

LABOR ECONOMICS 250C - COURSE OUTLINE

PROFESSORS DAVID ARNOLD AND JULIAN BETTS, UCSD

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This course blends theoretical labor economics with applied research, studying appropriate methods of estimation as necessary. 250A and 250B are NOT formally prerequisites for 250C, although it will prove immensely helpful.

We will cover topics from the following list:

(BETTS Weeks 1-5)

The Supply Side of the Labor Market

I. The Quantity of Labor Supplied (Weeks 1 and 2)

II. The Quality of Labor Supplied: Human Capital and the Economics of Education (Weeks 3-5)

(ARNOLD Weeks 6-10)

III. Imperfect Competition in Labor Markets (Week 6)

IV. Institutional Factors of Wage Determination: Minimum Wage and Unions (Week 7)

IV. Local Labor Markets (Week 8)

V. Discrimination and Crime (Weeks 9-10)

Requirements

To do well in this course you should have completed microeconomics and econometrics (A-C) courses. In Labor Economics 250A we covered many of the empirical methods that we will use in this course. If you are unsure about your readiness, please consult a 250A course syllabus or Zoom with one of us.

Provisions for the Pandemic

We will record all lectures and make them available on Canvas. Some of you may be in different time zones. We will work with you to find a way for you to do your presentation, probably just to the two of us. We will also be sensitive to the office hours we set up perhaps not working for you and will gladly meet at other times that work out for you and us. We will also be keen to hear your suggestions on to make the course more engaging and useful for any of you who are far away. Please fill out our time zone survey. Once we know where people are that might influence our decision about things like the best times to hold office hours:

https://docs.google.com/spreadsheets/d/1Cdav4yK82KX9TGcwr5YFjS7Z9ngiKw_iRW0UxLkRYtg/edit?usp=sharing

Because our goal is to show you as much about labor economics as we can in ten short weeks, it is possible that we may pre-record mini-lectures that you can watch before a live lecture. This

will allow us to cover more ground by covering more basic material online, and using this as a foundation for more recent work that we will discuss in the classes.

Evaluation

10% Class participation/Paper Critiques. Participation will be evaluated based on class participation each week on Zoom as well as weekly writeups on key papers. Some details on the latter: Before each class we will typically assign the class one paper to read in advance and pose some questions to think about. Please submit a (roughly) one-page evaluation of the paper on Canvas, which also responds to the questions we ask, by noon the day before the class to the professor teaching that week.

The short critique should include 4 sections: (i) what the main contribution of the paper is relative to the existing literature, (ii) the key elements of the empirical analysis (e.g., methodology, identification), (iii) what the paper does well, and (iv) concerns / suggestions for improvement or extensions. These short critiques can be written in bullet form, and should be handed in on Canvas before class the day we discuss the paper.

5% Paper Proposal. Please submit proposal to both of us with references (by email) by Monday April 12 and preferably before. Our email addresses are jbetts@ucsd.edu, and daarnold@ucsd.edu.

45% Paper. The paper will be due by email to both of us the Tuesday of Finals Week (Tuesday June 8th) at noon.

40% Referee Report and Presentation.

Students will prepare a referee report on a paper of their choosing. This referee report should be between 2 and 5 pages long. A typical report briefly summarizes the main contribution, talks about how the paper fits into the existing literature, explains what the paper does well, points out weaknesses and concerns, and offers suggestions for improvement.

Your referee report should also include a short one or two paragraph “cover letter” to the editor, which clearly indicates whether you think the paper should be published or not. You should choose the journal that you are refereeing for, such as the AER, ReStat, or JHR. Your ultimate recommendation will of course reflect the quality of the journal.

A good resource for writing a referee report can be found in a recent piece appearing in the Journal of Economic Perspectives titled “How to Write an Effective Referee Report and Improve the Scientific Process” (Berk, Harvey, and Hirschleifer, Vol. 31, No. 1, Winter 2017).

The paper you choose should be unpublished, and preferably an NBER or similar quality working paper. You must get approval for the paper you’d like to present in advance. You can get approval by emailing two options of potential papers (with links or attached pdfs) to Julian or David, depending on which week you sign up to present your referee report to the class. Depending on class enrollment, presentations will be scheduled for weeks 2 through 10 of class.

Students will provide a presentation on the paper they referee. The presentation should take roughly 15 minutes, so the presentation needs to be focused. You can sign up at:

<https://docs.google.com/spreadsheets/d/1SuC3rHsw72XTVy-9iDYWge6pB-bn5NdZ-KDOv00PxRE/edit?usp=sharing>

Proposal & Paper

We ask you to write a paper that follows one of four approaches. We also ask that you email the two of us a one or two page proposal by Monday of Week 3 (April 12), or before if you can develop a plan before this. Feel free to consult us informally before that time.

Paper

Possible Approaches

1. *Extend an Original Paper*
2. *Write a New Original Paper*
3. *Develop a Proposal for a New Original Paper*
4. *Congratulations! Your 250B Proposal You Submitted Has Been Funded! Start Work on the Actual Project!*

Details

1. *Extend an Original Paper*

The idea here would be to write a proposal that consists of an existing paper you have been working on, along with a short writeup indicating the main issues you or others think should be addressed in the most recent version of your paper, and an outline of how you will extend the paper during this quarter. If you choose this route, we hope that you can submit the proposal, along with the current draft of the paper, and get feedback from us, well before the April 12 deadline.

2. *Write a New Original Paper*

This is similar to 1, except that now you would write a proposal by April 12 to write a new paper.

3. *Develop a Proposal for a New Original Paper*

This is very similar to 2, except that in your judgment it would be hard in one quarter to bring this idea all the way from the planning stage to a paper with empirical and/or theoretical results.

For either 1, 2, or 3, the proposal should contain the following elements:

- a) state how this paper would contribute to the literature –including brief literature review;
- b) devise an empirical strategy that is (ideally) based in theory;
- c) state the main threats to causal identification and steps you might be able to take to address these and other econometrics issues, and
- d) discuss data sources that you could use.

Ideally, your proposal would be of sufficient quality that you could submit it as a grant proposal to an outside organization. (We do not require submitting a grant application, but encourage you to think along these lines. We and will work with you if you decide to follow this route!)

4. Congratulations! Your 250B Proposal You Submitted Has Been Funded! Start Work on the Actual Project!

This is really a version of 2. Simply submit by April 12 your grant proposal from 250B along with a plan for how you will turn your proposal into a complete or partially completed paper this quarter. The elements a) through d) above are probably already in your proposal, so you should focus in your proposal on laying out what you would like to accomplish this quarter.

Here is some advice on finding a topic. Peruse recent issues of the Journal of Labor Economics, the Journal of Human Resources, or general interest journals such as the QJE, AER, JPE, Econometrica, R.E.Stat, JPubEcon, etc. for ideas. NBER working papers provide another source. The reading list for this course might also help you. If you already have a general area in mind (immigration, labor supply, economics of education etc.) but not a specific topic, one of the more difficult challenges is to focus your interest on something specific. The Handbook of Labor Economics provides literature reviews that may help you see what areas are well trodden and which are relatively sparsely researched. A third approach is to flip through the Statistical Abstract of the United States or related government publications such as the Digest of Education Statistics – sometimes seeing what sorts of data the government collects and patterns in data can get your creative juices flowing. If you are interested in education topics, talk to Julian who administers a lab with many different US Department of Education data-sets, often containing panel data. Fourth, *talk to us about your ideas. We may have some of our own. Research is why we are here!*

After you have submitted a proposal we invite you to talk to one or more of us about possible next steps.

Online Education and Zoom Etiquette

Even a year into the pandemic, we are all still getting used to teaching or taking a course purely by online means. We will try to make this course as interactive as possible. Please be patient with us as we try new things on the technology front, but also feel free to make suggestions on what works and what does not work online.

We will be using Zoom throughout the course. Please make sure that you have acquired basic proficiency on Zoom before we start class. Also, it is good to think about Zoom etiquette. During lecture time we expect you will be focused on the lecture, with a Window for Zoom, a window or two for assigned readings, and will set aside natural urges to surf online! Also, if another person is presenting, think about muting your microphone. Some good ideas on Zoom etiquette can be found at the following sites:

UCSD instructions on obtaining Zoom using the UCSD license and using it:

<https://blink.ucsd.edu/technology/file-sharing/zoom/index.html>

Basic FAQs on Zoom at:

<https://support.zoom.us/hc/en-us/articles/206175806-Top-Questions>

Readings

We will post reading lists for our respective sections to the course web page on Canvas shortly before we start our respective sections of the course.