Basic Information:

Instructor: Kevin Thom  
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Office: TBA  
Office Hours: By Appointment (email me)  
Lectures: Tuesday, 11:05 AM - 1:05 PM, 19. W. 4th Street, Room 624

Course Goals

This course represents a continuation of Labor Economics I and thus seeks to familiarize you with important core issues in labor economics. The major topics covered in the course are listed below in the course outline. The course assignments are also listed below. One of the major goals of the course, apart from broadening your knowledge of labor economics, is to help you formulate your own original research ideas. Towards that end, the assignments have been chosen to isolate particular steps in the process of building a research agenda: identifying and assessing the potential of new research ideas (your own pre-proposal and the referee report assignments), analyzing the contribution of existing work and presenting research ideas (presentation), and beginning to work on an original project (the actual proposal).

Assessment

Your grade will be composed of three components:

1. Presentations: 30% of your grade Early on in the course, I will identify a subset of the papers listed for the course as presentation papers. You will be asked to provide an exposition of one paper’s motivation and main findings in a presentation of approximately 30 minutes. Procedures for determining presentation assignments will depend on enrollment in the class.

2. Referee Report: 20% of your grade You will be asked to prepare a referee report on a job paper dealing with a labor topic from this year’s job market cohort. I will e-mail everyone a list of labor job papers that I have found, but you are certainly free to use one that you find on your own with my approval. A referee report should include a brief summary of the paper’s motivation, contribution, and main results.
Additionally, you should include your own critical comments on the strengths and weaknesses of the paper, and any changes that the author could make to revise the paper. Your referee report should indicate a familiarity with the literature relevant to this candidate’s paper. This should be no more than 5 pages.

3. **Paper Proposal: 50% of your grade** You will be asked to write a proposal for a research paper that could turn into second year paper or a project that you work on during your third year. This should include a motivation which indicates a familiarity with the relevant literature, but it should certainly go beyond that. The proposal should indicate a question that you would like to pursue and should either sketch a new theoretical argument or identify an existing claim that you would like to test empirically in a novel way. You should identify promising data sources, and if feasible, suggest how you would use the data to test a theory or estimate a model. This will unfold in two stages. First, on Tuesday, March 25, you will be asked to submit a sketch of at least two ideas for research topics. This entails writing a couple of paragraphs on each idea. We will discuss these as a class on that date. The actual proposal will be due, tentatively, on Tuesday, May 19.

**Course Outline:**

**Labor Supply: Static Models**

- Killingsworth Labor Supply 1983, Chapter 3

**Labor Supply: Sample Selection Issues**

- Killingsworth Labor Supply 1983, Chapter 4

Intertemporal Labor Supply

Effect of Taxes and Transfers on Labor Supply

3


Human Capital and Education


• Mincer Schooling, Experience, and Earnings 1974, Chapters 1,5


• Keane and Wolpin ”The Effect of Parental Transfers and Borrowing Constraints on Educational Attainment” International Economic Review Vol. 42 2001


Equilibrium and the Evolution of the Wage Structure

- Lee and Wolpin, “Intersectoral labor mobility and the growth of the service sector” Econometrica 2006
- *Autor and Dorn The Growth of Low-Skill Service Jobs and the Polarization of the US Labor Market AER 2013

Economics of Immigration

- Labor Market Effects of Migration
  - Borjas “Self-Selection and the Earnings of Immigrants” American Economic Review 1987
  - Card “Immigration and Inequality” American Economic Review 2009