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, search, labor market dynamics, and schooling.

Evaluation will be based on homeworks (35% and a research project 65%). You are expected to turn in a 20-30 page progress report describing an original project. You can work in teams of up to 2. Please meet with me at least two times over the semester so we can discuss your progress.

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. Human Capital
• G. Becker, Human Capital, 1975

4. Returns to Schooling


5. Ben-Porath Model


6. Search Models


7. Learning About Match Quality


8. Multi-Dimensional Human Capital
• Sanders, Carl and Christopher Taber, “Lifecycle Wage Growth and Heterogeneous Human Capital,” *Annual Review of Economics*.


9. Changes in Wage Structure


10. Putting it All Together


• Taber and Vejlin, “A Roy/Search/Compensating Differentials Model of the Labor Market”
11. 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.

12. Education Production Functions