Università di Roma Tor Vergata

Labor & Personnel Economics
(2025/2026)

Availability
Compulsory for MSc Economics.

Lecturer

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Office Hours:
During the course: Wednesday, 14.00-15.00
Outside the course: by appointment

Content
Labor supply (retirement, family), labor demand, labor market equilibrium (minimum wages, payroll taxes, immigration, wage distribution), education (human capital, signaling), discrimination (race, gender), pay based on performance (piece-rate, team), unemployment.

Course prerequisites
You need to have covered the material of a good undergraduate economics program: a good working knowledge of advanced microeconomics (we will make almost no use of macroeconomics), mathematics, as is a basic understanding of econometrics, at least through multiple regression (you should understand how to interpret regression coefficients and be aware of the possible pitfalls in their use) and STATA practice.

Final Exam

The final exam is a two-hour written test comprising four questions, which may include mathematical exercises or discussions of articles selected from those covered in class. Each question may contain multiple sub-questions. To pass the exam, students must score at least 18 in three out of the four questions. The final grade for the written exam is calculated as the average of the marks for the four questions. Each question is graded on a scale from 0 to 34, allowing students to achieve a final mark of 30 without needing to answer every question perfectly.

Exams are offered in the Summer and Fall sessions, as well as in the Winter term. During the Winter term, students may attempt only one of the two available exams. A midterm exam is also scheduled immediately after the course concludes. Students may reject their grade (via Delphi) only during the Summer session or the midterm. Beyond these opportunities, all graded outcomes will be officially recorded.

Students attending the course can opt to give presentations. Each presentation is graded on a scale of -1 to +3, and the score is added to the grade of the first exam session (or midterm) immediately following the course. The total is then rounded to the nearest integer to determine the final grade. Withdrawals from scheduled presentations are penalized with a -1. Presentations can be given only once and cannot be repeated in subsequent years.

Students who choose not to present must complete an empirical exercise in STATA on one of the course topics. This exercise is graded on a pass/fail basis, and passing it is required for final grade registration. The exercise materials will be provided at the start of the course and must be submitted at least one week before the exam.

Course Web Page

The material for this course (syllabus, notes, announcements, materials) will be posted on the course webpage. You are strongly encouraged to subscribe to the course newsletter.

Required Text and Readings

No single textbook covers all the material presented in this course. A number of the recommended readings will consist of journal articles. I will also distribute the slides of each class through the course webpage. The books that will be used more frequently are the following:

- One suggested text is Borjas, "Labor Economics", McGraw-Hill, 2010. (previous and new editions can also be used). The textbook is an undergraduate-level textbook, so the coverage of the material will be a bit less advanced than what will be done in class.

- A graduate-level text in labor economics is Cahuc, Carcillo and Zylberberg, "Labor Economics", MIT Press, 2004 (new editions can also be used). It has a bit more of a macro-labor flavor, common among many European labor economists. My approach is a bit more micro-oriented, but for some chapters it can be a very good reference.

- Labor economics is a data-intensive field, and many new empirical techniques have been developed to answer labor economics questions. If you are interested in research in labor economics, you will need a solid foundation in econometrics. Angrist and Pischke, "Mostly Harmless Econometrics", Princeton University Press, 2009.

All readings are available through the *Biblioteca Vilfredo Pareto*, located in the building B. Class notes, as well as any other additional material/reading, will be available on the course web page.

Material

In the following pages you will find the detailed reading list for each topic. This list is indicative, and can be subject to some changes. In particular, further readings may be provided during the lectures. Readings marked with a * (or with *Required Readings)* represent compulsory reading, all other readings (or under *Additional Readings)* are just suggestions.

Introduction and Methods

- Borjas (chapter 1)
- Angrist, J. D. and A. B. Krueger (1999): "Empirical Strategies in Labor Economics", in *Handbook of Labor Economics*, ed. Ashenfelter and Card, vol 3, North Holland, Amsterdam.

Labor Supply

- Borjas (chapter 2)
- Imbens, G. W., D. B. Rubin and B. Sacerdote (2001): "Estimating the Effect of Unearned Income on Labor Earnings, Savings, and Consumption: Evidence from a Survey of Lottery Players." *American Economic Review*, 91, 778-94.*
- Eissa, N. and J. B. Liebman (1996): "Labor Supply Response to the Earned Income Tax Credit." *Quarterly Journal of Economics*, 111, 605-37.*
- Krueger, A. and S. Pischke (1992): "The Effect of Social Security on Labor Supply: A Cohort Analysis of the Notch Generation." *Journal of Labor Economics*, 10, 412-437.*
- Biddle, J. and D. Hamermesh (1989): "Sleep and the Allocation of Time." *Journal of Political Economy*, 98, 922-943.

Labor Demand

- Borjas (chapter 3)
- Hamermesh, D. S. (1986): "The Demand for Labor in the Long Run." *Handbook of Labor Economics*, vol. 1, pp. 429-71.
- Acemoglu, D.; Autor, D. H. and D. Lyle (2004): "Women, War, and Wages: The Effect of Female Labor Supply on the Wage Structure at Midcentury." *Journal of Political Economy*, 112, 497-551.*

Minimum Wage

- Borjas (chapter 3)
- Kennan, J. (1995): "The Elusive Effect of Minimum Wages." *Journal of Economic Literature.*

- Card, D. and A.B. Krueger (1994): “Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania.” *American Economic Review*, 84, 772-793.*
- Neumark, D. and W. Wascher (2006): “Minimum Wages and Employment: A Review of Evidence from the New Minimum Wage Research.” NBER WP 12663.
- Allegretto, S., Dube, A., Reich, M. and B. Zipperer (2013): “Credible Research Designs for Minimum Wage Studies.” IZA DP 7638.

Payroll-taxes

- Borjas (chapter 4)
- Gruber, J. (1997): “The Incidence of Payroll Taxation.” *Journal of Labor Economics*, 15, 72-101.

Immigration

- Borjas (chapter 4)
- Card, D. (1990): “The Impact of the Mariel Boatlift on the Miami Labor Market.” *Industrial and Labor Relations Review*, 43, 245-57.*
- Borjas, G. J. (2003): “The Labor Demand Curve Is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market.” *Quarterly Journal of Economics*, 118, 1335-1374.
- Ottaviano G. and G. Peri (2012): “Rethinking the Gains from Immigration: Theory and Evidence from the U.S.” *Journal of the European Economic Association*, 10, 152-197.
- Tabellini, M. (2020): "Gifts of the Immigrants, Woes of the Natives: Lessons from the Age of Mass Migration." *Review of Economic Studies*, 87, 454–486.

Human Capital

- Borjas (chapter 6)
- Griliches, Z. and M. William (1972): “Education, Income and Ability.” *Journal of Political Economy*, 80, 74-103.*
- Ashenfelter, O. and A. B. Krueger (1994): “Estimates for the Economic Returns to Schooling for a New Sample of Twins.” *American Economic Review*, 84, 1157-1173.*
- Angrist, J. D. and A. B. Krueger (1991): “Does compulsory school attendance affect schooling and earnings?. ” *Quarterly Journal of Economics,* 106, 979-1014.
- Jaeger, D. A. and M. E. Page (1996): “Degrees Matter: New Evidence on Sheepskin Effects in the Returns to Education.” *Review of Economics and Statistics,* 78, 733-740.*
- Altonji, J. G. and C. R. Pierret (2001): “Employer Learning and Statistical Discrimination.” *Quarterly Journal of Economics*,.*
- Dynarski, S., Libassi, C. J., Michelmore, K., and Owen, S. (2021): “Closing the gap: The effect of reducing complexity and uncertainty in college pricing on the choices of low-income students.” *American Economic Review*, 111(6), 1721-1756.

Inequality

- Borjas (chapter 7)
- Atkinson, A., Piketty T. and E. Saez (2011): "Top Incomes in the Long Run of History." *Journal of Economic Literature*, 49, 3-71.*
- Autor, D. H., L. F. Katz and M. S. Kearney (2008): "Trends in U.S. Wage Inequality: Revising the Revisionists." *Review of Economics and Statistics*, 90, 300-323.
- Autor, D. H., Dorn, D. and G. H. Hanson (2013): "The China Syndrome: Local Labor Market Effects of Import Competition in the United States." *American Economic Review*, 103, 2121-2168.*
- Krueger, A. B. (2005): "The Economics of Real Superstars: The Market for Rock Concerts in the Material World." *Journal of Labor Economics*, 23, 1-30.*
- Autor, D.H., Katz L.F. and A. B. Krueger (1998): "Computing Inequality: Have Computers Changed the Labor Market?." *Quarterly Journal of Economics*, 113, 1169-1213.*

Intergenerational Mobility

- Solon, G. (1992): "Intergenerational Income Mobility in the United States." *American Economic Review*, 82, 393-408.*
- Corak, M. (2013). "Inequality from Generation to Generation," in (R. Rycroft, ed.) *The Economics of Inequality, Poverty, and Discrimination in the 21st Century*, ABC-CLIO.
- Chetty, R., Hendren, N., P. Kline and E. Saez (2014): "Where Is The Land Of Opportunity? The Geography of Intergenerational Mobility In The United States." *Quarterly Journal of Economics*, forthcoming. *
- Chetty, R., Hendren, N., and Katz, L. F. (2016). "The effects of exposure to better neighborhoods on children: New evidence from the moving to opportunity experiment." *American Economic Review*, 106(4), 855-902.
- Chyn, E. (2018). "Moved to opportunity: The long-run effects of public housing demolition on children." *American Economic Review*, 108(10), 3028-3056.

Discrimination

- Borjas (chapter 9)
- Bertrand, M. and S. Mullainathan (2004): "Are Emily and Greg more employable than Lakisha and Jamal? A field experiment on labor market discrimination." *American Economic Review*, 94, 991-1013. *
- Goldin, C. and C. Rouse (2000): "Orchestrating impartiality: The impact of "blind" auditions on female musicians." *American Economic Review,* 90, 715-741.*
- Azmat, G., and R. Ferrer (2017): "Gender Gaps in Performance: Evidence from Young Lawyers." *Journal of Political Economy*, 125, 1306-1355.
- Heckman, J., Pinto, R., and P. Savelyev (2013). "Understanding the Mechanisms through Which an Influential Early Childhood Program Boosted Adult Outcomes." *American Economic Review*, 103, 2052-2086.

- Carlana, M. (2019). “Implicit stereotypes: Evidence from teachers’ gender bias.” *The Quarterly Journal of Economics*, 134(3), 1163-1224.

Incentive Contracts

- Borjas (chapter 11)
- Lazear, E. P., (2000): “Performance Pay and Productivity.” *American Economic Review*, 90, 1346-1361.

Unemployment

- Borjas (chapter 12)