This course provides an introduction to some of the main research questions in labor economics at the graduate level. Meetings consist of a combination of lectures and student presentations.

**EVALUATION** in the course will have three components:

1. **Reports and Presentations on Individual Journal Articles (30%).** During the quarter you will be asked to present two journal articles to the class. These are generally newer, empirical articles; I have indicated the ones I’m especially interested in having presented this year with the ► symbol. **One week** after your presentation, your written report based on the article is due in class. Your article report (and your class presentation) should contain:

   - a concise statement of the author’s main goals in writing the paper
   - a brief summary of how the author goes about achieving those goals (methods, data, etc.)
   - a list of critiques, praise, or questions you have regarding the adequacy of the methodology
   - the bottom line: are you convinced that the author has achieved his/her goals? Why or why not?

   Article reports are like the referee reports you will write one day for journal editors to assess your colleagues’ research. I will distribute some sample referee reports I have written to give you an idea of what these look like. Referee reports for journals are typically one to three pages single-spaced but that does not mean they are not the result of a great deal of thought. I will accept slightly longer reports from you: up to eight pages, double-spaced but no more please. **Please double-space** them so I can write comments/editing suggestions on them more easily. Together, your class presentation and written report will contribute 30 percent towards your grade. Both content and style/grammar matter for the written report.

2. **Literature survey presentation and paper (40%).** During the last two weeks each of you will present a critical, synthetic review of a literature of your choice. This literature can be the papers surrounding one or both of the papers you presented earlier in the course, or a different literature of your choice. If you choose a literature that’s unrelated to the papers you presented, **please have your topic pre-approved by me.** One week after the end of class, (at noon, Thursday March 23) you will email me in pdf format a writeup of this review that incorporates the comments and suggestions you received during your presentation. Your paper should include a discussion of how the state of knowledge in this area might be advanced by research in the future. In addition to the usual resources, you may find the article bank on the course website and the TIPS at the end of this document helpful. Again, please double-space the paper. The references should be in AER format, and your paper should have an abstract.

3. **Take Home Final (30%).** During the quarter a number of simple theoretical models will be presented. Experience shows that students don’t really understand these models unless they actually work with them on their own. Thus, to help you understand the models I will periodically distribute practice problems. These will not be handed in or graded, but I will post answers to them and you should compare your answers to mine carefully. In our second-to-last class (on **Tuesday, March 14**) I will distribute a take-home final containing questions very similar to the practice problems. You will have until our next class on **Thursday March 16** to work out and write up the answers to these problems. During this period you are free to consult any sources you wish, and to consult with your fellow students. However each student must write up and hand in his/her own version of their answers and will be graded individually.

**TOPICS AND READINGS** are summarized below. Specific articles to be presented by students will typically be arranged a couple of classes ahead of time, and listed in the online class schedule. Finally, students who have not taken any undergraduate labor economics will benefit, from time to time, from a peek at the relevant sections of any undergraduate labor economics textbook, such as the latest edition of Borjas, *Labor Economics.*
A. THE SUPPLY OF LABOR

Static Labor Supply

Theory: see class notes


Dynamic Labor Supply

Theory: see class notes


Incentive Effects of Taxes and Income Support Programs

Direct effects


**General Equilibrium Effects**


**B. THE SUPPLY OF EFFORT**

**Principal-Agent Models**

Theory: see class notes


**Efficiency wage models**


**Behavioral effects on effort supply**

**Intrinsic Motivation**


Ariely, Dan; Kamenica, Emir; Prelec, Drazen. “Man's Search for Meaning: The Case of Legos” *Journal of Economic Behavior and Organization*, vol. 67, no. 3-4, September 2008, pp. 671-77

**Arousal**

Ariely, Dan; Gneezy, Uri; Loewenstein, George; Mazar, Nina. “Large Stakes and Big Mistakes” *Review of Economic Studies*, vol. 76, no. 2, April 2009, pp. 451-69

**Reference points and loss aversion**


Ronald Fryer, Jr., Steven Levitt, John List, and Sally Sadoff. Enhancing the Efficacy of Teacher Incentives Through Loss Aversion: A Field Experiment” NBER Working Paper No. 18237

Self control


Reciprocity and Inequity Aversion (between principals and agents):


Fairness between Workers


Agency with Multiple Workers-- Tournaments

Theory


Evidence


**Agency with Multiple Workers-- Teams**


**Agency with Multiple Tasks**


Omar Al-Ubaydli, Steffen Andersen, Uri Gneezy, John A. List. “Carrots that Look Like Sticks: Toward an Understanding of Multitasking Incentive Schemes” #18453


**Multiperiod Agency Problems: Timing Gaming, Career Concerns and Ratchet Effects**


C. LABOR DEMAND AND MARKET EQUILIBRIUM

Static Labor Demand

Theory: see class notes

Minimum Wages


Dynamic Labor Demand

Theory: see class notes


► Giroud, Xavier, and Holger Müller. Firm Leverage, Consumer Demand, and Employment Losses during the Great Recession forthcoming, Quarterly Journal of Economics.

Some Simple Labor Market Models

Theory: see class notes


Effects of Immigration

Theory


Evidence


► Beaudry, Paul, David A. Green, Benjamin M. Sand. (2014) In Search of Labor Demand NBER working paper no. 20568


D. WAGE DIFFERENTIALS BETWEEN JOBS AND WORKERS

Compensating Differentials

Theory: see class notes


**Search and Matching**

*Theory*


*Empirical Search and Matching*


Modestino, Alicia Sasser, Daniel Shoag and Joshua Balance, “*Upskilling: Do Employers Demand Greater Skill When Workers Are Plentiful?*” 2015


Ioana Marinescu and Roland Rathelot,. “Mismatch Unemployment and the Geography of Job Search” submitted, 2015. [pdf]


Faberman, R. Jason and Marianna Kudlyak. “*The Intensity of Job Search and Search Duration*” unpublished paper, Richmond Federal Reserve, 2014


Employer Learning Models

Theory


Evidence


► Sorensen, Jeff. Layoff rules, the cost of job loss, and asymmetric employer learning unpublished paper, UC Berkeley

Specific Human Capital


Chris Robinson. Occupational Mobility, Occupation Distance and Specific Human Capital” unpublished paper, University of Western Ontario, August 2011


Discrimination

Taste-based models


**Statistical Models and Self-Confirming Beliefs**


Heyes, Anthony and, John A. List “Supply and Demand for Discrimination: Strategic Revelation of Own Characteristics in a Trust Game” NBER working paper no. 21953 (Feb. 2016)


**Implicit (unconscious) discrimination**


► Feld, Jan, Nicolás Salamanca and Daniel S. Hamermesh. “Endophilia or Exophobia: Beyond Discrimination”. NBER working paper no 19471 (LS)

**Explicit Discrimination ("Labor Market Profiling")**


Delgado Helleseter, Miguel, Peter Kuhn and Kailing Shen. “Age and Gender Profiling in the Chinese and Mexican Labor Markets: Evidence from Four Job Boards” PDF

Kuhn, Peter and Kailing Shen Gender-Targeted Job Ads in the Recruitment Process: Evidence from China” (with Kailing Shen) PDF

**Other evidence**


Neumark, David. “Detecting Discrimination in Audit and Correspondence Studies” *Journal of Human Resources* Fall 2012 vol. 47 no. 4 1128-1157 doi: 10.3368/jhr.47.4.1128


► Ge, Yanbo, Christopher R. Knittel, Don MacKenzie, and Stephen Zoepf “Racial and Gender Discrimination in Transportation Network Companies” NBER working paper no. 22776 (October 2016)


► Bertrand, Marianne and Esther Duflo. 2016. “Field Experiments on Discrimination” NBER working paper no. 22014

_Policies_


► Doleac, Jennifer L. and Benjamin Hansen. “Does "Ban the Box" Help or Hurt Low-Skilled Workers? Statistical Discrimination and Employment Outcomes When Criminal Histories are Hidden” NBER Working Paper No. 22469, July 2016


_Gender Gaps in the Labor Market_

_**Human Capital and Career Interruptions**_


Baker, Michael and Kirsten Cornelson. “Gender Based Occupational Segregation and Sex Differences in Sensory, Motor and Spatial Aptitudes” unpublished paper, University of Toronto 2016
Monopsonistic Discrimination


Bargaining


► Card, David, Ana Rute Cardoso, and Patrick Kline  "Bargaining, Sorting, and the Gender Wage Gap: Quantifying the Impact of Firms on the Relative Pay of Women"

Employer, Customer, Co-worker Tastes and Implicit Discrimination


Workers’ own tastes


The Gender Gap in Education


Other ideas and evidence


► Linda Babcock, Lise Vesterlund and Laurie Weingart. 2015 “Breaking the Glass Ceiling with ‘No’: Gender Differences in Declining Requests for Non-Promotable Tasks” unpublished paper, University of Pittsburgh
SOME TIPS ON FINDING ECONOMICS ARTICLES FOR YOUR LITERATURE REVIEW:

Some of the best, recent research (especially on applied as opposed to theoretical topics), search the NBER working papers.

For recent working papers specifically in labor economics, check out the IZA working papers. (It does not appear to be possible to link directly to the working papers section of this site; you need to click thru the “publications”, then “discussion paper series” links).

If you have found an interesting article and want to see what has been written that’s closely related to that article since it was published (this is especially important to do for any article published more than 2 or 3 years ago!), you should follow the citation trails using the Web of Science. In Web of Science, first find the article using the info you have. To see other articles that have cited this one, click “create citation report”, then “view citing articles”, look at these, and on you can go….

Some of the above resources require you either to be on campus, or to be connected to the campus by VPN.