Labor Economics Syllabus (Econ 750)

September 2019
5:30-7:30 TTh
6116 Soc Science

John Kennan
Office Hours (6434 Soc Science): Mondays, 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 first half of 750 will be taught by John Kennan, and the second half will be taught by Chris Taber.

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). The paper is due at 5 PM on Friday, December 14. Meeting the deadline is an important part of this exercise, so there will be NO EXTENSIONS.

Grades will be based on three things, with equal weights on each: a (takehome) 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