Economics 751: Labor Economics I  
Fall 2014

When and Where:  Mondays and Wednesdays, 11:00 AM – 12:15 PM, Bolton B80
Professor:  Scott Drewianka (e-mail: sdrewian@uwm.edu)
Office Hours (in Bolton 886):  Mondays and Wednesdays, 3:30-5:00 PM

**If you cannot come during the regularly scheduled office hours, please e-mail me to set up a special appointment.

Course Goals:  This is part of a two-course graduate sequence on labor economics that may be taken in any order. It has two main goals: to introduce a range of topics and methods in modern labor economics and to help you identify topics for your own research.

Prerequisites:  Economics 701 (Economic Theory: Microeconomics). No previous experience with labor economics is necessary. You may take Economics 752 first if you wish, but it is not necessary.

Books:  None required; readings will be available on D2L and/or JSTOR. The UWM bookstore will also stock a few optional books (see below) that may be useful for the course and beyond.

Grading:  Grades will be based on a midterm and final exam (20 percent each), a literature review (35 percent, including preliminary documents), three article summaries (5 percent each), a presentation (5 percent), and participation (5 percent).

Midterm:  Wed., Oct. 22
Final exam:  Tues., Dec. 16, 12:30-2:30 PM  [Note special day/time.]

Article Summaries:  During the course of the semester, you will write three summaries of papers not discussed in class. The first paper to be summarized will be assigned; unlike the others, the main objective will be to understand the structure of the exposition, especially the introduction. The other summaries will be content-oriented. Each should be roughly 3-5 pages in length and will (a) identify the topic, its significance, and its place in the broader literature; (b) summarize the methods and results; and (c) appraise the work and highlight any unanswered questions. You may write summaries of articles related to your literature review (see below). Summaries must be submitted on or before the deadlines below.

Deadlines:  Sept. 15, Oct. 1, and Oct. 15

Literature Review/Research Paper:

A large share of your grade will be determined by a research paper. You will choose your own topic, but I encourage you to consult with me to ensure that it has an appropriate scope. A typical paper is about 20-25 pages long (double spaced), but there is no prescribed maximum or minimum length apart from what is dictated by the topic. It should be as concise as possible and as long as necessary.

Most students will write a review of the existing literature on a topic in labor economics. A literature review is NOT merely a series of article summaries or book reports, but rather a well-written, integrated discussion of research in the field and possible directions for future research. Such a paper will identify the topic under discussion and its place in the broader literature, discuss its significance for public policy and/or other research, summarize the methods and contributions of several papers, describe how they relate to one another (e.g., compare and contrast their methods and results), highlight any conclusions that may be drawn, and point to questions that remain open or new techniques or data that might shed additional light on the subject. For some excellent examples of such papers, look at virtually anything published in the Journal of Economic Perspectives or any of the articles in the Handbooks in Economics series.

If you have already written a labor-related literature review in another class, you may request permission to write an original research paper on an open question identified in your earlier review. Eligible students who wish to write an original paper should contact me early in the semester. In most cases your project would be mainly empirical in nature, so you would need to obtain your data soon.

Deadlines:  
1. Tentative decision about topic:  Sept. 22
2. Preliminary bibliography (10+ possible sources):  Sept. 29
3. Preliminary outline:  Nov. 10
4. Draft of introduction:  Nov. 19
5. Completed paper:  Dec. 10

Some Policies:

1. Academic Honesty:  Academic dishonesty will not be tolerated!!! All forms of cheating, including plagiarism, are serious violations of academic standards – so be sure you know what constitutes plagiarism! Violators are subject to disciplinary action, which may be as severe as expulsion. For information about unacceptable behaviors and their consequences, see the following webpage: http://www4.uwm.edu/acad_aff/policy/academicmisconduct.cfm.

2. Clarity:  No credit will be granted for work that is unintelligible. This includes, but not exclusively, work that is illegible, incoherently organized, or poorly worded.

3. Other Departmental Policies:  UWM’s official policies on participation by students with disabilities, religious observances, complaint and grade appeal procedures, sexual harassment, incompletes, and other matters are available in Bolton 802 or at http://www.uwm.edu/Dept/SecU/SyllabusLinks.pdf. Students needing accommodations should contact me during the first two weeks.
Expected time commitment:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Hours</th>
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<tbody>
<tr>
<td>Class meetings and final exam</td>
<td>37</td>
</tr>
<tr>
<td>Assignments</td>
<td>15</td>
</tr>
<tr>
<td>Class readings and study (5 hours/week)</td>
<td>80</td>
</tr>
<tr>
<td>Research paper (research and writing)</td>
<td>80</td>
</tr>
<tr>
<td>Total across the semester</td>
<td>212</td>
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</tbody>
</table>

*This is merely an estimate for a typical successful student and is likely to vary considerably across students.*

**Resources to help with your writing and/or research skills:**

1. **UWM Writing Center** ([www.writingcenter.uwm.edu](http://www.writingcenter.uwm.edu), phone: 414-229-4339): “Offers one-on-one assistance… to generate topics, conduct research, organize ideas, develop thesis statements and revise drafts. Undergrad and grad students are welcome… at any stage of the project.” The Center is in **Curtin 127**, and there are also tutors at a **satellite location** in northwest corner of the **East Wing of the library**, 1st floor near “The Grind.”


3. Available at the UWM bookstore:

**Some very useful research resources:**

1. Electronic databases (click on “Resources A-Z” on the UWM library homepage):
   a. **EconLit** – lists contents and abstracts of hundreds of economics journals since 1886, as well as books, dissertations, and catalogued working papers
   b. **Web of Science** – allows you to search for articles that have cited a particular article in the past; useful for identifying subsequent contributions to the literature.
   c. **JSTOR** ([www.jstor.org](http://www.jstor.org)) – full-text research papers from leading journals
   d. **National Bureau of Economic Research** working papers ([www.nber.org](http://www.nber.org)) -- working papers by major scholars; often the most up-to-date research on a topic.

2. **Handbook of Labor Economics, Vols. 1-3C** and **Handbook of Population and Family Economics, Vols. 1A-1B** (library call number: HD4802 .H36) – published by Elsevier, these handbooks contain extensive literature reviews on many topics, written by some of the main contributors to those subfields

3. Collections of web-links to vast amounts of information and/or major data sets

**Reading list, by topic**

Notes:  
1. This reading list is **not** meant to be a comprehensive bibliography, but rather a starting point for further research. It includes a mix of seminal articles, interesting applications, literature reviews, and recent work.

2. **Most papers are available for download on the course page on D2L or on JSTOR.**

3. For a more advanced textbook on labor economics, see Pierre Cahuc and Andre Zylberberg, **Labor Economics** (Cambridge, MA: MIT Press, 2014). It is available at the bookstore.


**I. Empirical Methods for Labor Economics and Applied Microeconomics**

A. **Brief review: Counterfactuals, Least squares, Maximum likelihood, Endogeneity and Omitted variables bias**

B. **Difference-in-Differences Models**

**Readings:**


Readings, application to Divorce Law:


C. Instrumental variables

Readings:


D. Regression discontinuity designs

Readings:


E. Selection models, with applications to immigration, women’s labor supply, and education

Readings:


F. Method of moments estimation, with application to income instability

**Readings:**


II. The Structure of Work within Firms

A. The Division of Labor and Specialization

**Readings:**


B. Hierarchies and Teams

**Readings:**


III. Careers: Unemployment, Job Search, Experience, and Turnover

A. Job Search and Turnover

**Readings:**

B. Job-Specific Human Capital and Other Match-Specific Rents

Readings:


B. Job-Specific Human Capital and Other Match-Specific Rents

Readings:


**Readings, Immigration:**


**B. Family Structure: Marriage and Divorce**

**Readings:**