

University of Colorado at Boulder
Department of Economics

Prof. Brian Cadena
brian.cadena@colorado.edu
(303) 492-7908
Website: Desire2Learn
<https://learn.colorado.edu/>

Economics 8686: Graduate Labor 2, Spring 2015
Syllabus and Schedule
Office Hours: T/Th 10:45-11:30, 1:45-2:30
Economics 208D
Other times by appointment

Course Description:

The primary goal of this course is to prepare students for original research within the field of Labor Economics. Although we will focus on only a subset of topics, the skills you will learn will prepare you for work across numerous subfields. You will learn to recognize what makes a good paper, and you will gain an appreciation for the type of research being done on the frontier of the discipline. The course meets in Econ 5, each T/Th (1/13-4/30) from 9:30 AM – 10:45 AM, with the exception of Spring Break (3/24, 3/26).

Prerequisites:

To enroll in this course, you must have completed graduate level work in microeconomic theory and have exposure to some econometric training, at the equivalent level of the first year graduate sequence. Many of the papers we will read use applied econometric methods beyond those covered in the first year sequence. Although not strictly required, I strongly recommend previous or concurrent exposure to such methods through either Econ 8676 or Econ 8848.

Course Materials:

There is no required textbook for this course, although students who have not had an undergraduate course in Labor Economics may find it useful to acquire an undergraduate textbook such as Borjas or Ehrenberg and Smith. The material to be mastered will be covered in lecture notes and the assigned articles, all of which will be posted or linked on the Desire2Learn website.

Requirements and Grading:

Your grade will depend on your performance on a number of assignments, according to the chart below:

| <u>Assignment</u> | <u>Weight</u> | <u>Due Date</u> |
|----------------------------------|---------------|---------------------------------------|
| Class Participation/Readings | 15% | Each class meeting with a paper |
| 1 Referee Report | 15% | TBA |
| Class Presentations | 10% | Various dates throughout the semester |
| Research Proposal/“Kill an Idea” | 20% | 12/14, 5 PM |
| Midterm Exam | 20% | 10/23 In Class (tentative) |
| Final Exam | 20% | Sunday 5/3 4:30-7:00 PM |

Class Participation/Readings You should read the articles assigned prior to coming to class and be prepared to answer questions and participate in discussions. The reading list will be posted on D2L, and it will include links to the papers, which can be accessed from any computer on the

University's network. Bring a copy (either paper or electronic) of the papers we are discussing with you to class. In addition, please prepare a ½ page summary of each paper and bring it with you to class on the day that we discuss the paper. Your summary should include the following: the main research question, the model/conceptual framework that guides the analysis, the data used, the primary methodology including the identification strategy/central comparison, and any major limitations that you see in the paper. Part of this grade will come from successfully turning in a summary for each paper. The other portion will come from a careful review of a random sample of your summaries.

Referee Reports will be assigned once during the semester as I find an appropriate article. I anticipate assigning a paper from our seminar series or another working paper I find related to topics we are studying. You will be required to write a brief summary of the paper's methods and conclusions, followed by an analysis of the paper's strengths and weaknesses. You will receive specific instructions when I have selected the paper.

Class Presentations will occur at various times throughout the semester. You will be able to work in groups of two, and the number of presentations required will depend on the total enrollment in the course – with small classes, I may ask you to present multiple times. In each presentation, you will lead the class's discussion of one of the papers from the reading list marked with *** for approximately 35-40 minutes. In the first 25-30 minutes, you will present the research as if it were your own, detailing the motivation, methodology, and results of the paper. In the remaining time, you will lead a discussion critiquing the paper and providing suggestions for how the paper could have been improved.

Research Proposal/"Kill an Idea": The goal of this course is to train you to be able to perform original research in Labor Economics. Two of the most difficult skills to acquire are 1) Coming up with original research ideas and 2) Knowing when to stop working on an idea. In order to help you hone these skills, you will select an original research idea, and attempt to "kill it". It may help to imagine that there is a deadline for a conference approaching and that you are trying to decide whether to submit an abstract and to commit to working on the project in earnest for the next several months. A successful project will accomplish the following things: motivate an original research question, identify and acquire data, formulate an identification strategy, and perform initial analysis to determine whether the project deserves continued work. In the best-case scenario, your idea will survive this initial testing, and you will continue to work on it beyond this course. However, you will not be graded on whether your idea "works". Instead, you will be graded on how well you have determined whether it is worth continuing to work on. The project need not relate to the topics we discuss in class. It could be based on material from 8676, or from a portion of Labor Economics beyond the scope of either course. In the end, I will be looking for a brief (5-8 pages) write-up of your work on the project. In general, this should be a new project that you have not previously worked on for another class (including the third year paper class). Also, for anyone enrolled in Econ 8848 previously or concurrently, this should be a separate project from your replication for that class.

The Midterm will cover the material on labor demand theory, immigration and migration, and the minimum wage. It is tentatively scheduled for March 5 during the regular class meeting time, although we may move the exam depending on how quickly we progress through the material.

The Final Exam will cover all of the material after the first midterm. Our assigned time from the Registrar is 4:30-7:00 PM on Sunday, May 3, 2015. University policy provides students with three or more exams on the same day the right to reschedule exams following the first two.¹ Any student wishing to invoke this right should notify me as soon as possible and no later than February 15.

Final Letter Grades will be a weighted average of each of the components listed above. Prior to averaging, I will assign letter grades to each component based on the scores a good student at this level could reasonably be expected to attain.

Seminar Series: You are strongly encouraged to attend the seminar series, especially when the speaker presents on an applied micro topic. Learning to conduct and present original research is a key to your success in the discipline. These seminars are an excellent resource for you in that endeavor. There is a decent chance that I will assign a referee report based on one of the working papers presented in the seminar series.

Late Assignments/ Missed Examinations Policy:

The Referee Report and the Research Proposal will be due by 5:00 PM on their due dates. Following a 5-minute grace period, I will deduct 25 percent from each assignment for each day it is late. Paper summaries turned in after the class period in which the paper is discussed will receive no credit. Other assignments submitted more than 2 days after the due date will receive no credit.

If you miss the midterm or the final exam you will receive no credit unless you provide documentation of a medical or family emergency. In the case of a legitimate emergency, the missed exam will be given no weight in the calculation of the final grade and other assignments will be reweighted accordingly. *There will be no make-up exams.* If you foresee any conflict that will prevent you from taking an exam, please let me know as soon as possible and at least two weeks beforehand.

¹ http://www.colorado.edu/policies/final_exam.html

Tentative Schedule

| Topic | Tentative Dates |
|--|--------------------------|
| Introduction, Immigration Background | 1/13, 1/15 |
| Theory of Labor Demand | 1/20, 1/22 |
| Immigration and Migration | |
| Labor Demand Application: Immigration and Native Wages – Competing Estimates | 1/27, 1/29, 2/3, 2/5* |
| Individual Migration Decision – Roy Model and Applications | 2/10, 2/12, 2/17 |
| The Minimum Wage | |
| Models of the Minimum Wage | 2/19 |
| Empirical Analysis of the Minimum Wage | 2/24, 2/26, 3/3* |
| MIDTERM EXAM | 3/5 |
| Discrimination | |
| Models of Discrimination | 3/10, 3/12 |
| Blinder-Oaxaca and its limitations | 3/17, 3/19 |
| Spring Break – NO CLASS | 3/24, 3/26 |
| Other Empirical Estimates of Discrimination | 3/31, 4/2, 4/7* |
| Unions | |
| What do Unions Do? | 4/9 |
| | |
| Union Formation and Firm Survival | 4/14 |
| Unionization and Inequality | 4/16 |
| Pay Structure and Worker Performance (Incentives) | |
| Theoretical Overview | 4/21 |
| Evaluation of Piece Rates | 4/23 |
| Wrap-Up | 4/28 |
| FINAL EXAM | Sunday, 5/3 4:30-7:00 PM |

***Denotes days with student presentations**

Other University Policies:

Campus policy regarding religious observances requires that faculty make every effort to deal reasonably and fairly with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. *In this class, please inform me no later than two weeks prior to any conflict you foresee, sooner if possible, so that we can find an alternative arrangement for you to complete the requirements of the course.* See full details at http://www.colorado.edu/policies/fac_relig.html

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner so that your needs be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, and www.Colorado.EDU/disabilityservices

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, gender, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at <http://www.colorado.edu/policies/classbehavior.html> and at http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code

The University of Colorado at Boulder policy on Discrimination and Harassment, the University of Colorado policy on Sexual Harassment and the University of Colorado policy on Amorous Relationships apply to all students, staff and faculty. Any student, staff or faculty member who believes s/he has been the subject of discrimination or harassment based upon race, color, national origin, sex, age, disability, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Judicial Affairs at 303-492-5550. Information about the ODH, the above referenced policies and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council (honor@colorado.edu; 303-725-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html> and at <http://www.colorado.edu/academics/honorcode/>