

ECONOMICS 7764: TOPICS IN LABOR ECONOMICS
DEPARTMENT OF ECONOMICS
NORTHEASTERN UNIVERSITY
SPRING 2017

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Course Meetings

TUES 4-7PM, Ryder 145

Course Description

The ultimate goal of this course is to prepare students to be practicing applied labor economists in any number of contexts: academia, policy analysis, or business. Along the way, students will gain a deeper understanding of the functioning of labor markets, become familiar with the latest developments in the literature on emerging topics, and learn how about the research process itself. The fundamental outcome is to ensure that students are given the tools necessary to begin writing their dissertations including instruction on topic choice, commonly used data sources, and innovative methodologies. To that end, many of the assignments will be practical in nature and give students hands-on experience with data analysis, interpretation of results, and policy recommendations. Students should also feel free to use my office hours not only for questions about class material, but also any reading or other work you are doing in preparation for dissertations.

Prerequisites

Prerequisites

To enroll in this course, you must have completed the graduate sequences in econometrics (Econ 5140 and Econ 7740) and micro theory (Econ 5100 and Econ 7710). The first semester of graduate labor economics (Econ 7763) is not required for this course, though knowledge of the material in that course will certainly help students understand the papers we will read in this course.

Lectures

Since the class is small it will be conducted as a tutorial rather than a lecture course. That means we will work through the assigned readings together with me lecturing for roughly half of the time with the remainder used for class discussion. The lecture will cover the importance and relevance of the papers to the larger literature, the theoretical hypotheses to be explored, the data sources used, and the methodologies used to test the researchers' hypotheses. The class discussion will focus on what considerations dictated the choice of methods, the virtues and shortcomings of the studies, and what the researchers might have done differently. **Students are expected to do the reading in advance and to draft an email of 500-1500 words discussing these issues, with particular emphasis on readings designated with an arrow. The email should be shared with the other students and myself no later than 12PM on the day of class. You will be graded on your completion of the weekly write-up as well as your class participation on a three point scale (0=missing/late, 1=below expectations, 2=meeting expectations, and 3=exceeding expectations).**

Department Seminars and Labor Lunch

Students are expected to attend the Economics Department research seminar in addition to our regular class meetings. The seminar is held from 12:00-1:15PM on various days as announced throughout the semester in 316 Lake Hall. Students should also consider attending the informal labor brown bag lunch where students discuss and sometimes present their ongoing research to gain valuable feedback. If this poses a problem for anyone they should contact me outside of class to arrange an alternative.

Course Materials

The required readings for this class are papers that are, or will be, available on the web.

In addition, students should purchase:

- Angrist and Pischke. 2009. *Mostly Harmless Econometrics: An Empiricist's Companion*. Princeton University Press. (Referred to as MHE in the course outline).

Students should also have access to a graduate level textbook in both econometrics and microeconomics as a reference throughout the class. Some suggestions are:

- Greene. 2007. *Econometric Analysis*. Prentice Hall.
- Kennedy. 2008. *A Guide to Econometrics*. Wiley-Blackwell
- Mas-Colell, Whinston and Green. 1995. *Microeconomic Theory*. Oxford University Press.
- Varian. 1992. *Microeconomic Analysis*. W. W. Norton & Company.

Some useful background reading for context and an overview of the field of labor economics include:

- A. Smith. 1776. *The Wealth of Nations*. Chapter 10 of Book I.
<http://www.econlib.org/library/Smith/smWN4.html>
- G. Becker. 1975. *The Economic Approach to Human Behavior*. University of Chicago Press, pp. 3-14.
Available at: <http://books.google.com/books>
- J. Angrist and A. Krueger. 1991. "Empirical strategies in labor economics." In the *Handbook of Labor Economics*, vol. 3A, O. Ashenfelter and D. Card, eds. Elsevier, 1278-1366.

Assignments

There will be two problem sets. The purpose of the problem sets will be to give students practical experience with data analysis as well as to help them gain a better understanding of the advantages and drawbacks of different approaches to data analysis. The problem sets will require students to use Stata and possibly also SAS. I would like students to become familiar with methods for working with large data sets as well as a variety of statistical procedures available in Stata. Along with the data work, students will be required to also provide a one or two page write-up focusing on a specific aspect of the analysis. **You will be graded on your completion of the problem sets and write-ups on a three point scale (0=missing/late, 1=below expectations, 2=meeting expectations, and 3=exceeding expectations).**

There will also be a research proposal and presentation. The purpose of the proposal is for students to choose a topic that might want to pursue as a dissertation topic. The proposal will be a brief 3-5 page summary of the research question, the gap it fills in the literature and/or the policy world, the data to be used, and the empirical methodology to be employed. This may be a continuation of the project you started in Labor I. **You will be evaluated on whether the proposal is complete and clear enough for me to evaluate and give feedback. If the proposal is a revision of a previous piece of work, please indicate how this new version is distinct.**

The purpose of the presentation is for students to show some progress in developing their research proposal in a seminar-like setting. The presentation will be roughly 30 minutes with an additional 30 minutes for questions and feedback from the class. The presentation will use Powerpoint or Beamer and cover the motivation, research question, conceptual framework or model, data and methodology, preliminary analysis or expected findings, implications of the results, and policy relevance. **You will be evaluated on the clarity, organization, and content of your own presentation as well as your participation during the Q&A of your classmates' presentations.**

Evaluation and Grading

There will be weekly reading responses, two problem sets, a research proposal and presentation, a midterm, and a final in this course. The reading responses will gauge your ability to think critically about the papers we will be discussing. The problem sets will be practical exercises in data analysis using either actual or synthetic data sets along with a one or two page write-up. The research proposal and presentation will assess your understanding of the research process and your ability to convey your ideas to your peers. The mid-term and the final will test your knowledge of the methods we study, the circumstances that require their use and the problems that might be encountered in applying them as well as the substance of the papers discussed in class.

Your course grade will be a weighted average of your grades on each assignment as listed below:

<u>Assignment</u>	<u>Weight</u>	<u>Due Date</u>
Weekly Reading Responses	10%	Every Tuesday @ 12PM
Problem Sets (2 total)	30%	TBD (tentatively 1/31, 3/21)
Research Proposal	10%	Feb 7 th
In-class Midterm Exam	20%	Feb 21 st @ 4:35 PM (2 hours)
Research Presentations	10%	April 11 th and 18 th
Take-Home Final Exam	20%	Exam Week TBD

Late Assignments / Missed Exams

Problem sets will be due by the start of class on their announced due dates. Typically you will have one week to complete a given problem set. You may work in groups on the data analysis but not on the writing portion of the assignment. Following a 10-minute grace period at the start of class, I will deduct 10% for each assignment for each day it is late. Assignments submitted more than 48 hours after their due date will receive no credit.

If you miss the midterm or final exam you will receive no credit unless you have a medical or family emergency. In the case of a legitimate emergency (for no more than one exam) the missed exam will be given no weight in the calculation of the final grade and other assignments will be reweighted accordingly. There will be no make-up exams. If you foresee any conflict that will prevent you from taking an exam, please let me know as soon as possible.

University Policies (e.g. Students with Disabilities, Academic Conduct)

Please be aware that all students in the course are responsible for knowing and understanding the academic policies and procedures of the university to which they are expected to adhere. These regulations are outlined in the Graduate Student Handbook, which can be found here:

<http://www.northeastern.edu/registrar/catgraddir1213.html>

Course Overview

I. Selection and Regression Fundamentals

Jan 10 Topic: Self-Selection: Applications to Immigration, the Gender Gap, and Medical Treatment

Methods: The Experimental Ideal - MHE Chapter 1, 2.1, 2.2
Randomized Experiments – MHE Chapter 2.3

Jan 17 Topic: Domestic Migration: Models and Applications

Methods: Regression Fundamentals – MHE Chapter 3.1

II. Causal Inference, Program Evaluation, and Random Experiments

Jan 24 Topic: Spatial Equilibrium

Methods: Regression and Causality, and Regression Details – MHE Chapter 3.2, 3.4
PS#1 Assigned

Jan 31 Topic: Training Programs

Methods: Controlling for Observables and Matching – MHE Chapter 3.3
PS #1 Due

Feb 7 Topic: Neighborhood Effects and Housing Mobility Programs

Research Proposal Due

III. Advanced Methods for Identification: Labor Market Frictions

Feb 14 Topic: Changes in the Wage Structure and Inequality

Feb 21 MIDTERM EXAM (IN CLASS)

Feb 28 Topic: Polarization

Methods: Basic IV and 2SLS – MHE Chapter 4.1, 4.2

Mar 7 SPRING BREAK

Mar 14 Topic: Skills Mismatch

Methods: IV and LATE – MHE Chapter 4.4, 4.5, 4.6

Mar 21 Topic: Labor Market Frictions

IV. Topics Related to Gender and Health

Mar 28 Topic: Changes in Women's Work, Marriage, and Fertility Decisions

Methods: Controlling for Unobservables and Fixed Effects – MHE Chapter 5.1, 5.3
PS#2 Assigned

Apr 4 Topic: Interactions Between Labor and Health Markets

Methods: Differences-in-Differences – MHE Chapter 5.2
PS#2 Due

Apr 11 Research presentations – session 1

Apr 18 Research presentations – session 2

TBD – Final Exam (take-home, not cumulative)

Detailed Reading List

Note: Readings designated with a bullet are required readings that will be discussed in depth during class. Readings designated with an arrow are those that should be included in your weekly reading response via email. Readings with no bullet may be mentioned briefly during lectures but are primarily offered as a guide to the literature.

I. Selection and Regression Fundamentals

Jan 10 Self-Selection: Applications to Immigration, the Gender Gap, and Medical Treatment

- The Experimental Ideal - MHE Chapter 1, 2.1, 2.2
- Randomized Experiments – MHE Chapter 2.3

- Roy, D. 1951. “Some Thoughts on the Distribution of Earnings.” *Oxford Economic Papers*, 3(2), 235-46.

- Borjas, G. 1987. “Self-Selection and the Earnings of Immigrants.” *American Economic Review*, 77(4), 531-553.

Roy Model

Heckman, James J. and Bo E. Honore. 1990. “The Empirical Content of the Roy Model.” *Econometrica*. 58(5), September, 1121-1149.

Heckman, James J. 1979. “Sample Selection Bias as a Specification Error.” *Econometrica*, 47(1), January, 153-161.

Immigration

Lubotsky, Darren. 2007. “Chutes and Ladders? A Longitudinal Analysis of Immigrant Earnings.” *Journal of Political Economy*, 115(4), October, 820-867.

Chiquiar, Daniel and Gordon Hanson. 2005. "International Migration, Self-Selection and the Distribution of Wages," *Journal of Political Economy* 113 (April), 239-81.

Gender Gap

Goldin, C. 2006. "The Quiet Revolution that Transformed Women's Employment, Education and Family," *American Economic Review* (May).

Mulligan, C. and Y. Rubenstein. 2008. “Selection, Investment, and Women’s Relative Wages over Time.” *Quarterly Journal of Economics*, 123(3), 1061-1110.

Sasser Modestino, A. 2013. “The Impact of Managed Care on the Gender Earnings Gap Among Physicians.” Federal Reserve Bank of Boston, Research Department Working Paper 13-1.

Oliveti, Claudia and Barbara Petrongolo. 2008. “Unequal Pay or Unequal Employment? A Cross-Country Analysis of Gender Gaps.” *Journal of Labor Economics*, 26(4), 621-654.

Blau, Francine and Lawrence Kahn (1997), "Swimming Upstream: Trends in the Gender Wage Differential in the 1980s," *Journal of Labor Economics* 15 (January, Part 1), 1-42.

Medical Treatment

Chandra, A. and D. Staiger. 2007. “Productivity Spillovers in Health Care: Evidence from the Treatment of Heart Attacks.” *Journal of Political Economy*, 115(1), February, 103-?

Jan 17 Domestic Migration: Models and Applications

- Regression Fundamentals – MHE Chapter 3.1
- Borjas, George, Stephen Bronars, and Stephen Trejo. 1992. Self-Selection and Internal Migration in the United States. *Journal of Urban Economics* 32:159–185.
- Saks, Raven and Abigail Wozniak. 2011. “Labor Reallocation over the Business Cycle: New Evidence from Internal Migration.” *Journal of Labor Economics*, vol. 29 (4).

Sasser Modestino, A. and J. Dennett. (2013). Are Americans Locked into Their Houses? The Impact of Housing Market Conditions on State-to-State Migration.” *Regional Science and Urban Economics*, 43(2), pages 322-337.

R. Diamond. (2013) “The Determinants and Welfare Implications of US Workers’ Diverging Location Choices by Skill: 1980-2000,” http://web.stanford.edu/~diamondr/jmp_final_121813.pdf

Frey, William. 2009. The Great American Migration Slowdown: Regional and Metropolitan Dimensions. Washington DC: Brookings Research Report, December.

Gyourko, Joseph, Christopher Mayer, and Todd Sinai. 2006. Superstar Cities. Cambridge, MA: National Bureau of Economic Research, Working Paper #12355.

Hunt, Jennifer. 2004. Are Migrants More Skilled Than Non-Migrants? Repeat, Return, and Same-Employer Migrants. Cambridge, MA: National Bureau of Economic Research, Working Paper #10633.

Bakija, Jon, and Joel Slemrod. 2004. Do the Rich Flee from High State Taxes? Evidence from Federal Estate Tax Returns. Cambridge, MA: National Bureau of Economic Research, Working Paper #10645.

Kaestner, Robert, Neeraj Kaushal, and Gregg Van Ryzin. 2001. Migration Consequences of Welfare Reform. Cambridge, MA: National Bureau of Economic Research, Working Paper #8560.

Greenwood, Michael and Gary Hunt. 2001. Migration and Interregional Employment Redistribution in the United States. *American Economic Review* 74(5): 957-969.

Costa, Dora, and Matthew Kahn. 2000. Power Couples: Changes in the Locational Choice of the College Educated, 1940–1990. *Quarterly Journal of Economics* 115(4):1287–1315.

Mueser, Peter, and Philip Graves. 1995. “Examining the Role of Economic Opportunity and Amenities in Explaining Population Redistribution.” *Journal of Urban Economics*, 37:176–200.

Gabriel, Stuart, Janice Shack-Marquez, and William Wascher. 1992. Regional House-Price Dispersion and Interregional Migration. *Journal of Housing Economics* 2:235–256.

Greenwood, Michael, and Gary Hunt. 1989. “Jobs versus Amenities in the Analysis of Metropolitan Migration.” *Journal of Urban Economics*, 25(1):1–16.

Vanderkamp, John. 1971. “Migration Flows, Their Determinants, and the Effects of Return Migration.” *Journal of Political Economy*, 79(5):1012–1031.

II. Causal Inference: Program Evaluation, and Random Experiments

Jan 24 Spatial Equilibrium

- Regression and Causality and Regression Details – MHE Chapter 3.2, 3.4
- J. Roback. (1982) "Wages, Rent and the Quality of Life," *Journal of Political Economy*, 90 (December), 1257-78.
- R. Saks. (2008) "Job Creation and Housing Construction: Constraints on Metropolitan Employment Growth," *Journal of Urban Economics* 64, 178-95.
 -
- P. Kline and E. Moretti. (2014) "Local Economic Development, Agglomeration Economies, and the Big Push: 100 Years of Evidence from the Tennessee Valley Authority," *Quarterly Journal of Economics* 129(1).

Saiz. (2010) "The Geographic Determinants of Housing Supply," *Quarterly Journal of Economics* 125(3), 1253-96.

E. Glaeser and J. Gottlieb. (2008) "The Economics of Place-Making Policies," *Brookings Papers on Economic Activity*, no. 1.

M. Busso, J. Gregory, and P. Kline. (2013) "Assessing the Incidence and Efficiency of a Prominent Place-Based Policy," *American Economic Review* 103(2), 897-947.

P. Ganong and D. Shoag. (2013) "Why Has Regional Convergence Stopped?" Harvard, March; http://www.hks.harvard.edu/fs/dshoag/Documents/Ganong_Shoag.pdf

P. Beaudry, D. Green, and B. Sand. (2013) "Spatial Equilibrium with Unemployment and Wage Bargaining: Theory and Estimation," NBER WP No. 19118, June.

M. Notowidigdo. (2013) "The Incidence of Local Labor Demand Shocks," Northwestern, March; http://faculty.wcas.northwestern.edu/noto/research/notowidigdo_JMP_20130329.pdf

J. Hellerstein, M. Kutzbach, and D. Neumark. (2013) "Do Labor Market Networks Have an Important Spatial Dimension?" NBER WP No. 18763, February.

E. Moretti. (2010), "Local Labor Markets," *Handbook of Labor Economics*, vol. 4B, 1237-1313.

M. Greenstone, R. Hornbeck, and E. Moretti. (2010) "Identifying Agglomeration Spillovers: Evidence from Million Dollar Plants," *Journal of Political Economy* 118 (June), 536-98.

E. Moretti. (2004) "Estimating the Social Return to Higher Education: Evidence from Longitudinal and Repeated Cross-Section Data," *Journal of Econometrics* 121 (1-2), 175-212.

R. Topel. (1986). "Local Labor Markets," *Journal of Political Economy* 94, no. S3.

Jan 31 Training Programs

- Controlling for Observables and Matching – MHE Chapter 3.3

- Lalonde, Robert. 1986. "Evaluating the Econometric Evaluations of Training Programs Using Experimental Data," *American Economic Review*, 76(4): 604-620.
- Heckman, James, Hidechiko Ichimura and Petra Todd. 1997. "Matching as an Econometric Evaluation Estimator: Evidence from Evaluating a Job Training Programme," *Review of Economic Studies*, 64(4): 605-654.
- Dehejia, Rajeev and Sadek Wahba. 1999. "Propensity Score_Matching Methods for Non-experimental Causal Studies," *Review of Economics and Statistics*, 84(1): 151-161.
- Smith, Jeffrey and Petra Todd. 2001. "Reconciling Conflicting Evidence on the Performance of Propensity Score Matching Methods," *American Economic Review*, 91(2): 112-118.

B. Crépon, E. Duflo, M. Gurgand, R. Rathelot, P. Zamora. (2013) "Do Labor Market Policies Have Displacement Effects? Evidence from a Clustered Randomized Design," *QJE* 128 (May).

G. Imbens and J. Wooldridge. (2009) "Recent Developments in the Econometrics of Program Evaluation," *Journal of Economic Literature* 47 (March), 5-86.

J. Ludwig, J. Kling, and S. Mullainathan. (2011) "Mechanism Experiments and Policy Evaluations," *Journal of Economic Perspectives* 25 (Summer), 17-38.

D. Card, J. Kluve, and A. Weber. (2010) "Active Labour Market Policies: A Meta-Analysis," *Economic Journal* 120, F42-F57.

D. Card and D. Sullivan. (1988) "Estimating the Effect of Subsidized Training on Movements In and Out of Employment," *Econometrica*, 56.3 (May), 497-530.

O. Ashenfelter and D. Card. (1985) "Using the Longitudinal Structure of Earnings to Estimate the Effect of Training Programs on Earnings," *RESTAT*, 67 (November), 648-60.

Feb 7 Neighborhood Effects and Housing Mobility Programs

- Oreopoulos, Philip. 2003. "The Long-Run Consequences of Living in a Poor Neighborhood" *Quarterly Journal of Economics*, 118(4), 1533-1575.
- J. Kling, J. Liebman, and L. Katz. 2007 "Experimental Analyses of Neighborhood Effects," *Econometrica* 75 (January), 81-119.
- Chetty, Raj, Nathaniel Hendren, and Lawrence F. Katz. 2015. "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment."

Neighborhood Effects

A. Damm and C. Dustmann. (2014) "The Effect of Growing Up in a High Crime Neighborhood on Criminal Behavior," *American Economic Review* 104(6), 1806-32.

Card, David, Alexandre Mas and Jesse Rothstein. 2008. "Tipping and the Dynamics of Racial Segregation." *Quarterly Journal of Economics*, 123 (February).

P. Oreopoulos. (2003) "The Long-Run Consequences of Living in a Poor Neighborhood," *Quarterly Journal of Economics* 118 (November), 1533-75.

D. Aaronson. (1998) "Using Sibling Data to Estimate the Impact of Neighborhoods on Children's Educational Outcomes," *Journal of Human Resources* 33 (Fall), 915-46.

Cutler, David, Edward Glaeser, and Jacob Vigdor. 1999. "The Rise and Decline of the American Ghetto," *Journal of Political Economy*, 107 (3), 455-506.

D. Cutler and E. Glaeser. (1997) "Are Ghettos Good or Bad?" *QJE* 112 (August), 87-122.

S. Mayer and C. Jencks. (1989) "Growing Up in a Poor Neighborhood: How Much Does it Matter?" *Science* (March 17), 1441-45.

Housing Mobility Programs

J. Ludwig et al. (2013) "Long-Term Neighborhood Effects on Low-Income Families: Evidence from Moving to Opportunity," *AER P&P* 103(3), 226-31; and NBER WP No. 18772.

J. Ludwig et al. (2011) "Neighborhoods, Obesity, and Diabetes – A Randomized Social Experiment," *New England Journal of Medicine* 365 (October 20), pp. 1509-19.

J. Kling, J. Ludwig, and L. Katz. (2005) "Neighborhood Effects on Crime for Female and Male Youth: Evidence from a Randomized Housing Mobility Experiment," *QJE* 120 (Feb), 87-130.

Jacob, Brian. 2004. "Public Housing, Housing Vouchers, and Student Achievement: Evidence from Public Housing Demolitions." *American Economic Review*, 94(1), 233-258.

J. Rosenbaum. (1995) "Changing the Geography of Opportunity by Expanding Residential Choice: Lessons from the Gautreaux Program" *Housing Policy Review* 6, 231-69.

III. Polarization, Skills Mismatch, Labor Market Frictions

Feb 14 Topic: Inequality: Changes in the Wage Structure

- L. Katz and D. Autor. (1999) "Changes in the Wage Structure and Earnings Inequality," in
 - O. Ashenfelter and D. Card, eds., *Handbook of Labor Economics*, vol. 3A, pp. 1463-1555.
- C. Goldin and L. Katz. (2009) "The Race between Education and Technology: The Evolution of U.S. Educational Wage Differentials, 1890 to 2005," updated chapter 8 of *RBET* (2008).
 - U.S. Educational Wage Differentials, 1890 to 2005," updated chapter 8 of *RBET* (2008).
- T. Piketty and E. Saez. (2003) "Income Inequality in the United States, 1913-1998," *Quarterly Journal of Economics* 117 (February), 1-39; updates at <http://elsa.berkeley.edu/~saez/>

W. Kopczuk, E. Saez, and J. Song. (2010), "Earnings Mobility and Inequality in the United States: Evidence from Social Security Data since 1937," *QJE* 125(1), 91-128.

F. Alvaredo, A. Atkinson, T. Piketty, and E. Saez. (2013) "The Top 1 Percent in International and Historical Perspective," *Journal of Economic Perspectives* 27(3), 3-20.

D. Autor, D. Dorn, and G. Hanson. (2013) "The China Syndrome: Local Labor Market Effects of Import Competition in the United States," *AER* 103(6), 2121-68.

M. Elsby, B. Hobjinn, & A. Sahin. (2013) "The Decline of the US Labor Share," *BPEA* (Fall).

N. Fortin, T. Lemieux and S. Firpo. (2010) "Decomposition Methods in Economics," *HLE*, vol. 4A, 1-102.

D. Card. (2009) "Immigration and Inequality," *AER* 99 (May), 1-21.

T. Lemieux, W.B. MacLeod and D. Parent. (2009) "Performance Pay and Wage Inequality," *Quarterly Journal of Economics*, 124 (February), 1-49.

D. Acemoglu. (2002) "Technical Change, Inequality and the Labor Market," *JEL* 40(1), 7-72.

D. Card and T. Lemieux. (2001), "Can Falling Supply Explain the Rising Return to College for Younger Men? A Cohort-Based Analysis," *Quarterly Journal of Economics* 116(May): 705-46.

D. Lee. (1999) "Wage Inequality in the U.S. during the 1980s: Rising Dispersion or Falling Minimum Wage?" *Quarterly Journal of Economics* 114 (August), 977-1023.

C. Juhn, K.M. Murphy, and B. Pierce. (1993) "Wage Inequality and the Rise in the Returns to Skill." *Journal of Political Economy* 101 (June): 410-42.

L. Katz and K.M. Murphy. (1992) "Changes in Relative Wages, 1963-87: Supply and Demand Factors," *Quarterly Journal of Economics*, February, 35-78.

C. Goldin and R. Margo. (1992) "The Great Compression: The Wage Structure at Mid-Century," *Quarterly Journal of Economics*, February, 1-33.

Feb 21 MIDTERM EXAM (IN CLASS)

Feb 28 Topic: Polarization

- Methods: Basic IV and 2SLS – MHE Chapter 4.1, 4.2
- Autor, David H., Lawrence F. Katz, and Melissa S. Kearney. 2006. "The Polarization of the U.S. Labor Market." *American Economic Review*, 96(2): 189-194.
- Autor, David and Michael Handel. 2013. "Putting Tasks to the Test: Human Capital, Job Tasks and Wages." *Journal of Labor Economics*, 31(2, pt.2), S59-S96.
- Jaimovich, Nir, and Henry E. Siu. "The trend is the cycle: Job polarization and jobless recoveries." No. w18334. National Bureau of Economic Research, 2012.

Cortes, Guido Matias, Nir Jaimovich, Christopher J. Nekarda, and Henry E. Siu. 2014. "The Micro and Macro of Disappearing Routine Jobs: A Flows Approach," NBER Working Paper No. 20307.

Autor, David H, and David Dorn. 2013. "The Growth of Low-Skill Service Jobs and the Polarization of the US Labor Market." *American Economic Review* 103(5): 1553–1597.

Tüzemen, Didem, and Jonathan Willis. 2013. "The vanishing middle: job polarization and workers' response to the decline in middle-skill jobs." *Kansas City Federal Reserve Bank Economic Review Q* 1.

Footnote, Christopher and Richard Ryan. 2012. "Labor-Market Polarization Over the Business Cycle." Federal Reserve Bank of Boston, Working Paper No. 12-8.

Autor, David. 2010. "The Polarization of Job Opportunities in the U.S. Labor Market: Implications for Employment and Earnings." Center for American Progress and The Hamilton Project.

Autor, David and David Dorn. 2009. "This Job is "Getting Old": Measuring Changes in Job Opportunities using Occupational Age Structure." *American Economic Review Papers and Proceedings*, 99(2), 45-51

Autor, David H., Lawrence F. Katz, and Melissa S. Kearney. 2008. "Trends in US wage inequality: Revising the revisionists." *The Review of Economics and Statistics* 90.2: 300-323.

Goos, Maarten, and Alan Manning. 2007. "Lousy and lovely jobs: The rising polarization of work in Britain." *The Review of Economics and Statistics* 89.1: 118-133.

Mar 7 SPRING BREAK

Mar 14 Topic: Skills Mismatch

- Methods: IV and LATE – MHE Chapter 4.4, 4.5, 4.6
- Modestino, Alicia Sasser. 2015. "Middle Skill Workers and Today's Labor Market." The National Academies: Board on Behavioral, Cognitive, and Sensory Sciences, Commissioned paper for the "Symposium on the Supply Chain for Middle-Skill Jobs: Education, Training, and Certification," September (2015).
- Sahin, Aysegul, J. Song, G. Topa, and G. Violante. 2014. "Mismatch Unemployment." *Quarterly Journal of Economics*.
- Osterman, Paul and Andrew Weaver. 2014. "Why Claims of Skills Shortages in Manufacturing are Overblown." Economic Policy Institute.

Cappelli, Peter. 2014. "Skill Gaps, Skill Shortages, and Skill Mismatches: Evidence for the US." NBER Working Paper 20382.

J. Lise, C. Meghir, and J. Robin. (2013) "Mismatch, Sorting, and Wage Dynamics," NBER WP No. 18719, January.

Beaudry, Paul, David A. Green, and Benjamin M. Sand (2013). "The Great Reversal in the Demand for Skill and Cognitive Tasks." NBER Working Paper 18901.

Faberman, Jason and Bhash Mazumder. 2012. "Is There a Skills Mismatch in the Labor Market?" Federal Reserve Bank of Chicago, Working Paper No. 300.

Heckman, James J. and Tim D. Kautz. 2012. "Hard Evidence on Soft Skills," NBER Working Paper 18121.

Acemoglu, D., and D. H. Autor (2011): "Skills, tasks and technologies: Implications for employment and earnings," *Handbook of Labor Economics*.

Autor, David, Frank Levy, and Richard Murnane. 2003. "The Skill Content of Recent Technological Change: An Empirical Exploration." *Quarterly Journal of Economics*, 118(4).

Reich, M. D. Gordon, R. Edwards. 1973. "Dual Labor Markets: A Theory of Labor Market Segmentation." *American Economic Review*. 63:2, pp. 359-365

Mar 21 Topic: Labor Market Frictions

- B. Jovanovic. 1979. "Job Matching and the Theory of Turnover" JPE 87 (October), 972-990.
- Lazear, Edward P. and James R. Spletzer. 2012. "The United States labor market: Status quo or new normal?" NBER Working Paper No. 18386.
- "Downskilling: Changes in Employer Skill Requirements Over the Business Cycle." with Daniel Shoag and Joshua Ballance, Labour Economics, (2016).

Merkel, Christian, and Thijs Van Rens. "Selective hiring and welfare analysis in labor market models." No. 1752. Kiel Working Papers, 2012.

Mian, Atif R., and Amir Sufi. "What explains high unemployment? The aggregate demand channel." No. w17830. National Bureau of Economic Research, 2012.

Davis, Stephen J., Jason Faberman, and John C. Haltiwanger. 2012. "The establishment-level behavior of vacancies and hiring." NBER Working Paper No. 16265.

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S. Davis and T. Von Wachter. 2011. "Recession and the Costs of Job Loss." Brookings Papers on Economic Activity, Fall, 1-72.

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- Methods: Differences-in-Differences – MHE Chapter 5.2
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Apr 11 RESEARCH PRESENTATIONS – Session 1

Apr 18 RESEARCH PRESENTATIONS – Session 2

TBD – Final Exam (take-home, not cumulative)