walk Down Wall Street*, New York: W.W. Norton & Company.

11. Council of Economic Advisers (2004) “Restoring Solvency to Social Security,” Chapter 6 in the *Economic Report of the President*, Washington: U.S. Government Printing Office.
12. Alicia H. Munnell (2004) “A Bird’s Eye View of the Social Security Debate,” *An Issue In Brief* 25, Center for Retirement Research, Boston College.
13. Ben Wattenberg (1997) “The Easy Solution to the Social Security Crisis,” *The New York Times Magazine*, June 22, pp. 30–31.

D. The macroeconomy

14. Axel Börsch-Supan (2004) “The Impact of Global Aging on Labor, Product and Capital Markets,” unpublished manuscript, November.

E. Intergenerational relations

15. Gary S. Becker and Kevin M. Murphy (1988), “The Family and the State,” *Journal of Law and Economics* 31(1), 1–12.

III. The Economics of Marriage and Partnership, the Family, and Fertility

A. Theoretical perspectives

16. Gary S. Becker (1981) “The Evolution of the Family,” Chapter 11 in *A Treatise On the Family*, Cambridge: Harvard University Press.

B. Female labor supply

17. T. Paul Schultz (1981) *Economics of Population*, Reading, MA: Addison-Wesley, selections from Chapter 4, pp. 62–69, 73–78.
18. Kristin Mammen and Christina Paxson (2000) “Women’s Work and Economic Development,” *Journal of Economic Perspectives* 14(4) pp.141-151; 158-164.
19. Claudia Goldin (2004) “From the Valley to the Summit: The Quiet Revolution That Transformed Women’s Work,” *NBER Working Paper* 10335.

C. The family

20. Suzanne M. Bianchi and Lynne M. Casper (2000) “American Families,” *Population Bulletin* 55 (4), 3–25.
21. John Tierney (2006) “Male Pride and Female Prejudice,” *The New York Times*, January 3, A19.
22. Michael J. Brien and Michelle E. Sheran (2003) “The Economics of Marriage and Household Formation,” Chapter 2 in Shoshana A. Grossbard-Shechtman, ed. *Marriage and the Economy*, Cambridge: Cambridge University Press.
23. Evelyn L. Lehrer (2003) “The Economics of Divorce,” Chapter 3 in Shoshana A. Grossbard-Shechtman, ed. *Marriage and the Economy*, Cambridge: Cambridge University Press.

D. Fertility

24. Gary S. Becker (1981) "The Demand for Children," Chapter 5 in *A Treatise On the Family*, Cambridge: Harvard University Press.
25. David Brooks (2006) "The Year of Domesticity", *The New York Times*, January 1.

Five Letters to the Editor of *The New York Times* in response to Brooks's column: "Careers and Kids, Hand in Hand," January 4.
26. T. Paul Schultz (1981) *Economics of Population*, Reading, MA: Addison-Wesley, selections from Chapter 6, pp. 159–162.

IV. Immigration

A. Measurement and characteristics of U.S. immigration

27. National Research Council (1997) "Background to Contemporary U.S. Immigration," Chapter 2, and "The Face of the U.S. Population in 2050," Chapter 3 in *The New Americans*, Washington: National Academy Press, pp.30–37, 107–115.
28. George Borjas (1999) "The Skills of Immigrants," Chapter 2 in *Heavens Door: Immigration Policy and the American Economy*, Princeton: Princeton University Press, pp. 19–38.

B. The economic and fiscal impacts of immigration

29. National Research Council (1997) "Immigration's Effects on Jobs and Wages: First Principles," Chapter 4 in *The New Americans*, Washington: National Academy Press, pp. 135–142, 151–157.
30. National Research Council (1997) "Immigration's Effects on Jobs and Wages: Empirical Evidence," Chapter 5 in *The New Americans*, Washington: National Academy Press, pp. 219–230.
31. Ronald Lee (2001) "Immigration: Consequences for Fiscal Developments in the Receiving Population," in Neil J. Smelser and Paul B. Baltes, eds., *International Encyclopedia of the Social Sciences*, Oxford: Elsevier, Vol. 11, 7217–7220.

V. Population Size and Density, Sustainability, Technology, and Growth

A. Theoretical perspectives

- † The theory of optimal population size — see lecture notes
32. Thomas Malthus (1798) *An Essay on the Principle of Population*, Chapters 1 and 2.
 33. Ronald Lee (1980) "An Historical Perspective on Economic Aspects of the Population Explosion: the Case of Pre-industrial England," in Richard Easterlin, ed., *Population and Economic Change in Developing Countries*, Chicago: University of Chicago Press, pp. 517–520 and 541–546.
 34. Ester Boserup (1981) *Population and Technological Change*, Chicago: University of Chicago Press, Chapters 1 and 2.

B. Population and the environment

35. Paul Ehrlich and Ann Ehrlich (1990) *The Population Explosion*, New York: Simon and Schuster, pp. 9–45.
36. Bjørn Lomborg (2001) *The Skeptical Environmentalist: Measuring the Real State of the World*, Cambridge: Cambridge University Press, Chapters 5 and 12.
37. Garrett Hardin (1968) “The Tragedy of the Commons,” *Science* 162, 1243–1248.

C. Population, macroeconomics, growth, and government

38. N. Gregory Mankiw (2007) *Macroeconomics* 6th edition, New York: Worth Publishers, selections from Chapter 7, “Economic Growth I” pp. 186–192, 206–213.
39. Nancy Birdsall (1994) “Government, Population, and Poverty: A ‘Win-Win’ Tale” Chapter 7 in K.L. Kiessling and H. Landberg, eds., *Population, Economic Development and the Environment* Oxford: Oxford University Press, pp.173–198.

VI. Business Demography: Marketing and Consumer Behavior

40. Jacob S. Siegel (2002) “Demographic Applications in Business Planning,” Chapter 6 in *Applied Demography*, New York: Academic Press.