

Department of Economics

University of Michigan

David Lam and Robert Willis

Economics 667: Economic Demography

Course Outline and Reading List

Class Meeting Time: Tuesday, Thursday 4:00--5:30, 1372 East Hall

David Lam

Department of Economics, 240 Lorch Hall

E-Mail: davidl@umich.edu

Telephone: 763--9237 (Economics Department);
998--7275 (Population Studies Center)

Office Hours: Wednesday 1:30--3:30, 218 Lorch Hall, and by appointment

Robert Willis:

E-Mail: rjwillis@umich.edu

Telephone: 764--2381 (Economics Department);
936--7261 (Survey Research Center)

Hours: ???, 216 Lorch Hall, and by appointment

Required Text: Gary Becker, *A Treatise on the Family*, Enlarged Edition, Harvard University Press, 1991 (in bookstores and on reserve in Foster Library and Population Studies Center Library).

Supplemental Text: T. Paul Schultz, *Economics of Population*, Addison-Wesley, 1981 (out of print, on reserve in Foster Library and Population Studies Center Library).

A course packet containing required readings (other than those in the texts) is available at Ulrich's. Required readings are denoted by * and should be read prior to the class in which they will be discussed. Other items listed will be drawn upon in lectures or are useful standard references.

Required work for the course consists of several problem sets, one short paper, and the final exam. The paper can be either a simple empirical paper using survey data to analyze issues covered in the course, or a critical review of one or more papers relevant to the course. All work must be turned in by the scheduled time of the final exam as published in the university course schedule.

I. Introduction: Malthus and Economic-Demographic Equilibrium

*T. P. Schultz, *Economics of Population*, 1981, Chapter 2, "Preindustrial Equilibrium: A Malthusian Perspective."

Ronald Lee, "An Historical Perspective on Economic Aspects of the Population Explosion," in R. Easterlin, ed., *Population and Economic Change in Developing Countries*, Univ. of Chicago Press, 1980.

Ronald Lee, "Population Dynamics of Humans and Other Animals," *Demography*, November 1987, 24(4): 443--465.

*Robert Willis, "Economic Analysis of Fertility: Micro Foundations and Aggregate Implications," in Kerstin Lindahl-Kiessling and Hans Landberg, editors, *Population, Environment, and Development*, Oxford University Press, 1994, 139--172.

II. Household Production and the Allocation of Time

Gary Becker, "Nobel Lecture: The Economic Way of Looking at Behavior," *Journal of Political Economy*, 1993, 101(3): 385--409.

Gary Becker, "A Theory of the Allocation of Time," *Economic Journal*, Sept. 1965, 75: 493--517.

*Ruben Gronau, "Leisure, Home Production, and Work --- the Theory of the Allocation of Time Revisited," *Journal of Political Economy*, 1977, 85(6): 1099--1123.

Gary Becker, *A Treatise on the Family*, 1991, Introduction; Chapter 1, "Single Person Households;" Chapter 2, "Division of Labor in Households and Families."

T. P. Schultz, *Economics of Population*, Chapter 4, "Demand Theory and the Economic-Demographic Behavior of Households," and appendix to Chapter 4.

Gary Becker, *A Treatise on the Family*, 1991, Supplement to Chapter 2, "Human Capital, Effort, and the Sexual Division of Labor" (*Journal of Labor Economics*, January 1985).

III. Economics of Fertility

Gary Becker, "An Economic Analysis of Fertility," in *Demographic and Economic Change in Developed Countries*, Princeton: National Bureau of Economic Research, 1960, 209--231.

T. P. Schultz, *Economics of Population*, Chapter 6, "Microeconomics of Fertility and Surviving Family Size."

*Robert Willis, "A New Approach to the Economic Theory of Fertility Behavior," in T. W. Schultz, *Economics of the Family*, or *Journal of Political Economy*, March-April 1973, S14--S64.

V. Joseph Hotz, Jacob Alex Klerman, and Robert J. Willis, "The Economics of Fertility in Developed Countries: A Survey," in M.R. Rosenzweig and O. Stark, editors, *Handbook of Population and Family Economics*, North Holland, 1996.

Gary Becker, *A Treatise on the Family*, 1991, Chapter 5, "The Demand for Children."

Gary Becker and Nigel Tomes, "Child Endowments and the Quantity and Quality of Children," *Journal of Political Economy*, 1976, 84(4), part 2, pp. S143--S162.

T. Paul Schultz, "Changing World Prices, Women's Wages, and the Fertility Transition: Sweden, 1860--1910," *Journal of Political Economy*, December 1985, pp. 1126--1154.

*T. Paul Schultz, "The Value and Allocation of Time in High-Income Countries: Implications for Fertility," in K. Davis et al., eds., *Below-Replacement Fertility in Industrial Societies: Causes, Consequences, Policies*, supplement to *Population and Development Review*, 1986, pp. 87--108.

*Mark Rosenzweig and T. Paul Schultz, "The Demand for and Supply of Births: Fertility and its Life Cycle Consequences," *American Economic Review*, December 1985, pp. 992--1015.

IV. Economics of Fertility and Investments in Children in Developing Countries

John Strauss and Duncan Thomas, "Human Resources: Empirical Modeling of Household and Family Decisions," in T.N. Srinivasan and Jere R. Behrman, editor, *Handbook of Development Economics*, Volume 3, 1995.

T. Paul Schultz, "Demand for Children in Low Income Countries," forthcoming in *Handbook of Population and Family Economics*.

*Mark R. Rosenzweig, "Population Growth and Human Capital Investments: Theory and Evidence," *Journal of Political Economy*, 1990, 98(5), part 2, S38--S70.

*David Lam and Suzanne Duryea, "Effects of Schooling on Fertility, Labor Supply, and Investments in Children, with Evidence from Brazil," *University of Michigan Working Paper*, September 1996.

V. Economics of Marriage

Gary Becker, *A Treatise on the Family*, 1991, Chapter 3, "Polygamy and Monogamy in Marriage Markets;" Chapter 4, "Assortative Mating in Marriage Markets."

Ted Bergstrom, "A Survey of Theories of the Family," forthcoming in *Handbook of Population and Family Economics*.

*Dale Mortensen, "Matching: Finding a Partner for Life or Otherwise," in Christopher Winship and Sherwin Rosen, editors, *Organizations and Institutions: Sociological and Economic Approaches to the Analysis of Social Structure*, supplement to *American Journal of Sociology*, 1988, 94: S215--S240.

*David Lam, "Marriage Markets and Assortative Mating with Household Public Goods," *Journal of Human Resources*, Fall 1988, pp. 462--487.

David Lam and Robert Schoeni, "The Effects of Family Background on Earnings and Returns to Schooling: Evidence from Brazil," *Journal of Political Economy*, 1993, 101(4): 710--740.

*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.

VI. The Link Between Marriage and Fertility

Gary Becker, *A Treatise on the Family*, 1991, Chapter 10, "Imperfect Information, Marriage, and Divorce," and Chapter 11, "The Evolution of the Family."

*Yoram Weiss and Robert Willis, "Children as Collective Goods and Divorce Settlements," *Journal of Labor Economics*, July 1985.

*Yoram Weiss and Robert Willis, "Match Quality, New Information, and Marital Dissolution," *University of Chicago Working Paper*, August 1995.

*Robert Willis, "A Theory of Out-of-Wedlock Childbearing," *University of Michigan Working Paper*, September 1996.

Robert Willis and John Haaga, "Economic Approaches to Understanding Nonmarital Fertility," in John Casterline, Ronald Lee, and Karen Foote, editors, *Fertility in the United States: New Patterns, New Theories*, supplement to *Population and Development Review*, 1996, 22: 67--86.

*George Akerlof, Janet Yellen, and Michael Katz, "An Analysis of Out-of-Wedlock Childbearing in the United States," *Quarterly Journal of Economics*, May 1996, 111(2): 277--317.

VII. Altruism in the Family

Gary Becker, *A Treatise on the Family*, 1991, Chapter 8, "Altruism in the Family."

Theodore Bergstrom, "A Fresh Look at the Rotten Kid Theorem and Other Household Mysteries," *Journal of Political Economy*, October 1989, 97(5):1138--1159.

Gary Becker and Kevin M. Murphy, "The Family and the State," Supplement to Chapter 11 in Becker, *A Treatise on the Family*, 1991, pp.~362--379 *Journal of Law and Economics*, April 1988.

Joseph Altonji, Fumio Hayashi, and Laurence Kotlikoff, "Is the Extended Family Altruistically Linked? Direct Tests Using Micro Data," *American Economic Review*, 82:1177--98, December 1992.

Donald Cox, "Motives for Private Income Transfers," *Journal of Political Economy*, June 1987, 95: 508--546.

Yean-Ju Lee, William L. Parish, and Robert J. Willis, "Sons, Daughters, and Intergenerational Support in Taiwan," *American Journal of Sociology*, January 1994, 1010--1041.

Lee Lillard and Robert Willis, "Motives for Intergenerational Transfers: Evidence from Malaysia," University of Michigan Working Paper, 1996.

VIII. Bargaining Models and Intra-Family Allocations

Shelly Lundberg and Robert A. Pollak, "Bargaining and Distribution in Marriage," *Journal of Economic Perspectives*, Fall 1996, 10(4): 139--158.

Shelly Lundberg and Robert A. Pollak, "Separate Spheres Bargaining and the Marriage Market," *Journal of Political Economy*, December 1993, 101(6): 988--1010.

T. Paul Schultz, "Testing the Neoclassical Model of Family Labor Supply and Fertility," *The Journal of Human Resources*, 1990, 25(4):599--634.

Duncan Thomas, "Intra-Household Resource Allocation: An Inferential Approach," *The Journal of Human Resources*, 1990, 25(4):635--664.

Duncan Thomas, "Like Father, Like Son, or, Like Mother, Like Daughter: Parental Education and Child Health," *Journal of Human Resources*, Fall 1994, 29(4): 950--988.

IX. Age Structure, Intergenerational Transfers, and Social Security

Ansley J. Coale, *The Growth and Structure of Human Populations: A Mathematical Investigation*, Princeton University, 1972, Chapter 2, 16--60.

David Lam, "The Variance of Population Characteristics in Stable Populations, with Applications to the Distribution of Income," *Population Studies*, March 1984.

Paul Samuelson, "An Exact Consumption-Loan Model of Interest with or without the Social Contrivance of Money," *Journal of Political Economy* 66, December 1958, 467--482.

W. Brian Arthur and Geoffrey McNicoll, "Samuelson, Population, and Intergenerational Transfers," *International Economic Review* 19:1, Feb. 1978, 241--246.

David Lam, "Population Growth, Age Structure, and Age-Specific Productivity: Does a Uniform Age Distribution Minimize Lifetime Wages?" *Journal of Population Economics* 1989, 2:189--210.

Theodore Bergstrom, "Economics in a Family Way," *Journal of Economic Literature*, December 1996, 34(4): 1903--1934.

Robert Willis, "Life Cycles, Institutions, and Population Growth: A Theory of the Equilibrium Interest Rate in an Overlapping Generations Model," in Ronald Lee, Brian Arthur, and Gerry Rogers, editors, *Economics of Changing Age Distributions in Developed Countries*, 1988, Oxford University Press.

Hillard Kaplan, "Evolutionary and Wealth Flows Theories of Fertility: Empirical Tests and New Models," *Population and Development Review*, December 1994, 20(4): 753--791.

Ronald D. Lee and Shelley Lapkoff, "Intergenerational Flows of Time and Goods: Consequences of Slowing Population Growth," *Journal of Political Economy*, 96:3, June 1988, 618--651.

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

Guy Stecklov, "Economic Transfers in Côte d'Ivoire: Intergenerational and Institutional Perspectives," Ph.D. Dissertation, Department of Demography, University of California, Berkeley.