

ECON371: Labor Economics
Duke University, Department of Economics
Summer 2020

Instructor: Attila Gyetvai (attila.gyetvai@duke.edu)

Class time: 6 weeks, MWF 9:30am-10:45am EDT

Office hours: Times TBA and by appointment, via Zoom

Course website: TBA

Overview: How do people choose a job? How do employers make hiring decisions? How can policymakers influence the labor market? The purpose of this course is to understand the behavioral underpinnings of aggregate labor market trends and demonstrate how these trends can be shaped via labor market policies. First, we develop a quantitative framework to model behavioral decisions of workers and employers. Then we analyze the mechanism of various policy tools such as income taxes, minimum wages, or unemployment insurance.

Assessment:

Problem sets (75%). You will have problem sets each week. You are permitted to submit your solutions in groups of up to three people: indicate all group members on your submission. Late submissions are not accepted. I will post solutions.

Final presentation (25%). At the end of the course, you will give short group presentations (one group per section). You are expected to (1) summarize the material covered in the section, and (2) briefly overview the key research papers on the topic.

Structure: The course is online. Interactive classes and final presentations take place via Zoom; recordings will be available for course participants. Problem sets are submitted and handed back via email. I will hold office hours online via Zoom.

Materials: There is no required textbook for the course. The lectures are self-contained. For the final presentation, you are required to survey the literature on your own—don't worry, I will help. If you are interested in further reading, I recommend any edition of *Labor Economics* by George Borjas.

Tentative schedule

1. Long-run trends of the US labor market
2. Labor supply
 - a. Pecuniary and nonpecuniary factors
 - b. Compensating differentials
3. Labor demand
 - a. Competitive labor markets
 - b. Labor market power
4. Labor market equilibrium and minimum wages
 - a. The minimum wage debate
5. Unemployment, vacancies, and job search
 - a. The flows approach
 - b. Search and matching
6. Final presentations