ECO3510 Family Economics

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This course will provide an introduction to the economic analysis of such family behaviour as human capital investment, fertility, mortality, marriage, and divorce. It will also analyze the causes and consequences of other family issues: bequests, old-age support and social security, sex preference (boys favoured in many developing countries), and so on. It shows how to use modern microeconomics to analyze these family issues. Real-world examples are examined and possible policy implications are discussed. Students should have knowledge of basic microeconomics and elementary calculus.

Evaluation: Test #1, 25% (October 9), Test #2, 25% (November 13), and final exam 50%

Basic references (detailed reading will be assigned in class):


Willis, Robert, "What Have We Learned from the Economics of the Family?" *American Economic Review* 77 (May 1987), 68-81.
Introduction: Economics of the family
Becker, 1988 and 1993
Willis, 1987

Topic 1: Demand for children

--Children as a capital good
--Children as a consumption good
NRS, chapter 9
Becker, 1991, chapter 5

Topic 2: Mortality: Determinants and its effect on fertility
Schultz, chapter 5

Topic 3: Household production function
Handout
Becker, 1991, chapter 1
*B optional reading*

Topic 4: Investments in human capital
ES: chapter 9, pp.292-329, chapter 5, pp.152-154;
Psacharopoulos, 1985, Returns to Education: A Further International Update and Implications, Journal of Human Resources.

Topic 5: Intergenerational Transfers, Old Age Support and Social Security
Razin and Sadka, chapters 4,6,7,8
Davies and Zhang 1995, Gender Bias, Investments in Children and Bequests, International Economic Review

Topic 6: Marriage markets and related issues
Becker, 1991, chapter 3: Monogamy
Becker, 1991, chapter 4: Assortative Mating
Cigno, chapter 1: Matchmaking
Cigno, chapter 2: The Marriage Market
Cigno, chapter 3: The Marriage Contract
Korenman and Neumark 1991, Does marriage really make men more productive? Journal of Human Resources
Neuman and Ziderman 1992, Benefits of women’s education within marriage: Results for Israel in a dual labor market context, Economic Development and Cultural Change