

**ECO 415/515 Topics in Microeconomics:
Labor Economics & Public Policy**

Spring Semester 2022
Professor Riley Acton
(she/her/hers)

FSB 1014
T/Th 10:05-11:25am

Contact Information

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Office Hours T/Th 11:30am-12:30pm or by appointment
Sign up at: <https://calendly.com/profacton>. Email for appointments.

Course Description

This course applies the theoretical concepts and statistical techniques learned in prior courses to public policy issues surrounding the labor market. We will begin with an overview of the field of labor economics, including the contributions its researchers have made to empirical economic analysis. We will then explore seven relevant policy topics in-depth. For each policy topic, we will consider the theoretical economic framework that motivates policy intervention, as well as the empirical evidence on the policy's impacts. Through the lens of these policies, we will also cover a variety of core labor economics concepts including labor supply, labor demand, labor market discrimination, and human capital formation. In addition, students will choose their own policy topic of interest to study throughout the semester, which will culminate in a professionally written policy memo and in-class presentation.

Student Learning Outcomes: Upon successful completion of this course, students will be able to: (1) use economic theory to motivate various forms of public policy intervention, (2) evaluate the merits and limitations of empirical economic studies, (3) assess the potential impacts of proposed policies using both theory and empirical evidence, and (4) communicate policy recommendations to both expert and non-expert audiences.

Course Materials

There is no required textbook for this course. We will instead rely on scholarly articles, policy briefs, and my lecture slides – all of which will be posted on Canvas and Perusall. Please see the final pages of this document for a tentative reading list.

At times, you may find it helpful to refer to [Mostly Harmless Econometrics](#) by Joshua Angrist & Jörn-Steffen Pischke, [The Effect: An Introduction to Research Design and Causality](#) by Nick Huntington-Klein, and/or an undergraduate labor economics textbook, such as [Labor Economics](#) by George Borjas.

Prerequisites

Required: ECO 311 (econometrics) and 315 (intermediate microeconomics)

Recommended: ECO 411/511 (advanced empirical methods)

This course requires a solid understanding of both theoretical microeconomics and applied econometrics. If you have concerns about your background or do not meet these prerequisites, please contact me immediately.

Course Assignments

1. Class Participation

One of the primary goals of this course is to prepare you to read, evaluate, and synthesize scholarly papers related to the course topics. Unsurprisingly, one of the best ways to learn how to do this is to practice carefully reading papers! The assignments below are designed to incentivize you to keep up with, and actively participate in, the assigned readings.

a. Readings & annotations on Perusall (40 points)

All course readings will be posted on Perusall (see link in the Canvas sidebar), a collaborative annotation tool that has been shown to boost student engagement, comprehension, and understanding. You will be expected to: (1) complete the readings on the Perusall platform **by midnight before the class for which they are assigned** and (2) highlight, and leave comments on, portions of the text that you found interesting, confusing, particularly relevant to class discussions, etc. These annotations will appear publicly to both me and the class, and you will also be able to respond to and upvote your classmates' comments.

For each assignment, you will receive a score of 0, 1, or 2 points based on the time you spend actively reading the assigned paper(s) and the quality of annotations you contribute, where:

- 2 = demonstrates thoughtful and thorough reading of the entire assignment
- 1 = demonstrates superficial reading of the entire assignment OR thoughtful reading of only part of the assignment
- 0 = demonstrates superficial reading of only part of the assignment OR no attempt to complete assignment

Your final grade for Perusall assignments will be a summation of your grades on the 24 individual reading assignments, with your lowest 4 scores dropped.

b. Class discussion leader (40 points) – ECO 515 STUDENTS ONLY

Once during the semester, ECO 515 students will be required to lead our class discussion on the assigned discussion paper. You will provide a summary of the article and develop a list of questions for our in-class discussion. Early in the semester, I will provide an electronic sign-up sheet to claim your preferred date.

c. In-class discussion participation (20 points)

At the end of the semester, you will receive a grade out of 20 points for your attendance, engagement, and contributions to in-class discussions throughout the semester. See the “Discussion Guidelines” document for a rubric.

2. Take-Home Exams (100 points each, 200 points total)

To assess your understanding of the concepts and papers we cover during class, there will be two take-home exams during the semester. Exam 1 is tentatively scheduled for Thursday, March 3rd and Exam 2 is tentatively scheduled for Thursday, April 21st. For each, you will have from the end of class on Thursday to the start of class on Tuesday to complete the exam on Canvas.

These exams will primarily contain open-ended, open-response questions that require you to make connections between the papers we have read and apply concepts we have covered in class to new situations. You should plan to approach them similarly to how you would approach writing a short essay, or in the “real world,” how you would approach completing a project for a superior or a client.

3. Policy Memo & Presentation (200 points total)

Early in the semester, you will choose a policy topic of interest to explore in-depth throughout the course. This exploration will culminate in a professionally written policy memo that explains to policymakers: (a) the need for public policy intervention on an issue or challenge related to the labor market, (b) the empirical evidence on the policy topic of your choosing, and (c) your recommendations for policy implementation.

To ensure you are making progress on your memo throughout the semester, you will be required to:

- **Meet with me one-on-one to discuss your topic selection during the first month of the semester** (10 points, due by February 17th)
- **Submit an outline of your memo with an annotated list of relevant sources** (30 points, due by March 17th)
- **Write a referee report on a “working paper” relevant to your topic** (50 points, due by April 14th); **NOTE:** This assignment will incorporate peer review, where 515 students will be assigned to review drafts of 415 students’ reports.
- **Deliver an in-class presentation on your findings at the end of the semester** (30 points)
- **Submit your final memo during final exam week** (80 points)

See the *Policy Memo* module on Canvas for additional details and instructions.

Final Grade Calculation

Your final grades will be calculated as follows:

ECO 515 students: [Readings + Discussion + Participation + Exams + Policy Memo]/500

ECO 415 students: [Readings + Participation + Exams + Policy Memo]/460

I will use the following grading scale to assign letter grades:

Letter	GPA	Min. Grade	Letter	GPA	Min. Grade
A+	4.00	97%	C	2.00	73%
A	4.00	93%	C-	1.70	70%
A-	3.70	90%	D+	1.30	67%
B+	3.30	87%	D	1.00	63%
B	3.00	83%	D-	0.70	60%
B-	2.70	80%	F	0.00	Below 60%
C+	2.30	77%			

Other Course Policies

Health and Safety:

We will follow all rules and regulations in Miami's [Healthy Together Plan](#). If you are ill or believe you have been exposed to COVID-19, ***do not come to class***. Instead, please contact Student Health Services (<https://miamioh.edu/student-life/student-health-service/>) and email me to make appropriate arrangements for missed work.

Attendance:

I expect students to attend class sessions regularly and *strongly* believe it is the best way to learn the course material. However, we are still living in a pandemic, and as such, regular attendance may not be feasible for all students. Thus, I will not be taking attendance in-class and will not penalize students who are unable to attend, so long as you communicate with me regarding your personal circumstances.

Academic Integrity:

One of the goals of this course is to prepare you for future careers and advanced study within economics, so it is essential that you develop a solid understanding of the material. To that end, while collaboration and discussion on readings are encouraged, copying others' work on assignments is not. For more details on academic integrity, please see the university's academic integrity policy (<http://www.miamioh.edu/integrity>) and the FSB Honor Code (<https://miamioh.edu/fsb/about/honor-code/index.html>).

Inclusive Climate:

I consider this classroom to be a place where you will be treated with respect, and I welcome individuals of all ages, backgrounds, beliefs, ethnicities, genders, gender identities, gender expressions, national origins, religious affiliations, sexual orientations, ability – and other visible and nonvisible differences. All members of this class are expected to contribute to a respectful, welcoming, and inclusive environment for every other member of the class.

Additional Resources

Basic Needs:

If you face challenges securing food or housing and believe this may affect your performance in the course, I urge you to contact the [Student Success Center](#) at 513-529-007 or studentsuccess@miamioh.edu for support. In addition, you are welcome to contact me regarding any outside-of-class challenges you face to allow me to best support you throughout the semester.

Disability Services:

If you are a student with a disability and feel you may need a reasonable accommodation to fulfill the essential functions of this course, you are encouraged to contact [Student Disability Services](#) (SDS). SDS provides accommodations and services for students with a variety of disabilities, including physical, medical, and psychiatric disabilities. You are encouraged to contact SDS at SDS@miamioh.edu to learn more about registration and procedures for requesting accommodations. Current SDS registered students should request accommodations according to SDS procedure. You are strongly encouraged to request and discuss your accommodations needs during the first 2 weeks of the semester.

Mental Health Services:

Miami University is committed to the emotional and mental health needs of our students. As such, there are many resources available for you if you are experiencing concerns such as anxiety, depression, relationship problems, substance abuse, or other mental health issues impacting your ability to learn. The Student Counseling Service offers confidential mental health counseling and medication services for full-time Oxford students, including same-day emergency services. If you are experiencing any emotional difficulty, please contact their office at 513-529-4634 or www.miamioh.edu/studentcounseling.

Lauren's Promise:

Lauren McCluskey, a 21-year-old student at the University of Utah and the daughter of economist Jill McCluskey, was murdered on October 22, 2018, by a man she briefly dated. I am committed to making sure this does not happen again. If you are ever in immediate danger, call 911. If you or someone you know is experiencing sexual assault, domestic violence, stalking, or harassment, you can start with the University's short [guide on what to do if you or someone you know has been harassed or assaulted](#), the [Resource Guide for sexual assault](#) and you can read about [how to report sexual assault](#). Miami's Deputy Title IX Coordinator for Student Sexual and Interpersonal Violence is Ms. Gabrielle Dralle. You can contact her by phone at 513-529-1870 or by email at dralleg@miamioh.edu. For a full description of support services, see Miami's [Title IX Protocol](#) and The [Office of Equity & Equal Opportunity](#).

Please note that as a faculty member, I am a mandated reporter, meaning that I am obligated to report any information I become aware of regarding alleged acts of sexual discrimination, including sexual violence and dating violence, to the Title IX office. For confidential support, you can contact [Women Helping Women](#)'s 24-hour crisis hotline by calling or texting 513-381-5610.

Tentative Course Schedule

Day	Date	Topic	Readings	Assignments
T	Jan. 25	Intro		
Th	Jan. 27	Intro	Groshen & Holzer (2021)	
T	Feb. 1	Intro	Nobel Cmt. (2021); Currie, Kleven, & Zwiers (2020)	
Th	Feb. 3	Intro	Albanesi & Kim (2021); BCH (2021)	
T	Feb. 8	EITC	Tax Policy Center (2021); Hoynes (2019)	
Th	Feb. 10	EITC	Kleven (2020)	
In T	Feb. 15	EITC	Schanzenbach & Strain (2021)	
Th	Feb. 17	Minimum Wage	CBPP (2018); Manning (2021)	
T	Feb. 22	Minimum Wage	Cengiz et al. (2019)	
Th	Feb. 24	Minimum Wage	Clemens & Strain (2021)	1-on-1 meeting
T	Mar. 1	Paid Leave	KFF (2020); Jacobs (2021)	
Th	Mar. 3	Paid Leave	Rossin-Slater, Ruhm, & Waldfogel (2013)	Exam 1
T	Mar. 8	Paid Leave	Bailey et al. (2019)	
Th	Mar. 10	Ban-The-Box	NCSL (2021); Lang & Kahn-Lang Spitzer (2020)	
T	Mar. 15	Ban-The-Box	Agan & Starr (2018)	
Th	Mar. 17	Ban-The-Box	Doleac & Hansen (2020)	Outline
T	Mar. 22	Spring Break – No Class		
Th	Mar. 24	Spring Break – No Class		
T	Mar. 29	Early Childhood	Hotz & Wiswall (2019); Ready Nation (2020)	
Th	Mar. 31	Early Childhood	Baker, Gruber, & Milligan (2019)	Draft of RR*
T	Apr. 5	Early Childhood	Bailey, Sun, & Timpe (2021)	
Th	Apr. 7	K-12 Spending	EdBuild (2019); Jackson (2020)	Peer review**
T	Apr. 12	K-12 Spending	Roy (2011)	
Th	Apr. 14	K-12 Spending	Hyman (2017)	RR due for all
T	Apr. 19	Financial Aid	Scott-Clayton (2017); Looney, Wessel, & Yilla (2019)	
Th	Apr. 21	Financial Aid	Marx & Turner (2019)	Exam 2
T	Apr. 26	Financial Aid	Denning & Jones (2019)	
Th	Apr. 28	Presentations		
T	May 3	Presentations		
Th	May 5	Presentations		
Finals Week (week of May 9)				Final memo due

* 415 students only; ** 515 students only

Topics and Readings

Unit 1: Introduction

Long-Run Trends in the U.S. Labor Market

Groshen & Holzer (2021). "Labor Market Trends and Outcomes: What Has Changed since the Great Recession?" *The ANNALS of the American Academy of Political and Social Science*, 695(1). <https://doi-org.proxy.lib.miamioh.edu/10.1177%2F00027162211022326>.

Evaluating Labor Market Policies

Currie, Kleven, and Zwiers (2020). "Technology and Big Data Are Changing Economics: Mining Text to Track Methods." *AEA Papers & Proceedings*, 110. <https://www.aeaweb.org/articles?id=10.1257/pandp.20201058>.

The Committee for the Prize in Economic Sciences in Memory of Alfred Nobel (2021). "Answering Causal Questions Using Observational Data." <https://www.nobelprize.org/uploads/2021/10/advanced-economicsciencesprize2021.pdf>.

Effects of COVID-19 on the U.S. Labor Market

Albanesi & Kim (2021). "Effects of the COVID-19 Recession on the U.S. Labor Market: Occupation, Family, and Gender." *Journal of Economic Perspectives*, 35(3). <https://www.aeaweb.org/articles?id=10.1257/jep.35.3.3>.

Ruffini, Krista and Wozniak, Abigail (2021). "Supporting Workers and Families in the Pandemic Recession: Results in 2020 and Suggestions for 2021." *Brookings Papers on Economic Activity*. <https://www.brookings.edu/bpea-articles/supporting-workers-and-families-in-the-pandemic-recession-results-in-2020-and-suggestions-for-2021/>.

Unit 2: Earned Income Tax Credit (EITC)

Background

Tax Policy Center (2021). "What is the earned income tax credit?" <https://www.taxpolicycenter.org/briefing-book/what-earned-income-tax-credit>.

Hoynes (2019). "The Earned Income Tax Credit." *The ANNALS of the American Academy of Political and Social Science*, 668(1). <https://doi-org.proxy.lib.miamioh.edu/10.1177/0002716219881621>.

Discussion Papers

Kleven (2020). "The EITC and the Extensive Margin: A Reappraisal." *Working Paper*. https://www.henrikkleven.com/uploads/3/7/3/1/37310663/kleven_eitc_feb2020.pdf.

Schanzenbach & Strain (2021). "Employment Effects of the Earned Income Tax Credit: Taking the Long View." *Tax Policy and the Economy*, 35. <https://doi-org.proxy.lib.miamioh.edu/10.1086/713494>.

Unit 3: Minimum Wage

Overview

Center for Budget and Policy Priorities (2018). "Policy Basics: The Minimum Wage." <https://www.cbpp.org/research/economy/the-minimum-wage>.

Manning (2021). "The Elusive Employment Effect of the Minimum Wage." *Journal of Economic Perspectives*, 35(1). <https://www.aeaweb.org/articles?id=10.1257/jep.35.1.3>.

Discussion Papers

Cengiz et al. (2019). "The Effect of Minimum Wages on Low-Wage Jobs." *Quarterly Journal of Economics*, 134(3). <https://doi.org/10.1093/qje/qjz014>.

Clemens & Strain (2021). "The Heterogeneous Effects of Large and Small Minimum Wage Changes: Evidence over the Short and Medium Run Using a Pre-Analysis Plan." *NBER Working Paper No. 29264*. <https://www.nber.org/papers/w29264>.

Unit 4: Paid Leave

Overview

Kaiser Family Foundation (2020). "Paid Family and Sick Leave in the U.S." <https://www.kff.org/womens-health-policy/fact-sheet/paid-family-leave-and-sick-days-in-the-u-s/>.

Jacobs (2021). "Family Caregiving, Caregiving Leave, and Labor Market Outcomes for Caregivers." In *Paid Leave for Caregivers: Issues and Answers* (AEI/Brookings Report). <https://www.aei.org/research-products/report/paid-leave-for-caregiving-issues-and-answers/>.

Discussion Papers

Rossin-Slater, Ruhm, & Waldfogel (2013). "The Effects of California's Paid Leave Program on Mothers' Leave-Taking and Subsequent Labor Market Outcomes." *Journal of Policy Analysis and Management*, 32(2). <https://doi-org.proxy.lib.miamioh.edu/10.1002/pam.21676>.

Bailey et al. (2019). "The Long-Term Effects of California's 2004 Paid Family Leave Act on Women's Careers: Evidence from U.S. Tax Data." *NBER Working Paper No. 26416*. http://www.econ.ucla.edu/bailey/Bailey_Byker_Patel_Ramnath.pdf.

Unit 5: Ban-The-Box

Overview

National Conference of State Legislatures (2021). "Ban the Box." <https://www.ncsl.org/research/civil-and-criminal-justice/ban-the-box.aspx>.

Lang & Kahn-Lang Spitzer (2020). "Race Discrimination: An Economic Perspective." *Journal of Economic Perspectives*, 34(2). <https://www.aeaweb.org/articles?id=10.1257/jep.34.2.68>.

Discussion Papers

Agan & Starr (2018). "Ban the Box, Criminal Records, and Racial Discrimination: A Field Experiment." *Quarterly Journal of Economics*, 133(1). <https://doi.org/10.1093/qje/qjx028>.

Doleac & Hansen (2020). "The Unintended Consequences of "Ban the Box": Statistical Discrimination and Employment Outcomes When Criminal Histories Are Hidden." *Journal of Labor Economics*, 38(2). <https://doi-org.proxy.lib.miamioh.edu/10.1086/705880>.

Unit 6: Early Childhood Investments

Overview

Hotz & Wiswall (2019). "Child Care and Child Care Policy: Existing Policies, Their Effects, and Reforms." *The ANNALS of the American Academy of Political and Social Science*, 668(1). <https://doi-org.proxy.lib.miamioh.edu/10.1177/0002716219884078>.

Ready Nation (2020). "Want to Strengthen Ohio's Economy? Fix the Child Care Crisis." <https://www.strongnation.org/articles/1163-want-to-strengthen-ohio-s-economy-fix-the-child-care-crisis>.

Discussion Papers

Baker, Gruber, & Milligan (2019). "The Long-Run Impacts of a Universal Child Care Program." *American Economic Journal: Economic Policy*, 11(3). <https://www.aeaweb.org/articles?id=10.1257/pol.20170603>.

Bailey, Sun, & Timpe (2021). "Prep School for Poor Kids: The Long-Run Impacts of Head Start on Human Capital and Economic Self-Sufficiency." *American Economic Review*, 11(12). <https://www.aeaweb.org/articles?id=10.1257/aer.20181801>.

Unit 7: K-12 School Spending

Overview

EdBuild (2019). "\$23 Billion." <https://edbuild.org/content/23-billion/full-report.pdf>.

Jackson (2020). "Does School Spending Matter? The New Literature on an Old Question." In L. Tach, R. Dunifon, & D. L. Miller (Eds.), *Confronting inequality: How policies and practices shape children's opportunities* (pp. 165–186). American Psychological Association.
<https://www.ipr.northwestern.edu/documents/working-papers/2019/wp-19-02.pdf>.

Discussion Papers

Roy (2011). "Impact of School Finance Reform on Resource Equalization and Academic Performance: Evidence from Michigan." *Education Finance and Policy*, 6(2).
https://doi.org/10.1162/EDFP_a_00030.

Hyman (2017). "Does Money Matter in the Long Run? Effects of School Spending on Educational Attainment." *American Economic Journal: Economic Policy*, 9(4).
<https://www.aeaweb.org/articles?id=10.1257/pol.20150249>.

Unit 8: Higher Education/Financial Aid

Overview

Looney, Wessel, & Yilla (2019). "Who owes all that student debt? And who'd benefit if it were forgiven? *The Brookings Institution*. <https://www.brookings.edu/policy2020/votervital/who-owes-all-that-student-debt-and-whod-benefit-if-it-were-forgiven/>.

Scott-Clayton (2017). "Undergraduate Financial Aid in the United States." Primer commissioned by the American Academy of Arts and Sciences, Commission on the Future of Undergraduate Education. https://www.amacad.org/sites/default/files/academy/multimedia/pdfs/publications/researchpapersmonographs/CFUE_Financial-Aid/CFUE_Financial-Aid.pdf.

Discussion Papers

Marx & Turner (2019). "Student Loan Nudges: Experimental Evidence on Borrowing and Educational Attainment." *American Economic Journal: Economic Policy*, 11(2).
<https://www.aeaweb.org/articles?id=10.1257/pol.20180279>.

Denning & Jones (2021). "Maxed Out? The Effect of Larger Student Loan Limits on Borrowing and Education Outcomes." *Journal of Human Resources*, 56(4).
<http://jhr.uwpress.org/content/early/2019/11/07/jhr.56.4.0419-10167R1.abstract>.