Economics 651 is a graduate survey course in labor economics. The course covers most of the classic topics in labor, including labor supply, labor demand, wage structure, human capital, compensating wage differentials, and job search. Reflecting the field, much of the material will be empirical in nature and will use advanced econometric techniques.

The list of course topics and readings is attached. Those readings with an asterisk will be available on Blackboard; the others are available online from the JHU library system and you can obtain them there. All lectures will be posted on the course Blackboard website at least one day in advance; you should print hard copies for yourself. A supplemental reading list has also been posted on Blackboard.

Additional volumes that may be of special interest are the Handbook of Labor Economics (HLE), Vols 1 and 2 edited by Orley Ashenfelter and Richard Layard, Vols. 3A-3C edited by Orley Ashenfelter and David Card; Vols. 4A and 4B edited by Ashenfelter and Card; and an undergraduate labor text, such as Ronald Ehrenberg and Robert Smith, Modern Labor Economics.

In addition to the regular lectures, I will give two supplemental econometric lectures on causal modeling in microeconomics, at a time to be mutually agreed on. These lectures are required.

The requirements for the course are (1) grades on three short quizzes spread throughout the semester, dates to be announced later (45%), (2) a long written report on a paper to be discussed in class (15%), (3) a series of short written critiques of those same papers (20%), and (4) a report on a recent job market paper in labor economics (20%).

For (2) and (3), a paper is assigned in each topic on the Reading List below. For each paper, one or two students will prepare a 5-page double-spaced report containing both a summary and a
comment-critique of the paper. All other students will prepare a 2-page double-spaced report containing only a comment-critique of the same paper. At the end of each lecture, the student(s) preparing the long paper will give a 10-minute oral presentation of the report, and a class discussion will follow. Both the long and short reports will be turned in after the discussion ends. I will assign students to the papers after the first class (although you can also volunteer for them).

For (4), a list of the papers and instructions on how to prepare your report will be posted on Blackboard soon. The report is due at the end of the Exam period (December 22).

Use of computers, tablets, and mobile phones during class is not allowed except during paper discussion periods.

10/25/16
Required Readings
(starred items are available on course Blackboard website)

I. Static Labor Supply


II. Application: Labor Supply Effects of Taxes and Transfers

Blundell-MaCurdy, *HLE*, pp. 1563-1572*


III. Household Production


Discussion Paper: Aguiar, Mark; Erik Hurst; and Loukas Karabarbounis, “Time Use During the Great Recession,” AER, August 2013.

IV. Collective Models


V. Intertemporal and Life-Cycle Labor Supply

Blundell-MaCurdy, 1591-1607*

M. Keane, “Labor Supply and Taxes: A Survey,” JEL, December 2011, selected sections: 3, 4.1, 4.4, 4.6, 5.1, 5.2, 6.2.1, 6.2.4, 6.2.5, Table 6, 7.1, 7.4.1, Table 7 (will not cover all material in these sections)


VI. Labor Demand, Equilibrium, and Wage Structure


VII. Compensating Wage Differentials and Hedonics


VIII. Roy Model

A.D.Roy, "Some Thoughts on the Distribution of Earnings," OEP, 1951

Maddala, Limited Dependent Variable Models pp. 257-260*


IX. Human Capital and Education

R.Ehrenberg and R.Smith, Chap 5, 9 (selections)*

G.Becker, Human Capital, 1964 Appendix to Chap 3*
J. Mincer, *Schooling, Experience, and Earnings*, 1974, Chaps 1, 5*


**X. Job Search**


