This course covers traditional and contemporary topics in labor economics and aims to encourage the development of independent research interests. Prerequisites are intermediate microeconomics (including basic duality) and familiarity with econometrics at the level of Mostly Harmless Econometrics.

The class is offered in two versions, 14.661 and 14.661A, meeting concurrently.

Class requirements

All 661 participants are expected to:

- Attend classes and recitation each week
- Take an out-of-class final during exam week
- Complete 4 problem sets
- Come to class prepared to discuss assigned readings

In addition, 661A participants are expected to:

- Deliver a brief in-class presentation (BIP)
- Complete an empirical project involving replication and extension of published work

Extra work for 661A is detailed in a separate note posted on Canvas. Economics Ph.D. students wishing to satisfy requirements for Labor as a major field should take 661A. Minor field requirements can be met by passing 661.

Grading

Labor students may earn a total of 100 regular points plus 8 participation points as follows:

- 14.661 – 4 problem sets (10 points each); final (60 points); attendance (8=24/3 points).
- 14.661A – 4 problem sets (10 points each); final (35 points); empirical project (25 points); attendance (8 points). BIPs are ungraded but required for Labor as a major field.

Canvas has our readings, assignments, and recitation material.

READINGS (Angrist)

Books (mostly for review) are on reserve. An (M) flags studies done as part of an MIT Ph.D. thesis.

Books


I. Labor Market Facts and Trends


B. Meyer and J. Sullivan, “Consumption and Income Inequality in the U.S. Since the 1960s,” The JPE (forthcoming), manuscript, June 2022.
II. Labor Supply

A. Basics


B. Tax and Transfer Programs


C. Household and Family Models

'Metrics: MHE, Chapter 4 and MM Chapter 3 (Instrumental variables).


*The Pandemic Home Front*


*More IV ‘Metrics*


D. The Life-Cycle Model

'Metrics: MHE, Section 4.1 and MM, Chapter 3 (IV and grouped data);


Target earnings vs the ISH: evidence from cabs and gigs


S. Caldwell and E. Oehlsen, “Gender Differences in Labor Supply: Experimental Evidence from the Gig Economy,” UC Berkeley Economics Department, manuscript, July 2022 (M).

III. Labor Demand and Demand-Side Institutions and Policies

A. Labor Demand


B. Market Structure and the Min

'Metrics: MHE, Chapter 5 and MM, Chapter 5 (Diffs-in-diffs).


C. Immigration and Migration

‘Metrics: Abadie (2021) Synthetic Controls survey in the JEL.


IV. Intro to Human Capital

**A. Schooling, Experience, and Earnings**


B. Empirical Earnings Functions

'Metrics: MM, Chapter 6; AK99, Section 2.


Returns to experience and OJT

B. Jovanovic (1979) "Firm-Specific Capital and Turnover," *Journal of Political Economy*, 87.6 (December), 1246-60.


C. (A Few) Financial Aid Effects


D. School Quality and Education Production


J. Angrist, E. Bettinger, M. Kremer “Vouchers for Private Schooling in Colombia: Evidence from a Natural Experiment,” The AER 92 (December 2002).


J. Mountjoy, “Community Colleges and Upward Mobility,” The AER 112 (August 2022).


Dobbie and Fryer 2011.

Deming et al. 2014

Cullen, Jacob and Levitt 2006.

V. Unions in the Private and Public Sectors

‘Metrics: MHE, Chapters 5 (Panel Data) and 6 (RD) and MM, Chapter 4 (RD).


Second Part - Acemoglu

TBD