Syllabus
University of Oklahoma
Department of Economics
ECON 5970-001: Labor Economics I
Fall 2018

Professor: Dr. Chunbei Wang
Office Location: Room 438 Cate Center 1
Email: chunbei.wang@ou.edu
Office Hours: Tuesdays and Thursdays 1:30pm – 2:30pm, or by appointment.
Learning Management System: canvas.ou.edu

Course Meeting Time and Location: TR 10:30 am – 11:45 am, Cate 145
Course Prerequisite: Ph.D. Microeconomic Theory and Econometrics

Course Description:
This course is the first 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 first 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 research ideas to contribute to/extend the literature by learning from the literature, criticizing the literature, and identifying gaps in the literature.

Recommended Textbooks:

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:

<table>
<thead>
<tr>
<th>In-class Participation</th>
<th>5%</th>
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<tbody>
<tr>
<td>Presentation and Discussion</td>
<td>15%</td>
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<tr>
<td>Problem Sets</td>
<td>20%</td>
</tr>
<tr>
<td>Research Proposal</td>
<td>20%</td>
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<tr>
<td>Midterm Exam</td>
<td>20%</td>
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<tr>
<td>Final Exam</td>
<td>20%</td>
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The following is a detailed description of the requirements.

1. In-class participation (5%)
   You are expected to attend classes regularly and actively participate in discussions.
   Below is a rough rubric used for assessing your participations throughout the semester.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Criteria</th>
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<tbody>
<tr>
<td>0</td>
<td>Frequently absent,</td>
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<tr>
<td>50</td>
<td>Present and not disruptive; does not participate in discussions; does not try to answer questions when called on; offers unconstructive comments.</td>
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<tr>
<td>70</td>
<td>Answers/asks questions infrequently; tries to respond when called on but contributes moderately; demonstrates sporadic involvement in discussion.</td>
</tr>
<tr>
<td>100</td>
<td>Answers/asks questions very frequently; elaborates own points and provides constructive comments when called on; demonstrates ongoing active involvement.</td>
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2. Presentation and Discussion (15%)
You will be provided a list of articles at the beginning of the semester to sign up for the presentation. 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.
3. **Problem Sets (20%)**

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.

4. **Research Proposal (20%)**

The proposal should be about 10 pages in which you propose an interesting research idea/question that has the potential to be developed into a full research paper. The last few classes will be used for presentation of your proposal. The proposal should include the following:

1) An introduction section that motivates the idea, explaining what the idea is, and why the audience should be interested;

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

3) A method section showing what research method you plan to 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 potential data sources and what features they possess that will allow you to carry out your estimation.

If you do not have an idea that is worth pursuing, an alternative will be a thorough literature review on a topic of your interest. The literature review should include the following:

1) An introduction of the topic of interest.

2) A thorough literature review that summarizes, criticizes, and synthesizes the literature.

3) A conclusion that summarizes what you have learned from the literature and what is missing from the literature.

5. **Exams (Total 40%)**

There will be a midterm exam and a final exam, closed book and closed notes. The
exam dates are listed in the course schedule of this syllabus. Unless otherwise announced in class or by email, we will follow those schedules.

It is your responsibility to take exams at the scheduled times and to make alternative arrangements in advance if you have a legitimate reason for not being able to take an exam. If you miss an exam without making prior arrangements, you will only be allowed a make-up exam if you provide appropriate explanation and documentation.

Department Seminar
Students should attend the OU Economics Seminar series (Fridays 3-4:15pm). Please see the schedule here: http://www.ou.edu/cas/economics/research-seminars/fall. These seminars provide exposures to recent research and chances to meet with great researchers. Please come to the seminars prepared with questions and comments.

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.

Emergency Contact
In case of family or medical emergencies, students should email me as soon as possible (chunbei.wang@ou.edu) to keep me informed, and meet with me afterwards to discuss missed material or assignments.

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/.

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. 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.

**Final Exam Preparation Period**
Pre-finals week will be defined as the seven calendar days before the first day of finals. Faculty may cover new course material throughout this week. For specific provisions of the policy please refer to OU’s Final Exam Preparation Period policy (https://apps.hr.ou.edu/FacultyHandbook#4.10).

**Course Outline**

**Week 1**

August 21: Introduction

**August 23: Overview of Research Methods**
- Randomized Experiments
- OLS Regression with Control Variables
- Matching
- Difference-in-Differences
Week 2
August 28: Overview of Research Methods
- Fixed Effects
- Instrument Variables
- Regression Discontinuity

August 30: Labor Supply
- Static Labor Supply

Week 3
September 4: Labor Supply
- Intertemporal Labor Supply

September 6: Labor Supply
- Empirical Estimate of Labor Supply Elasticity
- Taxicab Series Estimation of Labor Supply

Week 4
September 11: Labor Supply
- Men's Labor Supply
- Women’s Labor Supply
- Family Labor Supply

September 13: Labor Demand
- Firms’ Choice of Labor

Week 5
September 18: Labor Demand
- Empirical Estimation of Labor Demand

September 20: Labor Market Equilibrium
- Equilibrium and Estimation of Elasticity of Labor Demand

Week 6
September 25: Labor Market Equilibrium
- Minimum Wage

September 27: Immigration
- Wage Assimilation and Immigration Selection
- Economic Benefit/Cost of Immigration
Week 7

October 2: Immigration
- Effect of Immigration on Natives – DD Estimation
- Effect of Immigration on Natives – IV Estimation
- Effect of Immigration on Natives – Factor Proportions Approach

October 4: Immigration
- Effect of Immigration Policies on Immigrants
  - Amnesty
  - E-verify
  - DACA
  - State-level Policies: Arizona

Week 8

October 9: Immigration
- Measure of Illegal Immigrants
- Identify Illegal Immigrants in Survey Data

October 11: Education
- Human Capital Model
- Signaling Model

Week 9

October 16: Midterm Exam

October 18: Education
- Causal Effect of Education – IV Estimation
  - Various IVs
  - Quantile IV

Week 10

October 23: Education
- Causal Effect of Education – IV Estimation
  - Weak IV Estimation
  - Measurement Error
  - Local Average Treatment Effect
  - Test IV validity

October 25: Education
- Causal Effect of Education
  - Twins Data Estimation
  - RD Estimation
Week 11

October 30: Discrimination
  • Taste Discrimination
  • Statistical Discrimination

November 1: Discrimination
  • Empirical Estimation of Discrimination – Decomposition

Week 12

November 6: Discrimination
  • Empirical Estimation of Discrimination – Field Experiments
  • Empirical Tests Differentiating Statistical and Taste Discrimination

November 8: Discrimination
  • Empirical Results
    o Race and Gender
    o Affirmation Action and Black/White Wage Gap
    o Beauty and other features

Week 13

November 13: Marijuana Legalization
  • Legalization Effect – various outcomes

November 15: Marijuana Legalization
  • Marijuana and Alcohol Complementarity/Substitutability

Week 14

November 20: Discussion of Research Proposal Progress

Thursday Break

Week 15

November 27: Presentation of Research Proposal

November 29: Presentation of Research Proposal

Week 16

December 4: Presentation of Research Proposal

December 6: Presentation of Research Proposal

Research Proposal due: December 10 by midnight

Final Exam: December 14 8:00 am – 10:00 am