Econ247: Labor Economics II

This course is the sequel to Econ 246: Labor Economics I. Grading will be based on successful completion of two empirical projects, class presentations, and participation.

Class schedule: MW 11-12:50 Econ 139
Office hours: By appointment (please e-mail me, pista@stanford.edu)

Outline and reading list

1. Methodological Aspects in Labor Economics
   a) The Roy Model
      - Heckman, James and Bo Honorè (1990), “The empirical content of the Roy Model”, *Econometrica* 58
   b) Program evaluation
   c) Structural vs. descriptive methods


d) Applications


2. Public Policy and Individual Behavior

a) General Issues


b) Programs and Applications
3. Job Search and Extensions

a) The theory of job search

b) Turnover and matching model

c) Workers’ mobility and tenure effects

d) Migration

e) Unemployment issues
4. Income Dynamics and Income Mobility

a) Income dynamics
- MaCurdy, Thomas (1982), “The use of time series processes to model the error structure of earnings in a longitudinal data analysis”, *Journal of Econometrics*
- Farber and Gibbons (1996), “Learning and Wage Dynamics”, *QJE*

b) Individual income mobility

c) Intergenerational income mobility

f) Social interactions

5. Economics of the family

a) Fertility
b) Marriage and divorce

c) Household joint consumption and labor supply choices

d) Household decision-making

e) Intergenerational issues
6. Data Issues

a) Measurement error
     survey data”, *Handbook of Econometrics* vol. 5.

b) Aggregation bias
   - Blundell and Stoker (2005), “Heterogeneity and Aggregation”, *JEL*.

c) Cohort data
   - Deaton, Angus S. (1985), “Panel data from time series of cross-sections”, *Journal of
     Econometrics* 30, 109-26
   - Weiss, Yoram and Lee Lillard (1978), “Experience, vintage and time effects in the
     growth of earnings: American Scientists 1960-70”, *JPE*.