

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

Spring Semester 2024
Professor Riley Acton
(she/her/hers)

FSB 0013
M/W 11:40am-1:00pm

Contact Information

Office Location FSB 3018
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Office Hours MW 1:30-2:30pm or by appointment

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 concepts in labor and public economics including labor supply, labor demand, labor market discrimination, human capital formation, taxation, and public spending. 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/or 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

For undergraduate students: ECO 315 (Intermediate Microeconomic Theory) and ECO 411 (Advanced Empirical Methods)

For graduate students: ECO 615 (Advanced Microeconomic Theory) and ECO 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 (30%)

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 (15%)

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 (5% first time, 10% second time)

Twice during the semester, you will work with a small group (2-3 students) to lead our class discussion of an assigned paper. As a group, you will provide a summary of the article and develop a list of discussion questions for the class. Please see the schedule posted on Canvas for groups and assigned days.

2. Take-Home Exams (40%)

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 Wednesday, March 6th and Exam 2 is tentatively scheduled for Wednesday, April 17th. For each, you will have from the end of class on Wednesday to the start of class on Monday 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 Analysis & Presentation (30%)

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 crafted slide deck that explains to a relevant stakeholder: (a) the potential 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:

- (a) Submit a brief description of your chosen topic and stakeholder by Friday, February 16th (2.5%).
- (b) Submit an outline of your analysis with an annotated list of relevant sources by Friday, March 22nd (5%).
- (c) Deliver an in-class presentation on your findings at the end of the semester (7.5%).
- (d) Submit a final, revised version of your slide deck during final exam week (15%).

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

Final Grade Calculation

Your final grades will be calculated as follows:

$$0.15*(\text{Perusall}) + 0.05*(\text{First Discussion Leader}) + 0.1*(\text{Second Discussion Leader}) \\ + 0.2*(\text{Take-Home Exam 1}) + 0.2*(\text{Take-Home Exam 2}) + 0.3*(\text{Policy Analysis})$$

Below is the planned grading scale for the course. I reserve the right to modify the scale to ensure a reasonable average and grade distribution, but will only do so in a way that benefits students (e.g., lowering the grade needed for an A- from 90% to 88%).

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

Other Course Policies

Attendance:

In accordance with the Miami University Student Handbook, I expect students to attend class sessions regularly and *strongly* believe it is the best way to learn the course material. If you know that you will not be in class, please email me to make appropriate arrangements for missed work.

Health and Safety:

If you are ill, please do not come to class. Instead, please contact [Student Health Services](#) and email me to make appropriate arrangements for missed work.

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 and course topics are encouraged, copying others' work (including work directly generated by artificial intelligence tools) on assignments is not. For more details on academic integrity, please see the university's academic [integrity policy](#), the [FSB Honor Code](#), and the generative AI policy posted on Canvas.

Classroom Conduct:

It is our collective responsibility to create a classroom environment that is conducive to learning. Please limit behaviors that may inhibit your own learning and/or that of your peers, such as excessive talking, arriving late or leaving early, or using electronic devices for non-course purposes. If you know you will need to do something that may be disruptive to others (e.g., arrive late or leave early), please inform me beforehand and take precautions to minimize distractions (e.g., sit by the door).

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 connect with [Student Disability Services](#) (SDS) via their website or by email at SDS@MiamiOH.edu. SDS provides accommodations and services for students with a variety of disabilities, including physical, medical, and psychiatric disabilities. You are encouraged to contact SDS as early as possible during the semester to learn more about the affiliation process and procedures for requesting accommodations.

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](#) (513-529-4634) 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 them for support. For emergencies outside of normal business hours, the Butler County Crisis Hotline (844-427-4747) is available 24 hours/day, 7 days/week.

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](#). 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
M	1/29	Intro		
W	1/31	Intro	Groshen & Holzer (2021)	
M	2/5	Intro	Hull, Kolesár, & Walters (2022); Currie, Kleven, Zwiers (2020)	
W	2/7	EITC	Tax Policy Center (2021); Hoynes (2019)	
M	2/12	EITC	Kleven (2020)	
W	2/14	EITC	Schanzenbach & Strain (2021)	Topic due
M	2/19	Minimum Wage	CBPP (2018); Manning (2021)	
W	2/21	Minimum Wage	Cengiz et al. (2019)	
M	2/26	Minimum Wage	Clemens & Strain (2021)	
W	2/28	Paid Leave	KFF (2020); Jacobs (2021)	
M	3/4	Paid Leave	Rossin-Slater, Ruhm, & Waldfogel (2013)	
W	3/6	Paid Leave	Bailey et al. (2019)	Take-Home 1
M	3/11	Ban-The-Box	NCSL (2021); Lang & Kahn-Lang Spitzer (2020)	
W	3/13		Flex Day	
M	3/18	Ban-The-Box	Agan & Starr (2018)	
W	3/20	Ban-The-Box	Doleac & Hansen (2020)	Outline due
M	3/25	Spring Break – No Class		
W	3/27	Spring Break – No Class		
M	4/1	Early Childhood	Flood et al. (2022); Heckman (2022)	
W	4/3		Flex Day	
M	4/8	Early Childhood	Baker, Gruber, & Milligan (2019)	
W	4/10	Early Childhood	Gray-Lobe, Pathak, & Walters (2022)	
M	4/15	K-12 Spending	Jackson (2020); SFID (2020)	
W	4/17	K-12 Spending	Abott et al. (2020)	Take-Home 2
M	4/22	K-12 Spending	Jackson, Wigger, & Xiong (2021)	
W	4/24	Financial Aid	Scott-Clayton (2017); Looney, Wessel, & Yilla (2020)	
M	4/29	Financial Aid	Marx & Turner (2019)	
W	5/1	Financial Aid	Black et al. (2023)	
M	5/6	Presentations		
W	5/8	Presentations		
Finals Week		Final slide deck due		

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 Public Policies

Hull, Kolesár, & Walters (2022). "Labor by design: Contributions of David Card, Joshua Angrist, and Guido Imbens." *The Scandinavian Journal of Economics*, 124(3). <https://onlinelibrary.wiley.com/doi/full/10.1111/sjoe.12505>.

Currie, Kleven, and Zwieters (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>.

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

Flood et al. (2022). "Inequality in Early Care Experienced by US Children." *Journal of Economic Perspectives*, 36(2). <https://www.aeaweb.org/articles?id=10.1257/jep.36.2.199>.

Heckman (2022). "Invest in early childhood development: Reduce deficits, strengthen the economy." The Heckman Equation. https://heckmanequation.org/wp-content/uploads/2013/07/F_HeckmanDeficitPieceCUSTOM-Generic_052714-3-1.pdf.

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>.

Gray-Lobe, Pathak, & Walters (2022). "The Long-Term Effects of Universal Preschool in Boston." *Quarterly Journal of Economics*, 138(1). <https://academic.oup.com/qje/article/138/1/363/6701924>.

Unit 7: K-12 School Spending

Overview

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>.

School Finance Indicators Database (2020). "State School Finance Profile: 2019-20 School Year." <https://www.schoolfinancedata.org/state-school-finance-profiles-2020/>.

Discussion Papers

Abbott et al. (2020). "School district operational spending and student outcomes: Evidence from tax elections in seven states." *Journal of Public Economics*, 183.
<https://www.sciencedirect.com/science/article/pii/S0047272720300062/>

Jackson, Wigger, & Xiong (2021). "Do School Spending Cuts Matter? Evidence from the Great Recession." *American Economic Journal: Economic Policy*, 13(2).
<https://www.aeaweb.org/articles?id=10.1257/pol.20180674>.

Unit 8: Higher Education/Financial Aid

Overview

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.

Looney, Wessel, & Yilla (2020). "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/>.

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>.

Black et al. (2023). "Taking It to the Limit: Effects of Increased Student Loan Availability on Attainment, Earnings, and Financial Well-Being." *American Economic Review*, 113(12).
<https://www.aeaweb.org/articles?id=10.1257/aer.20210926>.