Topics in Labor Economics I: Theory and Evidence

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This is the first in a two-semester field sequence presenting a detailed analysis of the main areas in labor economics, and providing a broad foundation for original research in the field. The order of topics is flexible.

Assessment

Six Problem Sets 60%
One Final Paper Proposal 30%
Class Participation 10%

Text Book


Featured Papers


Software

1. Stata
2. Matlab

Outline

Labor supply decisions of individuals and households

Text Book Chapter 1 and Chapter 4
1. **Static Labor-Leisure Choices**
2. Effects of Social Programs and Income Taxes
3. The Life-Cycle Model
4. Investments in Human Capital
6. Occupational Choice

**Demand for labor**

**Text Book Chapter 2**

1. Marginal productivity theory
2. Static Cost, Profit and Labor Demand Functions
4. Adjustment Costs and Dynamic Labor Demand
5. Imperfect information and screening

**Interaction of labor demand and supply**

**Text Book Chapter 3**

1. Compensating wage differences (Adam Smith)
2. Evidence on Premia for Risky or Nasty Jobs
3. Efficiency Wages
4. Segmented Labor Markets
5. Migration

**The Distribution of Income**

**Text Book Chapter 3**

1. Earnings by Size
2. The Roy Model
3. Functional Distribution
4. Intergenerational Income Mobility