ECON 390: Labor Market Economics

Fall 2026

University of Massachusetts Boston

Course Information

Time:	Tuesday & Thursday, 4:00 – 5:15 PM
Location:	W02-0127 (Wheatley-Peters, 2nd Floor, Room 0127)
Instructor:	Gabriel Rourke (Gabriel.Rourke@umb.edu)
Office Hours:	Tuesday 5:15 – 6:15 PM (in person); Wednesday 11:00 – 12:00 PM (zoom) *or by appointment*
Office:	W05-092 (Wheatley-Peters, 5th Floor, Room 092) Zoom, https://bostonu.zoom.us/j/5931124759

Course Description

This course provides an introduction to labor economics, with a focus on real-world application and policy issues. Labor economics is—broadly—the study of the exchange of labor for wages. The models that we will learn are useful for analyzing a wide variety of issues, from unemployment to intergenerational mobility to trade and immigration. The purpose of this course is not to provide "yes" or "no" answers, but to teach you how to engage with economic models and empirical evidence, and reach informed opinions about the numerous policy questions regarding labor markets in the United States and other countries. The course will place a strong emphasis on thoughtful critique and engagement with the materials, and focus will be given to new research to expose students to the frontier of labor economics.

We will cover the following:

1. **Fundamentals:** We will learn how to analyze and explain at an introductory level the economic models related to labor supply, labor demand, and labor market equilibrium. In addition, we will explore compensating wage differentials, incentive pay, and unemployment and recessions.
2. **Mobility and Opportunity:** We will study education, training, and the accumulation of human capital—investments that workers make and employers look for in the labor market. We will discuss intergenerational mobility, as well as anti-poverty programs.
3. **Imperfect Markets:** We will discuss monopsony, the minimum wage, unions & collective bargaining, and discrimination—as well as potential solutions to market imperfections.
4. **Labor & Space:** How does labor function across space? We will discuss labor mobility, both domestic and international, commuting costs, and immigration.

Textbook & Reading

This course is entirely based on lecture slides and readings, which will be posted in advance of class. As such, there is no textbook for this class. However, students may find the following useful:

- *Labor Economics*, 9th edition—by George Borjas (**GB**)
- *Labor Economics*—by Pierre Cahuc, Stéphane Carcillo, and André Zylberberg (**CCZ**)
- *Mostly Harmless Econometrics*—by Joshua Angrist and Jörn-Steffen Pischke (**AP**)

The materials will follow book chapters, but none of the books will fully line up with the course. For this reason, it is extremely important to attend and be attentive in class. There is one required reading per lecture (with the exception of Lecture 1). Required readings are the starred (*) articles in the Course Outline section, although other references are included.

Assessments

Class Participation (20%). Participation will be composed of both class attendance and active participation.

- *Attendance:* Attendance is mandatory. Please email me as far in advance as you can if you need to miss a class.
- *Participation:* Active participation involves thoughtfully engaging with the material, listening to your classmates, asking clarifying questions, and promoting discussion. It does not mean speaking at every opportunity and/or dominating the discussion.

In-Class Presentation (20%). Beginning with Lecture 9, students will sign up for one presentation slot to present the reading for that class. Presentations should be 12–15 minutes. They should provide context for and a summary of the day's paper, as well as the student's questions, comments, suggestions for further analysis, and so on. You are required to present once during the course.

Reading Reflections: (15%) *graded check+, check, check-*
Every two weeks you are required to turn in a reading reflection on one of the required readings (your choice of which one). Reading reflections should be a two-page typed, double-spaced document in 12-point font, and should consist of two parts: (1) a written summary of the paper, and (2) comments on the persuasiveness of the paper, lingering questions you have, and suggestions for further analysis. Please submit a Word document by Canvas.

Problem Sets (20%) *graded out of 100*
A problem set will be posted on Canvas every two weeks, to be due the following week on Canvas. You are encouraged to work in groups on the problem sets; however, each student must submit separate solutions written in their own words. Your writeup should contain everything we need in order to grade your homework in the main text of the writeup—if I cannot see how you derived an answer, you will not receive credit.

Final (25%). A Cumulative exam, to be held during finals week. The final will focus primarily on questions on the focal readings & problem set questions.

Late policy: Once the solutions are posted for PSets (usually 24 hours after), I will not accept any late work. Late reflection will be penalized down one mark.
At the end of the semester, I will drop one of your assignment grades (PSets/Reflections), whichever has the biggest positive impact on your grade.

Policies

Accessibility and Resources

If you need any accommodations for lectures or exams, please contact the Ross Center for Disability Services (CC UL 211, `www.umb.edu/academics/vpass/disability`, ross.center@umb.edu, 617-287-7430). I am happy to work with you on this. I also strive to make the class inclusive for everyone, so you should always feel free to raise any concerns or suggestions.

Academic Honesty

In keeping with the Code of Student Conduct, university policies on academic honesty are always in effect. Most importantly, what this means is that turning in the work of others as your own is not okay. If you use the ideas or language of a published source of material (print or website), you must cite the correct source of the material.

Two clarifications:

- **AI:** Generative AI is expressly prohibited to generate problem set solutions, reading reflections, presentations, or any other assignments. This includes not only ChatGPT, but writing tools such as Grammarly. LLMs are a predictive sequence—when you ask for "tone" and "grammar" edits, it erases your own voice in the work.
  I have no issue with referential AI (e.g., solving a similar problem, describing a concept), or using it to check your work. However, any final work you turn in must be your own.
- **Group work:** Students are welcome (and encouraged!) to work in groups on their homework assignments, but each student must write up their answers separately in their own words.

By taking this course, you explicitly pledge that you will not cheat, plagiarize, or help others cheat or plagiarize on any assignments or exams. I take academic honesty extremely seriously. Students failing to meet these responsibilities will be referred to the Dean of Students Office, and if found responsible will receive an F in the class.

Wellbeing and Support

As a student you may experience a range of issues that can cause barriers to learning, such as mental health concerns or stressful events. UMass Boston has support in place to assist you with addressing these and other concerns you may be experiencing. You can learn more at `www.umb.edu/healthservices/counselingcenter`, or by emailing counseling.center@umb.edu. 24/7 phone support is also available by calling 855-634-4135. These services are free and confidential. If you are experiencing concerns, seeking help is a courageous thing to do for yourself and for those you care about.

Course Outline

Required readings are indicated with a ***** (star).

Lecture / Date	Content
Part 1: Fundamentals	
L1: 9/8/26	**Introduction to Labor Economics** Related reading: [none] *References:* GB Ch. 1; CCZ Ch. 1
L2: 9/10/26 L3: 9/15/26 L4: 9/17/26	**Labor Supply** *Required Reading:* ***** (9/15/26) Eissa, N. and H. W. Hoynes, "Behavioral Responses to Taxes: Lessons from the EITC and Labor Supply." *Tax Policy and the Economy*, 2006. ***** (9/17/26) Mas, A. and A. Pallais, "Valuing Alternative Work Arrangements." *American Economic Review*, 2017. *References:* GB Ch. 2; CCZ Ch. 1
L5: 9/22/26 L6: 9/24/26	**Labor Demand** *Required Reading:* ***** (9/24/26) Hamermesh, D. S. and S. J. Trejo, "The Demand for Hours of Labor: Direct Estimates from California." *Review of Economics and Statistics*, Feb. 2000. *References:* GB Ch. 3; CCZ Ch. 2
L7: 9/29/26 L8: 10/1/26	**Labor Market Equilibrium** *Required Reading:* ***** (10/1/26) Belasen, A. R. and S. W. Polachek, "How Disasters Affect Local Labor Markets: The Effects of Hurricanes in Florida." *Journal of Human Resources*, Winter 2009. *References:* GB Ch. 4; CCZ Ch. **Sign up for presentations by 10/2/26, 11:59 PM** **Problem Set 1 due 10/1/26 4:00pm**
L9: 10/6/26	**Compensating Wage Differentials** *Required Reading:* ***** (10/6/26) Maestas, N., K. J. Mullen, D. Powell, T. Von Wachter, and J. B. Wenger, "The Value of Working Conditions in the United States and Implications for the Structure of Wages." *American Economic Review* 113(7), 2023. *References:* GB Ch. 5; CCZ Ch. 4

Lecture / Date	Content
L10: 10/8/26	**Incentive Pay** *Required Reading:* * (10/8/26) Krueger, A. B., "Ownership, Agency and Wages: An Examination of Franchising in the Fast Food Industry." *Quarterly Journal of Economics* 106(1), 1991, pp. 75–101. *References:* GB Ch. 11; CCZ Ch. 6 **Reading Reflection 1 due 10/9/26**
L11: 10/13/26	**Unemployment & Recessions** *Required Reading:* * (10/13/26) Kahn, L., "The Long-Term Labor Market Consequences of Graduating from College in a Bad Economy." *Labour Economics*, Apr. 2010. *References:* GB Ch. 12; CCZ Ch. 9 **Problem Set 2 due 10/15/26 4:00pm**
L12: 10/15/26	**Unemployment Insurance & Job Search** *Required Reading:* * (10/15/26) Schmieder, J. F., T. von Wachter, and S. Bender, "The Effect of Unemployment Benefits and Nonemployment Durations on Wages." *American Economic Review* 106(3), Mar. 2016, pp. 739–777. *References:* GB Ch. 12; CCZ Ch. 5
Part 2: Mobility and Opportunity	
L13: 10/20/26 L14: 10/22/26	**Human Capital: Returns to Education** *Required Reading:* * (10/20/26) Arteaga, C., "The Effect of Human Capital on Earnings: Evidence from a Reform at Colombia's Top University." *Journal of Public Economics*, 2018. * (10/22/26) Chetty, R., J. N. Friedman, N. Hilger, E. Saez, D. W. Schanzenbach, and D. Yagan, "How Does Your Kindergarten Classroom Affect Earnings? Evidence from Project STAR." *Quarterly Journal of Economics*, 2011. *References:* GB Ch. 6; CCZ Ch. 4 **Reading Reflection 2 due 10/23/26**
L15: 10/27/26	**Human Capital: Training** *Required Reading:* * (10/27/26) Autor, D. H., "Why Do Temporary Help Firms Provide Free General Skills Training?" *Quarterly Journal of Economics*, 2001. *References:* GB Sections 6-12 and 6-13; CCZ Section 9.2

Lecture / Date	Content
L16: 10/29/26	**Wage Structures & Inequality** *Required Reading:* * (10/29/26) Kopczuk, W., E. Saez, and J. Song, "Earnings Inequality and Mobility in the United States: Evidence from Social Security Data Since 1937." *Quarterly Journal of Economics*, Feb. 2010. *References:* GB Ch. 7; CCZ Ch. 10 Section 2 **Problem 3 due 10/29/26 4:00pm**
L17: 11/3/26	**Intergenerational Mobility** *Required Reading:* * (11/3/26) Black, S. E., P. J. Devereux, P. Lundborg, and K. Majlesi, "Poor Little Rich Kids? The Role of Nature versus Nurture in Wealth and Other Economic Outcomes and Behaviors." *Review of Economic Studies*, Jul. 2020. *References:* GB Section 7.6; Opportunity Insights Lab
L18: 11/5/26	**Anti-Poverty Programs and Policies** *Required Reading:* * (11/5/26) Jones, D. and I. Marinescu, "The Labor Market Impacts of Universal and Permanent Cash Transfers: Evidence from the Alaska Permanent Fund." *American Economic Journal: Economic Policy* 14(2), May 2022, pp. 315–340. *References:* GB Sections 2-10 through 2-13; CCZ Section 12.1 **Reading Reflection 3 due 11/6/26**
Part 3: Imperfect Markets	
L19: 11/10/26	**Monopsony** *Required Reading:* * (11/10/26) Naidu, S. and M. Carr, "Don't Like Your Job, Can You Always Quit? Pervasive Monopsony Power and Freedom in the Labor Market." *Journal of Law and Political Economy* 3(1), Jan. 2024. *References:* GB Section 4-8; CCZ Ch. 12 Section 2
L20: 11/12/26	**Minimum Wage** *Required Reading:* * (11/12/26) Card, D. and A. B. Krueger, "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania." *American Economic Review*, Sep. 1994. *References:* GB Sections 3-10, 4-8, 7-4; CCZ Ch. 12 Section 2 **Problem Set 4 due 11/12/26 4:00pm**
L21: 11/17/26	**Unions and Collective Bargaining** *Required Reading:* * (11/17/26) Dodini, S., K. Salvanes, and A. Willen, "The Dynamics of Power in Labor Markets: Monopolistic Unions versus Monopsonistic Employers." IZA Institute of Labor Economics Working Paper No. 15635, Oct. 2022. *References:* GB Ch. 10; CCZ Ch. 7 Sections 1, 2, and 4

Lecture / Date	Content
L22: 11/19/26	**Discrimination** *Required Reading:* * (11/19/26) Craigie, T., "Ban the Box, Convictions, and Public Employment." *Economic Inquiry*, Sep. 2019. *References:* GB Ch. 9; CCZ Ch. 8 Sections 1, 2, 3, and 5.1 **Reading Reflection 4 due 11/20/26**
L23: 11/24/26	**Negotiation** *Required Reading:* * (11/24/26) Roussille, N., "The Role of the Ask Gap in Gender Pay Inequality." *Quarterly Journal of Economics* 139(3), Aug. 2024, pp. 1557–1610.
Part 4: Labor & Space	
L24: 12/1/26	**Labor Mobility** *Required Reading:* * (12/1/26) Derenoncourt, E., "Can You Move to Opportunity? Evidence from the Great Migration." *American Economic Review* 112(2), 2022, pp. 369–408. *References:* GB Ch. 8 Sections 1–3
L25: 12/3/26	**Commuting and the Labor Market** *Required Reading:* * (12/3/26) Le Barbanchon, T., R. Rathelot, and A. Roulet, "Gender Differences in Job Search: Trading off Commute against Wage." *Quarterly Journal of Economics* 136(1), Feb. 2021, pp. 381–426. *References:* Manning, A., "The Real Thin Theory: Monopsony in Modern Labour Markets." *Labour Economics* 10(2), 2003 **Problem Set 5 due 12/3/26 4:00pm**
L26: 12/8/26 L27: 12/10/26	**Immigration** *Required Reading:* * (12/8/26) Card, D., "The Impact of the Mariel Boatlift on the Miami Labor Market." *Industrial and Labor Relations Review* 43(2), Jan. 1990, pp. 245–257. * (12/8/26) Borjas, G. J., "The Wage Impact of the Marielitos: A Reappraisal." *ILR Review* 70(5), Oct. 2017, pp. 1077–1110. * (12/10/26) Galaasen, S., A. R. Kostol, J. Monras, and J. Vogel, "The Labor Supply Curve Is Upward Sloping: The Effects of Immigrant-Induced Demand Shocks." NBER Working Paper, Jun. 2025. *References:* GB Ch. 8 Sections 4–7; CCZ Ch. 11 Sections 2–3; **Reading Reflection 5 due 12/11/26**
Final Exam Date/location TBD	**Final Exam** (finals week)