

Labor Economics Syllabus (Econ 750)

John Kennan

September 2023

5:30-7:30 TTh, 6240 Social Science

Office Hours: Wednesdays, 1:30-3:30 (or by appointment)

This course is part of a two-semester field sequence which includes Econ 751. The sequence aims to present a detailed analysis of the main areas in labor economics, and to provide a foundation for original research in the field. Both 750 and 751 stress the interaction between theory and empirical work.

The core material deals with labor supply decisions made by rational households, labor demand decisions made by profit-maximizing firms, and the equilibrium wage differentials and employment patterns implied by these decisions when markets are competitive. Applications include the analysis of industry wage differentials, labor market effects of international trade, life-cycle age-earnings profiles, and returns to human capital investments. Actual labor markets differ from the competitive ideal in many ways. Topics include unemployment, discrimination, costly migration within and across countries, efficiency wages and other incentive schemes, and bargaining between workers and employers to divide monopoly rents.

You are expected to make substantial progress on a research project in labor economics, and complete a progress report (10-20 pages). The research project might lead to a paper satisfying the labor field paper requirement. The progress report must describe original research, rather than merely surveying the literature. You must hunt for your own topic, although you are welcome to bounce ideas off me. Joint projects are welcome (although no more than two students should be involved in a joint project). A sketch of the project (2-3 pages) is due by October 27, and you will be asked to present a brief description of your project in class shortly afterward. You will be asked to make a brief class presentation about your project shortly after Thanksgiving. The progress report is due at 5 PM on Friday, December 8. Meeting the deadline is an important part of this exercise, so there will be NO EXTENSIONS.

You will also make a classroom presentation during the semester, on a paper (or papers) related to the course material. These presentations will be made jointly by small groups of students. You must use your own judgement on which paper to present, and you will be asked to discuss the connections between this paper and related work on the reading list.

Grades will be based on three things, with equal weights on each: a take-home exam, your research progress report, and classroom presentation and participation.

The following course materials will be available at www.ssc.wisc.edu/~jkennan/teaching/teaching.htm.

[Reading List](#)

[Topics](#)

[Links to data and other stuff](#)

[Assignments](#)