Syllabus

University of Oklahoma

Department of Economics

ECON 6533-001: Labor Economics II

**Spring 2021**

**Professor:** Dr. Chunbei Wang

**Email:** chunbei.wang@ou.edu

**Course Meeting:** TR 11:00 am – 12:15 pm

Zoom Meeting ID: 976 4591 3906

Passcode: 53716233

<https://oklahoma.zoom.us/j/97645913906?pwd=d3BhdktUZjlOcU5xM005cTk5SHhwUT09>

**Office Hours:** TR 3:00 pm – 4:00 pm, or by appointment.

Zoom Meeting ID: 984 7350 3544

Passcode: 04555625

<https://oklahoma.zoom.us/j/98473503544?pwd=aFZNdmp4bTNlMlBQSENrVndVWVNCZz09>

**Learning Management System:** canvas.ou.edu

**Course Description:**

This course is the second part of the two-course Ph.D. Labor Economics sequence. We will first cover the basics of labor supply, demand, and equilibrium to build a basic theoretical foundation for research in labor economics. Then several field topics will be introduced, including immigration, education, discrimination, and marijuana legalization. We will learn about classic research in these topics to gain knowledge on how the literature developed, as well as recent research to gain knowledge on where the literature is leading. This is a graduate seminar style course with a mixture of lectures and discussions. Students are expected to read assigned readings prior to class and be prepared to discuss.

**Course Goals:**

The two-part sequence aims at preparing you for original research in labor economics. Being the second of the sequence, this course has four main goals.

1. Gain background knowledge of important stylized facts about labor markets, mainly in the U.S.
2. Become familiar with a variety of empirical approaches commonly used in the field.
3. Gain critical understanding of the literature in the topics covered in this course.
4. Develop a research paper to contribute to the existing literature.

**Recommended Textbooks:**

* Cahuc, Pierre, Stephane Carcillo, and Andre Zylberberg, ***Labor Economics***, 2nd edition, MIT Press. Online Resources: [www.labor-economics.org](http://www.labor-economics.org)
* Angrist, J. and J.-S. Pische, ***Mostly Harmless Econometrics***, Princeton University Press, 2009.
* Ashenfelter, O. and D. Card, eds, ***The Handbook of Labor Economics***, Elsevier

**Supplemental Readings:**

Supplemental readings of journal articles will be provided on Canvas.

**Requirements and Grading:**

The course requirements include in-class participation, presentation and discussion, problem sets, a research proposal, and two exams.

The weights in the final grade are assigned as follows:

|  |  |
| --- | --- |
| In-class Participation 10% | Problem Sets 30% |
| Presentation and Discussion 20% | Research Paper 40% |
|  |  |

The grading will be point based and there will not be any adjustment to the final grade.

Letter Grade Criteria

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| A | 90-100 | B | 80-89 | C | 70-79 | D | 60-69 | F <60 |

The following is a detailed description of the requirements.

1. *In-class participation (10%)*

You are expected to attend classes regularly and actively participate in discussions.

1. *Presentation and Discussion (20%)*

Each of you will present two to three journal articles this semester depending on the class size. Each presentation should use slides and take about 20~30 minutes. The presentation should cover important details about the paper, your own opinion of its merits, shortcomings, and potential extensions. At the end of each presentation, time will be devoted for comments, questions, and class discussions.

For every presentation, everyone should come prepared with a discussion sheet (except the student who is presenting the paper that day, but that student should be ready to discuss the content of the discussion sheet). You will submit the sheet on Canvas at least one hour before class. The discussion sheet template is posted on Canvas. They don't need to be fancy or professionally written, but they should be well thought out, clear, and insightful. You should also try to make it a habit to think about these questions whenever you read a paper.

You will be graded on each presentation or discussion. The lowest 2 grades will be dropped.

1. *Problem Sets (30%)*

Problem sets will be given regularly. Problem sets usually include some theoretical/empirical practice problems, as well as small Stata replication projects.

They are collected at the beginning of the class on the due date. Group discussion is encouraged when working on the homework but your answers should show **individual** understanding of the materials.

Problem sets should be submitted in class on the due date. Any LATE problem set will be marked down 10% if it is 1 day overdue, 20% if 2 days overdue, and so on, and will ONLY be accepted before solutions are given.

The lowest problem set grade will be dropped under the condition that all problem sets are completed and submitted. In other words, you will not be able to receive this benefit if you miss any homework assignment.

1. *Research Paper (40%)*

The paper should be an original research paper that includes the following:

1) An introduction section that motivates the idea, explaining what the idea is, why the audience should be interested, your identification strategy to answer the research question, and how it contributes to the existing literature.

2) A literature review section that provides a thorough literature review on the related literature to your idea, and details of how your idea contributes to the existing literature (i.e. the novelty of your idea).

3) A method section showing what research method you use to answer your research question, including details of the models such as all variables to be included and/or the specific empirical strategy, explain why this method is appropriate and what problems it could address.

4) A data section showing your data sources and how you construct the variables to carry out your estimation.

5) A result section discussing your main findings.

6) A robustness check section addressing any potential issues with your estimation.

7) A conclusion section that briefly summarizes your paper.

8) A reference section that lists all the references cited in your paper.

**Department Seminar**

Students should attend the OU Economics Seminar series (Fridays 3- 4:15pm). Please see the schedule here: https://www.ou.edu/cas/economics/research-seminars/spring.

**Course Policies**

**Extra Credit Policy:**

Extra credit opportunities, if provided, are available to all students to ensure fairness. *Individual* requests of extra credit opportunities will be denied.

**Changes in the syllabus**

The instructor reserves the right to make changes to the syllabus if desirable or necessary, and will inform you via email and in class.

**University Policies**

**Academic Integrity:**

All students are expected to conform to college-level standards of ethics, academic integrity, and academic honesty. By enrolling in this course, you agree to be bound by the Academic Misconduct Code published in The University of Oklahoma Student Code (www.ou.edu/studentcode/OUStudentCode.pdf). For further clarification please see: [www.ou.edu/provost/integrity-rights/](http://www.ou.edu/provost/integrity-rights/).

All members of the community recognize the necessity of being honest with themselves and with others. Cheating in class, plagiarizing, lying and employing other modes of deceit diminish the integrity of the educational experience. None of these should be used as a strategy to obtain a false sense of success. The need for honest relations among all members of the community is essential.

**Religious Observance:**

It is the policy of the University to excuse the absences of students that result from religious observances and to reschedule examinations and additional required classwork that may fall on religious holidays, without penalty.

**Reasonable Accommodation Policy:**

Students requiring academic accommodation should contact the Disability Resource Center for assistance at (405) 325-3852 or TDD: (405) 325-4173. For more information please see the Disability Resource Center website <http://www.ou.edu/drc/home.html>

Any student in this course who has a disability that may prevent him or her from fully demonstrating his or her abilities should contact me personally as soon as possible so we can discuss accommodations necessary to ensure full participation and facilitate your educational opportunities.

**Title IX Resources and Reporting Requirement:**

For any concerns regarding gender-based discrimination, sexual harassment, sexual assault, dating/domestic violence, or stalking, the University offers a variety of resources. To learn more or to report an incident, please contact the Sexual Misconduct Office at 405/325-2215 (8 to 5, M-F) or [smo@ou.edu](mailto:smo@ou.edu). Incidents can also be reported confidentially to OU Advocates at 405/615-0013 (phones are answered 24 hours a day, 7 days a week).

**Adjustments for Pregnancy/Childbirth Related Issues:**

If you need modifications or adjustments to your course requirements because of pregnancy-related or childbirth-related issues, please contact me as soon as possible. Please see www.ou.edu/content/eoo/faqs/pregnancy-faqs.html for commonly asked questions.

**Course Outline:**

**Week 1**

**January 26: Introduction**

**January 28: Overview of Research Methods**

* Randomized Experiments
* OLS Regression with Control Variables
* Matching

**Week 2**

**February 2: Overview of Research Methods**

* Difference-in-Differences
* Fixed Effects
* Instrument Variables
* Regression Discontinuity

**February 4: Present Your Research Proposal and Research Plan**

* Present your proposal and what you plan to accomplish by Mar 2, Apr 1, and May 4.

**Week 3**

**February 9: Labor Supply**

* Static Labor Supply

**February 11: Labor Supply**

* Intertemporal Labor Supply

**Week 4**

**February 16: Labor Supply**

* Empirical Estimate of Labor Supply Elasticity
* Taxicab Series Estimation of Labor Supply

**February 18: Labor Supply**

* Men’s Labor Supply
* Women’s Labor Supply
* Family Labor Supply

**Week 5**

**February 23: Labor Demand**

* Firms’ Choice of Labor

**February 25: Labor Demand**

* Empirical Estimation of Labor Demand
* Labor & Capital Substitute/Complement

**Week 6**

**March 2: Present Your Research Progress**

**March 4: Labor Market Equilibrium**

* Equilibrium

**Week 7**

**March 9: Labor Market Equilibrium**

* Minimum Wage

**March 11: Immigration**

* Wage Assimilation and Immigration Selection
* Economic Benefit/Cost of Immigration

**Week 8**

**March 16: Immigration**

* Effect of Immigration on Natives
  + DD Estimation
  + IV Estimation

**March 18: Immigration**

* Effect of Immigration on Natives
  + DD Estimation
  + IV Estimation
  + National Skill Cell Estimation

**Week 9**

**March 23:Immigration**

* Effect of Immigration Policies on Immigrants
  + Amnesty
  + E-verify
  + DACA
  + State-level Policies

**March 25: Immigration**

* Measure of Illegal Immigrants
* Identify Illegal Immigrants in Survey Data

**Week 10**

**March 30: Education**

* Human Capital Model
* Signaling Model

**April 1: Present Your Research Progress**

**Week 11**

**April 6: Education**

* Causal Effect of Education – IV Estimation
  + Various IVs
  + IV Issues

**April 8: Education**

* Causal Effect of Education – IV Estimation
  + Heterogeneity

**Week 12**

**April 13: Education**

* Causal Effect of Education
  + Twins Data Estimation
  + RD Estimation
  + Roles of Education and Ability

**April 15: Discrimination**

* Taste Discrimination
* Statistical Discrimination

**Week 13**

**April 20: Discrimination**

* Empirical Estimation of Discrimination **–** Decomposition

**April 22: Discrimination**

* Empirical Estimation of Discrimination – Field Experiments
* Empirical Tests Differentiating Statistical and Taste Discrimination

**Week 14**

**April 27: Discrimination**

* Empirical Results
  + Race and Gender
  + Affirmation Action
  + Beauty and other features

**April 29: Marijuana Legalization**

* Marijuana and Alcohol Complementarity/Substitutability
* Legalization Effect – various outcomes

**Week 15**

**May 4: Presentation of Research Paper**

**May 6: Presentation of Research Paper**

**Research Paper due: May 10 by midnight**

**Zoom Meeting Invitation**

Chunbei Wang is inviting you to a scheduled Zoom meeting.

Topic: ECON6533

Time: Jan 26, 2021 11:00 AM Central Time (US and Canada)

Every week on Tue, Thu, until May 6, 2021, 30 occurrence(s)

Please download and import the following iCalendar (.ics) files to your calendar system.

Weekly: <https://oklahoma.zoom.us/meeting/tJMrc-yhrzgjGtJo7wSP9qz9SpzFsWgFhsVN/ics?icsToken=98tyKuCvqD8vE9WWuRmBRowEBI-gZ_PzmHZEjbd3k0jyMBAKcxmvBfJYFKFIF_7Y>

Join Zoom Meeting

<https://oklahoma.zoom.us/j/97645913906?pwd=d3BhdktUZjlOcU5xM005cTk5SHhwUT09>

Meeting ID: 976 4591 3906

Passcode: 53716233

One tap mobile

+17209289299,,97645913906#,,,,\*53716233# US (Denver)

+19712471195,,97645913906#,,,,\*53716233# US (Portland)

Dial by your location

+1 720 928 9299 US (Denver)

+1 971 247 1195 US (Portland)

+1 213 338 8477 US (Los Angeles)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 602 753 0140 US (Phoenix)

+1 669 219 2599 US (San Jose)

+1 669 900 6833 US (San Jose)

+1 470 381 2552 US (Atlanta)

+1 646 518 9805 US (New York)

+1 646 876 9923 US (New York)

+1 651 372 8299 US (Minnesota)

+1 786 635 1003 US (Miami)

+1 267 831 0333 US (Philadelphia)

+1 301 715 8592 US (Washington D.C)

+1 312 626 6799 US (Chicago)

+1 470 250 9358 US (Atlanta)

Meeting ID: 976 4591 3906

Passcode: 53716233

Find your local number: https://oklahoma.zoom.us/u/aCqcVMlR1

Join by SIP

97645913906@zoomcrc.com

Join by H.323

162.255.37.11 (US West)

162.255.36.11 (US East)

221.122.88.195 (China)

115.114.131.7 (India Mumbai)

115.114.115.7 (India Hyderabad)

213.19.144.110 (Amsterdam Netherlands)

213.244.140.110 (Germany)

103.122.166.55 (Australia)

209.9.211.110 (Hong Kong SAR)

64.211.144.160 (Brazil)

69.174.57.160 (Canada)

207.226.132.110 (Japan)

Meeting ID: 976 4591 3906

Passcode: 53716233