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 will also be posted on Blackboard soon.

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 Cahuc et al., *Labor Economics*, a graduate-level labor economics textbooks. There are many good undergraduate labor textbooks as well, written at a lower level.

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. Each student must write a long written report on one
of the Discussion papers, a 5-page double-spaced report containing both a summary and a comment-critique of the paper. All students must prepare a 2-page double-spaced report containing only a comment-critique of each Discussion paper that they are not writing a long report on. 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 before then if you like).

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 20).

No computers, notebooks, or mobile phones are allowed during the 3 Quiz periods.

My regular office hours are Wednesdays 9:00-11:00 but I am available at other times if that time is not convenient for you; you just need to email me to set up a time.

11/12/19
Required Readings
(Starred items are available on course Blackboard website)
(The others are available online at MSE)

I. Static Labor Supply

Theory:


Econometrics:

B. Hansen, *Econometrics*, pp.364-368*


Empirical Work:

M. Killingsworth, *Labor Supply*, 1983, Tables 4.2-4.3*


II. Application: Labor Supply Effects of Taxes and Transfers


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


III. Household Production


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, 4.6, 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**


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*


Eckstein-Wolpin, 1989 (cited in Keane 2011)

Keane, 2011 (see life cycle lecture above): Section 6.3.0, pp. 1025-1026.

Blundell et al. (2016), Section 4.3


Production of Human Capital,” *JPE*, December 2015

X. Job Search
