

**Econ 881**  
**Labor Economics II**

Instructor:	Jane Fruehwirth	Office:	206 Gardner Hall
Time:	11:00am-12:15pm TR	Email:	jane_fruehwirth@unc.edu
Location:	Gardner 209	Office hours:	2:15-3:15 Thursday

**Overview**

This course will help students learn the process of doing research and will cover a range of topics in economics of education, including social interactions, achievement production, early childhood intervention, higher education, and labor market discrimination. There will be a heavy emphasis on how economic theory and econometric methods can be used to infer causal, policy-relevant parameters.

**Aims**

- To introduce students to the process of doing research
- To develop an understanding of how data can be used to test economic theory, and how economic theory can be used to interpret data, focusing on identification of policy-relevant parameters
- To illustrate how microeconomics can be applied to a range of real world problems
- To develop skills for critically evaluating research, to help distinguish elements of “good” research and develop an understanding of the limitations of a range of approaches

To these aims, (1) we will critically discuss a number of papers in the field that illustrate a variety of approaches to tackling important questions and illustrate pitfalls of empirical research and (2) students will work in teams to develop a research proposal and engage actively in doing research.

To provide a unified focus for the class, research proposals will be written on data I am currently collecting through the Transitions study. This is a UNC-based study of first-year students in 2019/20 and I will be collecting follow-up data in Fall 2021. These data are also linked to administrative achievement, admissions and financial-aid records. These data will be discussed early in the class to facilitate the development of research questions. A few classes will be dedicated to group discussions about progress on different aspects of these papers. At the end of the semester, I will invite authors of promising research papers to consider continuing the research in collaboration with me for publication.

### **Assignments with weights and tentative due dates**

Please submit these assignments through Sakai unless otherwise indicated

1. Final research paper (40%) due November 30
2. Final Take-Home Exam (30%)
3. Class Participation (30%)

### **Research paper**

This will serve as the beginning of a research article. It will include

- Introduction
  - A clear, well-motivated research question.
  - A description of how your paper contributes to the literature.
    - This should go beyond simply describing the relevant literature to being a critical analysis of the literature that motivates your contribution.
- Theoretical/conceptual model
- Data section with descriptive statistics
  - including 1 figure illustrating something important about your research question
- Empirical model
  - This should include a clear statement of how you propose to identify your causal effect of interest. This is absolutely essential to the success of the proposal.
- Provide preliminary estimate of your model.
- References

This paper should be about 2500 words or 10 pages double spaced. This will be due on the last day of class, 11/30.

### **Final Exam**

There will be a final take home exam that is open book to help you synthesize material you have learned during the course. Expected due date: December 6.

### **Leading paper discussions**

Articles marked with \* are papers where students will lead the class discussion. Each student will be in charge of one of these papers. Students will also be expected to lead a class discussion on one additional article (must be targeted to an economics audience) related to their research. this will count towards you class participation grade.

### **Classroom Participation**

Participation is critical for the success of the class. I expect you to come to each class having read the papers and prepared to discuss them. The more ready and willing you are to ask questions, the more you will learn.

To facilitate this, you will do a **summary** of each paper we discuss in class by providing a brief (1 to 2 sentence) responses to each of questions 1 to 5 of the guidelines for reading papers (described at the end of the syllabus), along with 1 critique and at least 1 question. You will create a running document of these summaries, which you can update based on class discussions and upload to Sakai at the end of the semester.

Please also **bring a printed copy of the paper to class or a copy you can read easily on a tablet.** Being prepared for class, completion of paper summaries, classroom attendance and participation will all be factored into the final participation grade.

### **Use of Laptops**

To minimize distractions and keep the environment as interactive as possible, I ask that you do not use a laptop during class and that you turn off iPhones and other electronic devices.

### **Honor Code**

It is expected that you have read, understand and abide by UNC's honor code (<http://honor.unc.edu/>).

### **Syllabus Changes**

The professor reserves the right to make changes to the syllabus, including project due dates and test dates. These changes will be announced as early as possible.

### **University Resources/Policies**

#### **UNC's Attendance Policy**

No right or privilege exists that permits a student to be absent from any class meetings, except for these University Approved Absences:

1. Authorized University activities
2. Disability/religious observance/pregnancy, as required by law and approved by [Accessibility Resources and Service](#) and/or the [Equal Opportunity and Compliance Office](#) (EOC)
3. Significant health condition and/or personal/family emergency as approved by the [Office of the Dean of Students](#), [Gender Violence Service Coordinators](#), and/or the [Equal Opportunity and Compliance Office](#) (EOC).

#### **Community Standards and Mask Use**

This semester, while we are in the midst of a global pandemic, all enrolled students are required to wear a mask covering your mouth and nose at all times in our classroom. This requirement is to protect our educational community — your classmates and me — as we learn together. If you choose not to wear a mask, or wear it improperly, I will ask you to leave immediately, and I will submit a report to the [Office of Student Conduct](#). At that point you will be disenrolled from this course for the protection of our educational community. Students who have an authorized accommodation from Accessibility Resources and Service have an exception. For additional information, see [Carolina Together](#).

#### **Counseling and Psychological Services**

CAPS is strongly committed to addressing the mental health needs of a diverse student body through timely access to consultation and connection to clinically appropriate services, whether for short or long-term needs. Go to their website: <https://caps.unc.edu/> or visit their facilities on the third floor of the Campus Health Services building for a walk-in evaluation to learn more.

### **Accessibility Resources**

UNC-Chapel Hill facilitates the implementation of reasonable accommodations for students with learning disabilities, physical disabilities, mental health struggles, chronic medical conditions, temporary disability, or pregnancy complications, all of which can impair student success. Accommodations are determined through the Office of Accessibility Resources and Service (ARS) for individuals with documented qualifying disabilities in accordance with applicable state and federal laws. See the ARS website for contact and registration information: <https://ars.unc.edu/about-ars/contact-us>

### **Title IX Resources**

Any student who is impacted by discrimination, harassment, interpersonal (relationship) violence, sexual violence, sexual exploitation, or stalking is encouraged to seek resources on campus or in the community. Please contact the Director of Title IX Compliance (Adrienne Allison – [Adrienne.allison@unc.edu](mailto:Adrienne.allison@unc.edu)), Report and Response Coordinators in the Equal Opportunity and Compliance Office ([reportandresponse@unc.edu](mailto:reportandresponse@unc.edu)), Counseling and Psychological Services (confidential), or the Gender Violence Services Coordinators ([gvscc@unc.edu](mailto:gvscc@unc.edu); confidential) to discuss your specific needs. Additional resources are available at [safe.unc.edu](http://safe.unc.edu).

	Topic	Assignment Due
8/19	Introductions	
8/24	<p>Brewer, et al , “The Role of Economics in Education Policy Research”, The Handbook of Education Finance and Policy, chp 2, 2015.  <a href="https://www.dropbox.com/s/dvid9m21tcgaruw/Chapter%202.pdf?dl=0">https://www.dropbox.com/s/dvid9m21tcgaruw/Chapter%202.pdf?dl=0</a></p> <p>*Cunha and Heckman (2009) “The Economics and Psychology of Inequality and Human Development”, Journal of the European Economic Association. <a href="https://www.jstor.org/stable/40282754">https://www.jstor.org/stable/40282754</a></p>	
8/26	<p>*Bolotnyy, Basilico, and Barreira, “Graduate Student Mental Health: Lessons from American Economics Departments”, forthcoming, <i>Journal of Economic Literature</i> <a href="https://www.valentinbolotnyy.com/files/BBB_GradMentalHealth.pdf">https://www.valentinbolotnyy.com/files/BBB_GradMentalHealth.pdf</a></p> <p>*Eisenberg D, Golberstein E, Hunt J. Mental Health and Academic Success in College. <i>BE J Econ Anal Policy</i>. 2009;9:40-.</p>	
8/31	<p>*Bound J, Turner S. Chapter 8 - Dropouts and Diplomas: The Divergence in Collegiate Outcomes. In: Hanushek EA, Machin S, Woessmann L, eds. <i>Handbook of the Economics of Education</i>. Vol 4. Handbook of The Economics of Education. Elsevier; 2011:573-613. (available on ScienceDirect)</p>	
9/2	<p>Fruehwirth JC, Biswas S, Perreira KM. The Covid-19 pandemic and mental health of first-year college students: Examining the effect of Covid-19 stressors using longitudinal data. <i>PLOS ONE</i>. 2021;16(3)</p> <p>*Aucejo EM, French J, Ugalde Araya MP, Zafar B. The impact of COVID-19 on student experiences and expectations: Evidence from a survey. <i>J Public Econ</i>. 2020 Nov;191 <a href="https://pubmed.ncbi.nlm.nih.gov/32873994/">https://pubmed.ncbi.nlm.nih.gov/32873994/</a></p>	
9/7	Group discussion	Proposal due

Topic		Assignment Due
9/9	Todd, P. E. and Wolpin, K. I. (2003) 'On the specification and estimation of the production function for cognitive achievement', <i>Economic Journal</i> 113(485), F3–F33.	
9/14	Andrabi, T., J. Das, A. Ijaz Khwaja, and T. Zajonc (2011, July). Do Value-Added Estimates Add Value? Accounting for Learning Dynamics. <i>American Economic Journal. Applied Economics</i> 3(3), 29–54.	
9/16	Cunha, Flavio, and James J. Heckman. 2008. "Formulating, Identifying and Estimating the Technology of Cognitive and Noncognitive Skill Formation." <i>Journal of Human Resources</i> , 43(4): 738–82.	
9/21	Jens Ludwig & Douglas L Miller, 2007. "Does Head Start Improve Children's Life Chances? Evidence from a Regression Discontinuity Design," <i>The Quarterly Journal of Economics</i> , vol. 122(1), pages 159-208, 02.	
9/23	Currie, Janet & Thomas, Duncan, 1995. "Does Head Start Make a Difference?," <i>American Economic Review</i> , vol. 85(3), pages 341-64, June.	
9/28	Caetano, G., J. Kinsler and H. Teng (2019) "Towards Causal Estimates of Children's Time Allocation on Skill Development", <i>Journal of Applied Econometrics</i> .	
9/30	Discussion of 3 papers of choice related to your research	
10/5	Group discussion	Empirical Model
10/7	Manski, C. (1993), 'Identification of endogenous social effects: The reflection problem', <i>The Review of Economic Studies</i> , 60(3): 531–542.	
10/12	Fruehwirth, J (2013) "Identifying Peer Achievement Spillovers: Implications for Desegregation and the Achievement Gap" <i>Quantitative Economics</i> 4(1).	
10/14	Bramouille, Y., H. Djebbari, and B. Fortin (2009, May). Identification of peer effects through social networks. <i>Journal of Econometrics</i> 150(1), 41–55. Lavy and Schlosser (2011) "Mechanisms and Impacts of Gender Peer Effects at School", <i>AEJ: Applied Economics</i> , April.	

Topic		Assignment Due
10/19	<p>Chetty, R, J. Friedman and J. Rockoff (2014) Measuring the Impacts of Teachers I: Evaluating Bias in Teacher Value-Added Estimates, <i>American Economic Review</i> 104(9): 2593-2632.</p> <p>Guarino, C. M. Reckase and J. Wooldridge (2015) "Can value-added measures of teacher performance be trusted?" <i>Education Finance and Policy</i>, 10(1)</p>	
10/21	<p>*Araujo, C., P. Carneiro, Y. Cruz and N. Schadt (2016) "Teacher Quality and Learning Outcomes in Kindergarten," <i>Quarterly Journal of Economics</i></p> <p>Hoxby, C.M. (1996) "How Teachers' Unions Affect Education Production," <i>The Quarterly Journal of Economics</i>, 111(3): 671-718.</p>	
10/26	Discussion of 3 papers of choice related to your research	
10/28	<p>Fryer, R. G. and S. Levitt (2004) "Understanding the black-white test score gap in the first two years of school," <i>The Review of Economics and Statistics</i>, 86(2): 447-464</p> <p>Bond and Lang (2012) "The Evolution of the Black-White Test Score Gap in Grades K-3: The Fragility of Results", <i>The Review of Economics and Statistics</i>, 95(5):1468-1479</p>	
11/2	Group discussion	Theoretical Model
11/4	Katz, Lawrence E., Jeffrey R. Kling and Jeffrey B. Liebman (2001) "Moving to Opportunity in Boston: Early Results of a Randomized Mobility Experiment", <i>Quarterly Journal of Economics</i> 116 (May 2001), 607-54.	

	Topic	Assignment Due
11/9	<p>*Rucker C. Johnson &amp; C. Kirabo Jackson, 2019. "Reducing Inequality through Dynamic Complementarity: Evidence from Head Start and Public School Spending," <i>American Economic Journal: Economic Policy</i>, American Economic Association, vol. 11(4), pages 310-349, November.</p> <p>*Campos and Kearns (2021) "The Impact of Neighborhood School Choice: Evidence from Los Angeles' Zones of Choice", working paper <a href="https://www.dropbox.com/s/kf8j3g1yeau2jjm/jmp_zoc.pdf?dl=0">https://www.dropbox.com/s/kf8j3g1yeau2jjm/jmp_zoc.pdf?dl=0</a></p>	
11/11	Neal, Derek A & Johnson, William R (1996) "The Role of Premarket Factors in Black-White Wage Differences," <i>Journal of Political Economy</i> , vol. 104(5), pages 869-95, October.	
11/16	Joseph G. Altonji & Charles R. Pierret (2001) "Employer Learning And Statistical Discrimination," <i>The Quarterly Journal of Economics</i> , MIT Press, vol. 116(1), pages 313-350, February.	
11/18	Group Discussion	Preliminary Results
11/23	<p>*Papageorge, N., V. Ronda and Y. Zheng (2020) "The Economic Value of Breaking Bad: Misbehavior, Schooling and the Labor Market", working paper. <a href="https://nicholaswpapageorge.files.wordpress.com/2020/06/bb.pdf">https://nicholaswpapageorge.files.wordpress.com/2020/06/bb.pdf</a></p> <p>*Deming, D. J (2017) "The Growing Importance of Social Skills in the Labor Market", <i>Quarterly Journal of Economics</i></p>	
11/25	Thanksgiving break/no class	
11/30	<p>*Biasi and Ma "Education-Innovation Gap" (2021), working paper <a href="https://songma.github.io/files/bm_edu_inno_gap.pdf">https://songma.github.io/files/bm_edu_inno_gap.pdf</a></p> <p>Class Wrap Up</p>	Research paper due
12/9	Final Exam/Take Home	Due at 4pm



### **Some Helpful Guidelines for Reading Papers**

The first set of questions are geared toward helping you to make sure you have understood the main part of the paper. A good introduction should hit most (often all) of these points.

1. What is the primary question/issue/hypothesis that the author wanted to address?
2. Why is the question interesting or important? (This often includes a description of how the paper contributes to the literature)
3. What data does the author use (if empirical paper)?
4. Give an intuitive description of the author's test or model. (This is absolutely key to making sure you've understood the paper. If the details of the model are confusing, take a step back and try to think about the underlying intuition.)
5. What are the author's findings or conclusions?

The second set of questions may help you to think critically about the paper.

6. Did you find the question interesting and relevant?
7. Are you convinced by the author's results/arguments? Why or why not?
8. Did they identify the effect they claimed to identify? Why or why not?
9. Did the results obtained justify the interpretation and conclusions? (Often this may include concerns about external validity or heterogeneous treatment effects)
10. Were the findings well supported by economic theory? In the cases where the paper does not have a clear theoretical model, do you think a model would have been helpful or that the lack thereof might lead to erroneous conclusions?