Economics 751
Labor (and Public) Economics
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Course Description

The goal of this course is to synthesize theory, econometrics, and empirical work in labor economics. Topics will include the Roy model, equalizing differentials, human capital, labor supply, and schooling. Given that the course also satisfies requirements for Public Economics, I will put more emphasis on methodology that is useful for writing empirical micro papers. While many of the topics will be more traditionally labor, the approach should be useful for any type of empirical work.

I am willing to be flexible and will adjust the course based on the interests of the students.

Evaluation will be on the basis of a paper. This paper may be done alone or in groups, but the standard will be higher if done in groups. You must periodically meet with me to discuss the progress of the paper.

To give some specific dates:

Feb. 16 One page description of possible plan
March 2 One page outline of paper
April 27 First Draft of Paper
May 13 Final Draft

Topics

Here is a list of topics and papers. In some cases we will study the paper explicitly. In other cases the reference is for background reading if you are interested.
1. The Roy Model


2. The Compensating Differentials Model,


3. The Generalized Roy model and Treatment Effects


4. Labor Supply

5. Human Capital

- G. Becker, Human Capital, 1975

6. Returns to Schooling


7. Labor Market Dynamics


8. Ben-Porath Model


9. Returns to Tenure

- J. Altonji and N. Williams, “Do Wages Rise with Job Seniority? A Reassessment,” ILRR, 2005
10. Ben-Porath Model


11. Putting it Together


12. Private Schools

- Altonji, Joseph G., Todd E. Elder, and Christopher R. Taber, “Selection on Observed and Unobserved Variables: Assessing the Effectiveness of Catholic Schools,” forthcoming, JPE.

13. Education Production Functions

