Preliminary Syllabus

Labor Economics II, 2024
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This course introduces students to recent work in (broadly defined) labor economics. The aim is to give students insights into some topics that were not covered in Labor I and, more importantly, improve their capacity to read and discuss contemporary research papers critically. To do this, students will read 12 recent papers (one for each meeting) and discuss them in class. The aim is to have exciting and informed discussions, and thus, **we expect everyone to arrive to class well-prepared and to participate actively in the debate**. The quality of preparation and discussions determines grades, i.e., we will not have an exam or traditional written assignments.

Specifically, the logistics and evaluation criteria are as follows:

- *Preparation (50% of final grade)*: All students are expected to carefully read the assigned paper <u>before</u> class to help active participation in the in-class discussions. Before each class, we will post some questions that will guide you when reading the paper and that we will use to start the discussion. In addition, we will always discuss the following topics:

    o   What are the main takeaways?
    o   What is the treatment (including the definition of the counterfactual)?
    o   What are the identifying assumptions? Are they plausible?
    o   For whom is the treatment effect identified?
    o   What is the magnitude of the effect? To what should we compare it to?
    o   What kind of robustness checks do the authors execute (and why)? Do they address all relevant concerns?
    o   What policy insights do the results imply?
    o   What do you feel are the most important questions that later research building on this paper should address?

    We ask you to make some notes for yourself that will help you prepare for the class and <u>submit your notes via MyCourses before the class</u>. Acceptable submissions (and showing up) account for 50% of the course grade.[1] That is, for each pair of notes and class attendance, you get points corresponding to 4.16% of the course total. The notes can be informal bullet points or whatever works best for you as preparation. In addition, they need to be sufficiently clear to allow us to verify that you actually read and thought about the paper before class. Please do not spend time polishing these notes; they are merely tools for preparation.

- *In-class discussion (50% of final grade)*: In each class, we review the pre-defined questions and, hopefully, get carried away with new ones as we go along. To ensure an equal opportunity to demonstrate one's preparation and insights, <u>we select the first discussant for each pre-determined question randomly</u> and then open up the floor for spontaneous discussion. The first discussant comments are graded on a scale of check, check-plus, and check-minus. A check responds thoughtfully to the question; a check-plus shows unique or

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[1] In the unlikely case that a student submits notes and shows up in class but clearly has not read the paper, we will consult the Learning Services about appropriate disciplinary measures. Of course, we would be highly surprised and saddened if such an incident occurred at this stage of one's studies.

exemplary insight; a check-minus includes a serious misunderstanding. In addition, you will get points for active and constructive participation in the general discussion.

If you miss a class, you can compensate for it with a maximum 1,500 words written assignment discussing the questions assigned for the missed class. You should hand in these assignments to us in person and be prepared for a short discussion about the paper.

Preliminary schedule

Topic 1: Secondary education

We start the course with two papers examining the effects of secondary education in Finland. These papers also allow us to discuss the opportunities created by Finnish data and deepen your understanding of regression discontinuity designs (RDD). If you don't feel fully versed in the RDD methodology, we recommend you review Chapter 20 of Nick Huntington-Klein's excellent online textbook "The Effect: An Introduction to Research Design and Causality."

April 24th (Wed): Labor market returns

- Silliman, M. & Virtanen, H. (2022). Labor Market Returns to Vocational Secondary Education. *American Economic Journal: Applied Economics* 14(1): 197–224.

April 25th (Thu): Effects on crime

- Huttunen, K., Pekkarinen, T., Uusitalo, R., & Virtanen, H. (2023). Lost boys: Access to secondary education and crime. *Journal of Public Economics*, 218, 104768.

Topic 2: Teachers

In our second week, we discuss one of the key elements of the human capital production function: teachers. We start with a paper introducing you to measuring teacher value-added and multidimensionality of skills. In order to understand how this paper fits into the larger literature, we highly recommend Steve Levitt's podcast interview with Raj Chetty, where they cover this line of work in the early part of their discussion.[2] Our second paper gives you a chance to see more interesting measurement approaches combined with a well-conducted RCT.

April 29th (Mon): Value-added

- Jackson, C. Kirabo (2018). What Do Test Scores Miss? The Importance of Teacher Effects on Non-Test Score Outcomes. *Journal of Political Economy* 126 (5): 2072–10.

May 2nd (Thu): Stereotypes

- Alessina, Alberto, Michela Carlana, Eliana La Ferrara and Paolo Pinotti (forthcoming). Revealing Stereotypes: Evidence from Immigrants in Schools, *American Economic Review*.

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[2] If you're busy, look for "Tennesee START" in the transcript or forward to 6:20 in the audio. At the end of the interview, they also discuss the two papers we will cover next week.

Topic 3: Social Mobility
We will devote our third week to two papers measuring the extent and potential causes of social mobility in the United States. Both are very influential recent contributions that showcase the power of great data and seemingly simple methods in generating knowledge and shaping public debate. For background, great journalism and examples of remarkable data illustrations, see the New York Times articles about the [first](#) and [second](#) papers.

May 7th (Tue): Race

- Chetty, Raj, Nathaniel Hendren, Maggie R Jones, Sonya R Porter (2022). Race and Economic Opportunity in the United States: An Intergenerational Perspective, *Quarterly Journal of Economics* 135(2): 711–783.

May 8th (Wed): Social capital

- Chetty, R., Jackson, M.O., Kuchler, T. et al. (2022). Social capital I: measurement and associations with economic mobility. *Nature* 608, 108–121.

Topic 4: Early Childhood

Fourt week focuses on early childhood environment and policies affecting children's outcomes.

May 15th (Wed):

- Ginja, R., Jans, J., & Karimi, A. (2020). Parental leave benefits, household labor supply, and children's long-run outcomes. *Journal of Labor Economics*, *38*(1), 261-320.

May 16th (Thu)

- Gray-Lobe, G., Pathak, P. A., & Walters, C. R. (2023). The long-term effects of universal preschool in Boston. *The Quarterly Journal of Economics*, *138*(1), 363-411.

Topic 5: Crime

This week we focus on criminal behavior and consequences of criminal justice system offenders and their family.

May 22th (Wed):

- Bhuller, M., Dahl, G. B., Løken, K. V., & Mogstad, M. (2020). Incarceration, recidivism, and employment. *Journal of Political Economy*, *128*(4), 1269-1324.

May 23th (Thu)

- Bhuller, M., Dahl, G. B., Løken, K. V., & Mogstad, M. (2023). Domestic violence reports and the mental health and well-being of victims and their children. *Journal of Human Resources*.

Topic 5: Family and health

Our final week focuses on causes and consequences of family well-being.

Wed 29th (Wed):

- Persson, P., & Rossin-Slater, M. (2018). Family ruptures, stress, and the mental health of the next generation. *American Economic Review*, *108*(4-5), 1214-1252.

May 30th (Thu)

- Fredriksson, P., Huttunen, K., & Öckert, B. (2022). School starting age, maternal age at birth, and child outcomes. *Journal of Health Economics*, *84*, 102637.