

Fall 2013
University of North Carolina – Chapel Hill
Economics 880

Labor Economics I

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This syllabus contains important information about this class including exam dates, class policies, and a reading list. This syllabus provides a general plan for the course; deviations may be necessary.

Office: 306C Gardner Hall

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Class Schedule: 9:00-10:15 am MW, Gardner – Rm 0007

Prerequisite: ECON710 or permission of the instructor.

I. COURSE DESCRIPTION

Econ 880 is the first course in the labor economics sequence. We will cover the basics of labor supply, labor demand, human capital, and wages. The course has three main objectives. The first is to develop a critical understanding of the literature in these areas and to identify major issues for future research. The second is to become comfortable with a variety of empirical tools commonly used in the labor field and to use these tools in students' research projects. The third is to gain background knowledge of important stylized facts about labor markets.

II. TEXTBOOK AND READINGS

There is no required textbook for this class. However, you may find it helpful to consult some of these labor and econometrics books throughout the semester for reference.

Labor:

Ashenfelter, Orley and Richard Layard, eds., *Handbook of Labor Economics*, North-Holland (Vol. 1-2, 1986; Vol. 3A-3C, 1999; Vol.4A-4B, 2010)

Borjas, George, 2008. *Labor Economics*. 4th Edition (undergraduate level)

Cahuc, Pierre and Andre Zylberberg, 2004. *Labor Economics* (graduate level)

Applied econometrics:

Angrist, Joshua and Pischke, Jorn-Steffen, 2009. *Mostly Harmless Econometrics*

Cameron, A. Colin and Trivedi, Pravin, 2009. *Microeconometrics Using Stata*

Cameron, A. Colin and Trivedi, Pravin, 2005. *Microeconometrics: Methods and Applications*

Verbeek, Marno, 2004. *A Guide to Modern Econometrics*

Wooldridge, Jeffrey, 2002. *Econometric Analysis of Cross Section and Panel Data*

Readings:

We will be reading various articles throughout the semester (see section IV below). The majority of articles are available online at JSTOR (www.jstor.org) if they are older than 3 years. More recent articles

are available through library electronic access, NBER working paper series, and on the author's SSRN, REPEC, or personal web sites. Please let me know if you have trouble finding any articles.

III. COURSE WORK

Exams:

Your final exam is scheduled for Saturday December 7th, 2013 at 8:00 am. Details on the format of the exam will be discussed as the semester progresses. Material for the exam will draw from your readings, empirical exercises, and class lectures.

Homework Assignments:

There will be a series of empirical exercises to help students gain hands on experience dealing with data sets and estimation methods. In several assignments, students will be asked to replicate the estimation results in key published articles. Homework assignments submitted after the due date will receive no credit.

Research Project:

Students will be required to develop an original research project related to labor economics. The project will involve several stages: prospectus with a model, data description and summary statistics, a draft, a completed paper, and a referee report. The project should be based on micro-level longitudinal data (e.g., survey or administrative files of individuals and/or firms). The paper cannot be used for credit in another class. The completed paper is due on December 2, 2013. The paper must be submitted by the due date. Papers handed in after the due date but before the week of final examination will be marked down by 50%. Papers handed in during or after the week of final examination will receive no credit.

Grading Policy:

Grades are based on:

Homework assignments	25%
Leading the class discussion for 1 published article	5%
Research project	35%
Final Exam	35%

Grading Scale: The following grading scale will be employed:

90-100	High Pass
80-89	Pass
70-79	Low pass
< 70	Fail

Grades of IN (Incomplete) and AB (Absent from the Final Exam):

Please refer to the Graduate School Handbook <http://handbook.unc.edu/grading.html> for rules regarding these grades.

Additional Information:

All students are responsible for knowing the UNC's Honor Code (<http://honor.unc.edu/>).

IV. COURSE OUTLINE WITH READINGS

† required reading

†P† papers for student presentations

1. Research in Labor Economics

Course and field introduction. Overview of key topics and issues. Research paper in labor economics.

2. Data in Labor Economics

Confidentiality and privacy. IRB process. Types of data. Major household surveys. Administrative data and record linkage. Data preparation. The role of summary statistics. Data issues (sampling, weighting, attrition, measurement errors, outliers, etc.). Longitudinal data. Example: PSID. Estimating transition probabilities.

†Angrist, Joshua and Alan Krueger. "Empirical Strategies in Labor Economics," *Handbook of Labor Economics*, Vol. 3, 1999, chapter 23.

Bollinger, Christopher R. and Barry T. Hirsch, "Match Bias from Earnings Imputation in the Current Population Survey: The Case of Imperfect Matching," *Journal of Labor Economics*, 24(3), July 2006: 483-519.

†Hamermesh, Daniel S. "The Craft of Labormetrics," *International Labor Relations Review*, 53(3), April 2000: 363-380 (NBER No. 6987, February 1999).

Hausman, Jerry. "Mismeasured Variables in Econometric Analysis: Problems from the Right and Problems from the Left," *Journal of Economic Perspectives*, Fall 2001.

Moffitt, Robert, John Fitzgerald, and Peter Gottschalk, "Sample Attrition in Panel Data: The Role of Selection on Observables," *Annale d'Economie et de Statistique* 55/56, 1999, 129–152.

3. Empirical Methods in Labor Economics

Causal questions in labor economics. Sources of endogeneity. Identification in regression models and pitfalls. Field experiments in labor economics.

†Angrist, Joshua and Jorn-Steffen Pischke. *Mostly Harmless Econometrics*, Princeton U. Press, 2009, Chapters 1-2.

Angrist, Joshua and Alan Krueger. "Instrumental Variables and the Search for Identification: From Supply and Demand to Natural Experiments," *Journal of Economic Perspectives*, Fall 2001.

DiNardo, John and David S. Lee. "Program Evaluation and Research Designs," *Handbook of Labor Economics*, Vol. 4, 2010 (NBER No.16016, May 2010).

Imbens, Guido and Jeffrey Wooldridge. "Recent Developments in the Econometrics of Program Evaluation," *Journal of Economic Literature*, March 2009.

List, John and Imran Rasul. "Field Experiments in Labor Economics," *Handbook of Labor Economics*, Vol. 4, 2010 (NBER No.16062, June 2010).

†Meyer, Bruce. "Natural and Quasi-Experiments in Economics," *Journal of Business and Economic Statistics*, 13(2), April 1995.

4. Labor Supply

Overview

†Blundell, Richard and Thomas MaCurdy. "Labor Supply: A Review of Alternative Approaches," *Handbook of Labor Economics*, Vol 3A, edited by O. Ashenfelter and D. Card, 1999.

Killingsworth, Mark. *Labor Supply*, New York: Cambridge University Press, 1983.

Killingsworth, Mark and James Heckman. "Female Labor Supply: A Survey." *Handbook of Labor Economics*. Vol. 1. Amsterdam, Netherlands: North-Holland, 1986, chapter 2, pp. 103-204.

Pencavel, John. "Labor Supply of Men: A Survey," in *Handbook of Labor Economics*, Vol. 1, edited by O. Ashenfelter and R. Layard, 1986, sections 3.1 (pp. 26-31), 3.3-3.4 (pp. 35-44), p. 56.

Key papers on labor supply estimates (in chronological order)

- Ashenfelter, Orley and James Heckman. "The Estimation of Income and Substitution Effects in a Model of Family Labor Supply." *Econometrica* 42, no. 1 (1974): 73-86.
- Heckman, James J. "Shadow Prices, Market Wages and Labor Supply." *Econometrica* 42, no. 4 (July 1974): 679-94.
- Julie DaVanzo, Dennis N. DeTray, and David H. Greenberg. "The Sensitivity of Male Labor Supply Estimates to Choice of Assumptions," *Review of Economics and Statistics*, August 1976, pp. 313-25.
- †Heckman James J. "Sample Selection Bias as a Specification Error." *Econometrica* 47(1), January 1979: 153-161.
- Heckman James J. "Sample Selection Bias as a Specification Error with an Application to the Estimation of Labor Supply Functions." In James P. Smith, ed. *Female Labor Supply: Theory and Estimation*, Princeton University Press, 1980: 206-248.
- †Borjas, George. "The Relationship between Wages and Weekly Hours of Work: The Role of Division Bias," *Journal of Human Resources*, Summer 1980.
- †MaCurdy, Thomas. "An Empirical Model of Labor Supply in a Life-Cycle Setting," *Journal of Political Economy* 89, no. 6 (December 1981): 1059-1085.
- Altonji, Joseph. "Intertemporal Substitution in Labor Supply: Evidence from Micro Data," *Journal of Political Economy* 94, no. 3, part 2 (June 1986): S176-S215.
- †Mroz, Thomas. "The Sensitivity of an Empirical Model of Married Women's Hours of Work to Economic and Statistical Assumptions," *Econometrica*, Vol. 55, No. 4 (July 1987), pp. 765-799.
- †Camerer, Colin; Babcock, Linda; Lowenstein, George; and Richard Thaler, "Labor Supply of New York City Cab Drivers: One Day at a Time," *Quarterly Journal of Economics* 112(2): 407-441, May 1997.
- Oettinger, Gerald S. "An Empirical Analysis of the Daily Labor Supply of Stadium Vendors." *Journal of Political Economy* 107, no. 2 (April 1999): 360-392.
- †Farber, Henry. "Is Tomorrow Another Day? The Labor Supply of New York City Cab Drivers," *Journal of Political Economy* 113, no. 1 (February 2005): 46-82.
- †Fehr, Ernst, and Lorenz Goette. "Do Workers Work More if Wages are High? Evidence from a Randomized Field Experiment," *American Economic Review*, March 2007: 298-317.

Taxes and labor supply

- Hausman, Jerry and Paul Ruud. "Family Labor Supply with Taxes," *American Economic Review*, Vol. 74, No. 2, (May, 1984), pp. 242-248
- Ashenfelter, Orley, and Mark Plant. "Non-Parametric Estimates of the Labor Supply Effects of Negative Income Tax Programs." *Journal of Labor Economics* 8, no. 1, part 2 (1990): S397-S415.
- †P†Eissa, Nada, and Jeffrey Leibman. "Labor Supply Response to the Earned Income Tax Credit," *Quarterly Journal of Economics* 111, no. 2 (May 1996): 605-637.
- Blundell, Richard, Alan Duncan, and Costas Meghir. "Estimating Labor Supply Responses Using Tax Reforms," *Econometrica* 66, no. 4 (1998): 827-861.
- Chetty, Raj and Emmanuel Saez. "Teaching the Tax Code: Earnings Responses to an Experiment with EITC Recipients," NBER W.P. 14836, April 2009.
- †Saez, Emmanuel. "Do Taxpayers Bunch at Kink Points?" *American Economic Journal: Economic Policy*, 2(3), 2010, 180-212.

Welfare programs and labor supply

- Imbens, Guido, Donald Rubin, and Bruce Sacerdote. "Estimating the Effect of Unearned Income on Labor Earnings, Savings, and Consumption: Evidence from a Survey of Lottery Players," *American Economic Review* 91, no. 4 (2001): 778-794.
- †Blank, Rebecca. "Evaluating Welfare Reform in the United States." *Journal of Economic Literature* 40, no. 4 (December 2002): 1105-1166.
- Moffitt, Robert A., 2002. "Welfare Programs and Labor Supply," in: A. J. Auerbach & M. Feldstein (ed.), *Handbook of Public Economics*, edition 1, volume 4, chapter 34, pages 2393-2430 Elsevier (NBER Sep 2002).
- †Bitler, Marianne P., Jonah B. Gelbach and Hilary W. Hoynes. "What Mean Impacts Miss: Distributional Effects of Welfare Reform Experiments," *American Economic Review*, 2006, v96 (4, Sep), 988-1012.
- †Lemieux, Thomas and Kevin Milligan, 2008. "Incentive Effects of Social Assistance: A Regression Discontinuity Approach," *Journal of Econometrics*, Volume 142, Issue 2, pp. 807-828.
- Hoynes, Hilary and Diane Whitmore Schanzenbach. "Consumption Responses to In-Kind Transfers: Evidence from the Introduction of the Food Stamp Program," *American Economic Journal: Applied Economics* 2009, 1:4, 109–139.

Household production and family models (brief review only)

- Becker, Gary. "A Theory of Marriage: Part I," *Journal of Political Economy* 81, no. 4 (July-August 1973): 813-846.
- †Angrist, Joshua, and William Evans. "Children and their Parents' Labor Supply: Evidence from Exogenous Variation in Family Size." *American Economic Review* 88, no. 3 (June 1998): 450-477.
- †Aguiar, Mark and Erik Hurst, "Measuring Trends in Leisure: The Allocation of Time over Five Decades," *Quarterly Journal of Economics*, August 2007.
- †P†Black, Sandra, Paul Devereux, and Kjell Salvanes. "The More the Merrier? The Effect of Family Size and Birth Order on Children's Education," *Quarterly Journal of Economics* 120, no. 2 (May 2005): 669-700.
- Gelbach, Jonah. "Public Schooling for Young Children and Maternal Labor Supply," *American Economic Review* 92 (March 2002): 307-322.
- Kearney, Melissa. "Is There an Effect of Incremental Welfare Benefits on Fertility Behavior? A Look at the Family Cap," *Journal of Human Resources* 39, no. 2 (2004): 295-325.
- Stevenson, Betsey and Justin Wolfers, "Marriage and Divorce: Changes and their Driving Forces," *Journal of Economic Perspectives*, Spring 2007.

5. Human Capital

Introduction: theory & issues

- Becker, Gary. *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education*, University of Chicago Press, 1964.
- Ben-Porath, Yoram. "The Production of Human Capital and the Life Cycle Earnings," *Journal of Political Economy*, 75 (1967), 352-365.
- Mincer, Jacob. *Schooling, Experience, and Earnings*, Columbia University Press, 1974
- Heckman, J. and L. Lochner and P. Todd. 2005. "Earnings Functions, Rates of Return & Treatment Effects: The Mincer Equation & Beyond," IZA Discussion Paper No. 1700.

Ability bias, selection bias and measurement error

- †Grilliches, Zvi. "Estimating the Returns to Schooling: Some Econometric Problems," *Econometrica* 45 (January 1977): 1-22
- †Willis, Robert J. and Sherwin Rosen. "Education and Self-Selection," *Journal of Political Economy* 87 (Supplement, October 1979): S7-S36.
- Borjas, George. "Self-Selection and the Earnings of Immigrants," *American Economic Review* 77(4) (September 1987): 531-553.
- †Ashenfelter, Orley and Alan Krueger. "Estimates of the Economic Return to Schooling Using a New Sample of Twins," *American Economic Review* 84(5) (1994): 1157-1173.
- Ashenfelter, Orley and David Zimmerman. "Estimates of the Returns to Schooling from Sibling Data: Fathers, Sons, and Brothers," *Review of Economics and Statistics* 79(1) (February 1997): 1-9.
- Ashenfelter, Orley and Cecilia Rouse. "Income, Schooling, and Ability: Evidence from a New Sample of Identical Twins," *Quarterly Journal of Economics* 113(1) (February 1998): 253-284.

Sorting hypothesis

- Spence, Michael. "Job Market Signaling," *Quarterly Journal of Economics* 87 (August 1973): 355-374
- Stiglitz, Joseph E. "The Theory of 'Screening', Education, and the Distribution of Income," *American Economic Review* 65 (June 1975): 283-300
- †P†Lang, Kevin and David Kropp. "Human Capital Versus Sorting: The Effects of Compulsory Attendance Laws," *Quarterly Journal of Economics* 101 (1986): 609-624.
- Tyler, John; Mumane, Richard, and John Willett "Estimating the Labor Market Signaling Value of the GED," *Quarterly Journal of Economics* 115(2) (May, 2000): 431-468.
- †P†Bedard, Kelly. "Human Capital versus Signaling Models: University Access and High School Dropouts," *Journal of Political Economy* 109(4) (2001): 749-775.

Instrumental variables (background)

- †Bound, John, David Jaeger, and Regina Baker. "Problems with Instrumental Variables Estimation When the Correlation between the Instruments and the Endogenous Explanatory Variables is Weak," *Journal of the American Statistical Association* 90 (June 1995): 443-450. (Brian)
- Staiger, Douglas and James Stock, "Instrumental Variables Regression with Weak Instruments," *Econometrica* 65 (1997): 557-586.
- Card, David. "The Causal Effect of Education on Earnings," in *Handbook of Labor Economics*, Vol. 3, 1999
- †Card, David. "Estimating the Return to Schooling: Progress on Some Persistent Econometric Problems," *Econometrica* 69(5) (September 2001): 1127-1160. (Robert)
- Kling, Jeffrey R. "Interpreting Instrumental Variables Estimates of the Return to Schooling," *Journal of Business and Economic Statistics* 19(3) (July 2001): 609-624.

Instrumental variables (applications)

- †P†Angrist, Joshua and Alan Krueger. "Does Compulsory School Attendance Affect Schooling and Earnings?" *Quarterly Journal of Economics* 106 (November 1991): 979-1014.
- †P†Card, David. "Using Geographic Variation in College Proximity to Estimate the Return to Schooling," in *Aspects of Labour Market Behaviour: Essays in Honour of John Vanderkamp*, Toronto: University of Toronto Press, 1995: 201-222.
- †P†Duflo, Esther "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment," *American Economic Review* 91(4) (2001): 795-813.

- ††Harmon, Colm and Ian Walker. "Estimates of the Economic Return to Schooling for the United Kingdom," *American Economic Review* 85(5) (1995): 1278-1286.
- ††Ichino, Andrea and Rudolf Winter-Ebmer. "The Long-Run Educational Cost of World War II," *Journal of Labor Economics* 22(1), January 2004: 57-87.
- ††Meghir, Costas and Marten Palme. "Educational Reform, Ability and Parental Background," *American Economic Review* 95(1) (2005): 414-424
- Oreopoulos, Philip "Estimating Average and Local Average Treatment Effects of Education when Compulsory Schooling Laws Really Matter," *American Economic Review* 96(1) (March 2006): 152-175

Propensity score matching

- Rosenbaum, Paul and Donald Rubin. "The Central Role of the Propensity Score in Observational Studies for Causal Effects," *Biometrika* 70(1) (1983): 41-55.
- †LaLonde, Robert J. "Evaluating the Econometric Evaluations of Training Programs with Experimental Data," *American Economic Review* 76(4) (1986): 604-620.
- †Dehejia, Rajeev H. and Sadek Wahba. "Causal Effects in Non-Experimental Studies: Reevaluating the Evaluation of Training Programs," *Journal of the American Statistical Association*, (1999).
- Heckman, James, Robert LaLonde and Jeffrey Smith. "The Economics and Econometrics of Active Market Labor Programs." In *Handbook of Labor Economics* vol. 3A, edited by O. Ashenfelter and D. Card. Amsterdam: North-Holland, (1999).
- Smith, Jeffrey and Petra Todd. "Reconciling Conflicting Evidence on the Performance of Propensity-Score Matching Methods," *American Economic Review* 91(2) (2001): 112-118.
- Lechner, Michael "Identification and Estimation of Causal Effects of Multiple Treatments under the Conditional Independence Assumption," in *Econometric Evaluation of Labour Market Policies*, ed. by M. Lechner, and F. Pfeiffer, pp. 1-18. Physica-Verlag, Heidelberg (2001).
- Berhman Jere, Yingmei Cheng and Petra Todd. "Evaluating Preschool Programs when Length of Exposure to the Program Varies: A Nonparametric Approach," *Review of Economics and Statistics* (2004).
- ††Black, Dan A. and Jeffrey A. Smith (2004), "How Robust is the Evidence on the Effects of College Quality? Evidence from Matching," *Journal of Econometrics* 121 (2004): 99-124.
- Caliendo, Marco and Sabine Kopeinig. "Some Practical Guidance for the Implementation of Propensity Score Matching," IZA Discussion Paper No. 1588 (2005).
- Imbens, Guido and Jeffrey Wooldridge (2009). "Recent Developments in the Econometrics of Program Evaluation," *Journal of Economic Literature*, March 2009
- DiNardo, John and David S. Lee. "Program Evaluation and Research Designs," *Handbook of Labor Economics*, Vol. 4, 2010 (NBER No.16016, May 2010).

Selected papers on economics of education

- †Angrist, Joshua D. and Victor Lavy. "Using Maimonides Rule to Estimate the Effect of Class Size on Scholastic Achievement," *Quarterly Journal of Economics* 114(2) (1999): 533-575.
- Dale, Stacy B. and Alan B. Krueger. "Estimating the Payoff to Attending a More Selective College: An Application of Selection on Observables and Unobservables," *Quarterly Journal of Economics* 117 (November 2002): 1491-1527.
- Van Der Klaauw, Wilbert (2002), "Estimating the Effect of Financial Aid Offers on College Enrollment: A Regression-Discontinuity Approach," *International Economic Review* 43: 1249-1287
- Angrist, Joshua D. and Jonathan Guryan. "Teacher Testing, Teacher Education, and Teacher Characteristics," *American Economic Review* 94 (May 2004): 241-246.

- Lochner, Lance and Enrico Moretti. "The Effect of Education on Crime: Evidence from Prison Inmates, Arrests, and Self-Reports," *American Economic Review* 94(1) (2004): 155-189.
- †P†Rivkin, Steven G., Eric A. Hanushek, and John F. Kain. "Teachers, Schools, and Academic Achievement," *Econometrica* 73(2) (March 2005): 417-458.
- Black, Dan A. and Jeffrey A. Smith (2006), "Estimating the Returns to College Quality with Multiple Proxies for Quality," *Journal of Labor Economics* 24 (2006): 701-728.
- Clotfelter, Charles, Elizabeth Glennie, Helen Ladd, and Jacob Vigdor (2008), "Would Higher Salaries Keep Teachers in High-Poverty Schools? Evidence from a Policy Intervention in North Carolina," *Journal of Public Economics* 92 (2008): 1352-1370
- Brynin, Malcolm and Simonetta Longhi (2009), "Overqualification: Major or Minor Mismatch?" *Economics of Education Review* 28 (2009): 114-121.
- Meghir, Costas and Steven G. Rivkin (2010), "Econometric Methods for Research in Education," NBER Working Paper No. 16003.

6. Wages

Wage inequality-facts

- Krueger, Alan. "How Computers Have Changed the Wage Structure: Evidence from Microdata 1984-1989," *Quarterly Journal of Economics*, 108 (1993): 33-60.
- †DiNardo, John and Jorn-Steffen Pischke. "The Returns to Computer Use Revisited: Have Pencils Changed the Wage Structure Too?" *Quarterly Journal of Economics* 112 (1997): 291-303.
- Card, David and John E. DiNardo. 2002. Skill-Biased Technological Change and Rising Wage Inequality: Some Problems and Puzzles. *Journal of Labor Economics* 20 (2002): 733-783.
- Autor, David; Levy, Frank and Richard Murnane. "The Skill Content of Recent Technological Change: An Empirical Exploration," *Quarterly Journal of Economics*, (November 2003)
- †P†Lemieux, Thomas. "Increasing Residual Wage Inequality: Composition Effects, Noisy Data, or Rising Demand for Skill?" *American Economic Review*, (June 2006).
- †P†Autor, David; Katz, Lawrence and Melissa Kearney. "Trends in U.S. Wage Inequality: Revising the Revisionists," *Review of Economics and Statistics*, 90(2) (2008): 300-323.
- Kopczuk, Wojciech; Saez, Emmanuel and Jae Song, "Earnings Inequality and Mobility in the United States: Evidence from Social Security Data since 1937," *Quarterly Journal of Economics*, 2009

Wage inequality-decompositions

- †Juhn, Chinhui; Murphy, Kevin and Brooks Pierce. "Wage Inequality and the Rise in Returns to Skill," *Journal of Political Economy* 101(3) (June 1993): 410-442.
- †DiNardo, John; Fortin, Nicole and Thomas Lemieux. "Labor Market Institutions and the Distribution of Wages, 1973-1992: A Semiparametric Approach," *Econometrica* 64(5) (September 1996): 1001-1044.
- †P†Machado, Jose and Jose Mata. "Counterfactual Decomposition of Changes in Wage Distributions Using Quantile Regression," *Journal of Applied Econometrics*, 20 (2005): 445-465.
- Chernozhukov, Victor; Fernandez-Val, Ivan; and Blaise Melly. "Inference on Counterfactual Distributions," MIT Department of Economics Working Paper. 08-16. 2009.
- Firpo, Sergio; Fortin, Nicole; and Thomas Lemieux, "Unconditional Quantile Regressions," *Econometrica* 77(3) (May 2009): 953-973.
- †Fortin, Nicole; Lemieux, Thomas; and Sergio Firpo. "Decomposition Methods in Economics," *Handbook of Labor Economics*, Vol. 4, 2010 (NBER No.16045, June 2010).

Gender/race wage differences

- †Neal, Derek and William Johnson. "The Role of Pre-market Factors in Black-White Wage Differences," *Journal of Political Economy* 104(5) (1996): 869-885.
- Farber, Henry S. and Robert Gibbons. "Learning and Wage Dynamics," *Quarterly Journal of Economics* 111 (1996): 1007-47.
- Fryer, Roland and Steven Levitt. "Understanding the Black-White Test Score Gap in the First Two Years of School," *Review of Economics and Statistics* 86(2) (May 2004): 447-464
- Goldin, Claudia and C. Rouse, "Orchestrating Impartiality: The Impact of "Blind" Auditions on Female Musicians," *American Economic Review*, September 2000.
- †Altonji, Joseph G. and Charles Pierret. "Employer Learning and Statistical Discrimination," *Quarterly Journal of Economics* 116 (2001): 313-350.
- Knowles, John and Nicola Persico. "Racial Bias in Motor Vehicle Searches: Theory and Evidence," *Journal of Political Economy* 109(1) (2001): 203-229.
- †P†Bertrand, Marianne and Sendhil Mullainathan. "Are Emily and Greg More Employable than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination," *American Economic Review* 94(4) (September 2004): 991-1013.
- Lange, Fabian "The Speed of Employer Learning," *Journal of Labor Economics* 25(1) (January 2007): 1-35.
- Fryer, Roland. "Racial Inequality in the 21st Century: The Declining Significance of Discrimination," *Handbook of Labor Economics*, Vol. 4, 2010 (NBER No.16256, August 2010).
- Bertrand, Marianne. "New Perspectives on Gender," *Handbook of Labor Economics*, Vol. 4, 2010, ch. 17.

Social interactions in the labor market

- Evans, William; Oates, Wallace and Robert Schwab. "Measuring Peer Group Effect: A Study of Teenage Behavior," *Journal of Political Economy* 100(5) (October 1992): 966-991.
- †Manski, Charles. "Economic Analysis of Social Interactions," *Journal of Economic Perspectives* 14(3) (Summer 2000): 115-136.
- †P†Sacerdote, Bruce. "Peer Effects with Random Assignment: Results for Dartmouth Roommates," *Quarterly Journal of Economics* 116(2) (May 2001): 681-704.
- Dufflo, Esther, and Emmanuel Saez. "The Role of Information and Social Interactions in Retirement Plan Decisions: Evidence from Randomized Experiment," *Quarterly Journal of Economics* 118(3) (August 2003): 815-842.
- Calvo-Armengol, Antoni; Patacchini, Eleonora and Yves Zenou. "Peer Effects and Social Networks in Education," *Review of Economic Studies*, 76 (2009): 1239-1267.
- †Earle, John and Klara Sabirianova Peter. "Complementarity and Custom in Wage Contract Violation," *Review of Economics and Statistics* 91(4) (November 2009): 832-849.
- Bayer Patrick, Hjalmarsson Randi, Pozen David "Building Criminal Capital behind Bars: Peer Effects in Juvenile Corrections," *Quarterly Journal of Economics* 124(1) (February 2009): 105-147.
- †P†De Giorgi, Giacomo; Pellizzari, Michele; and Silvia Redaelli "Identification of Social Interactions through Partially Overlapping Peer Groups," *American Economic Journal: Applied Economics* 2(2) (April 2010): 241-275.

Linked employer-employee analysis

- †Abowd, John M. and Francis Kramarz. "The Analysis of Labor Markets Using Matched Employer-Employee Data", in *Handbook of Labor Economics*, Vol. 3B, 1999.
- Abowd, John M.; Francis Kramarz, and David Margolis. "High Wage Workers and High Wage Firms," *Econometrica* 67 (1999): 251-333.

Postel-Vinay, F. and Jean-Marc Robin. "Equilibrium Wage Dispersion with Worker and Employer Heterogeneity," *Econometrica* 70 (2002): 2295-2350.

Bayard, Kimberly and Judith Hellerstein and David Neumark and Kenneth Troske. "New Evidence on Sex Segregation and Sex Differences in Wages from Matched Employee-Employer Data," *Journal of Labor Economics*, 21 (2003): 887-922.

††Abowd, John M.; Kramarz, Francis, and Sébastien Roux. "Wages, Mobility and Firm Performance: Advantages and Insights from Using Matched Worker–Firm Data," *Economic Journal* 116 (512) (2006): 245-285.