

**The Economics of North Carolina**

**Course schedule.**

Assignments are due at the beginning of class on the day listed. HBP refers to the text “The Economic Way of Thinking, twelfth edition” by Heyne, Boettke and Prychitko.

**1. Getting started: what is unemployment, how is it measured, and how is it mitigated?**

- a. The economic problem of unemployment.  
HBP, chapters 1 and 12.
- b. The economics of budget deficits.  
HBP, chapter 15.
- c. The North Carolina Budget Crisis  
“Costs of Unemployment” and “Current State Budget Deficit”  
Readings under Case Studies on web site.
- d. Unemployment and unemployment benefits.  
“Unemployment benefits” Readings under Research Topics on web site.
- e. visit of Moses Carey, Chairman, Employment Security Commission,  
8 September.

**2. Understanding the decision to work, and the decision to hire workers.**

- a. Choosing to farm (rather than be employed elsewhere)  
Economic concepts: scarcity, opportunity cost  
Background reading: HBP, chapters 2 and 4.

*Assignment due: 24 September, beginning of class*

- b. The Employment Rule of firms.  
Economic concepts: marginal product, factor of production.  
Background reading: HBP, chapter 7.
- c. “Green” and “not-so-green” employment.  
Economic concepts: (1) negative externalities and economic impact, (2) proper evaluation and comparison of private profitability and social welfare measures, (3) the promise of “green” jobs.  
Background reading: HBP, chapter 3, 5, 6, and 10.

- d. Lenoir County  
Readings under Case Studies on web site.
- e. Using incentives to attract new jobs.  
Economic concepts: (1) industrial recruitment, (2) Opportunity cost.  
Incentives readings under Research Topics on web site.
- f. visit of David Bauer, Lenoir County Community College, Aeronautic Training Division.

*Assignment due: 8 October, beginning of class*

*Mid-term examination: 13 October during class time*

### **3. Productivity, wages and employment.**

- a. Labor and other factors of production.  
Economic concepts: marginal product, marginal value product, total factor productivity.  
Background reading: HBP, chapter 7.
- b. Immigration and labor-market competition.  
Economic concepts: substitutability of factors of production, imperfect competition.
- c. Surry County  
Readings under Case Studies on web site.
- d. Matching jobs and skills  
Economic concept: human capital.  
Job Retraining readings under Research Topics on web site.
- e. Visit of Martin Collins, Economic Development director for Surry County.

*Assignment due: 29 October, beginning of class*

*On-site visit: ?? November in Mt. Airy*

### **4. Goods demand, employment and unemployment.**

- a. The link between budget deficits and unemployment.  
“What Links Unemployment to the State Budget” Readings from Research Topics page on web site.
- b. Globalization and unemployment.  
Economic concepts: globalization, competition and employment.

Background reading: HBP, chapter 13.

Globalization readings under Research Topics on web site.

- c. Multiplier effects of spending on employment.

Economic concepts: circular flow, multiplier analysis, direct and indirect effects.

Background reading: HBP, chapter 12.

- d. Mecklenburg County.

Readings from Case Studies page in web site.

*On-site visit: ?? November in Charlotte.*

*Assignment due: 12 November, beginning of class*

## **5. Business creation and job creation.**

- e. The role of gazelles in job creation.

Gazelles readings under Research Topics in web site.

- f. Creating “green-collar” jobs.

Green-collar readings under Research Topics in web site.

## **6. Student presentations: restoring employment in North Carolina.**

*Final examination: 12 December, noon.*