Econ 2410hfc Syllabus

Professors Gabriel Chodorow-Reich and Paul Willen

Harvard University
Spring 2017

Course overview

Logistics
Meeting time: Thursday 3:00pm-5:30pm
Location: Littauer M-15
Course website: https://canvas.harvard.edu/courses/21313
Chodorow-Reich:
   Office hours: Tuesday 4-5:00 (Littauer M-7)
   Email: chodorowreich@fas.harvard.edu. Please include “econ 2410” in the subject line.
Willen:
   Office hours: TBA
   Email: paul.willen@researchfed.org.
TA: Michael Reher
   Office hours: TBA
   Email: mreher@g.harvard.edu.

Prerequisites
Completion of the first year Ph.D sequence, or permission of instructor.

Requirements in brief
Weekly readings, four homework assignments and a final “virtual” paper.

Grade
Virtual paper (65%), other homeworks (25%), class participation (10%)
Requirements details

Weekly readings

Much of the class will revolve around discussion of assigned readings. This makes it essential that you read the starred papers before lecture and come prepared to discuss and critique them.

Homework I

The first homework will be a problem set with a focus on building quantitative skills and familiarity with VARs. You may work together, but each student must submit his/her own independent write up. **Posted February 2. Due via email the evening before class on Wednesday February 8.**

Homework II

The second homework will be a problem set. You may work together, but each student must submit his/her own independent write up. **Posted February 9. Due via email the evening before class on Wednesday February 22.**

“Virtual” paper

This will be your main project for the course. The purpose of making the assignment a virtual paper is that we would rather you get 50% of the way toward a project you are excited to continue after the semester finishes than you complete a project in the timeframe of the course to which you will never return. You will formulate an original research idea, develop a practical plan for executing the idea, and take initial steps in the execution. The paper may take the following form:

1. Introduction: What is the question and why is the question of interest?

2. Literature Review: How does your paper fit into the broader literature?

3. Theoretical Motivation: This could be actual theory or just a sketch of the relevant theory that underlies your question.

4. Data: What data would you use to answer/address this question? Why are the data well suited to the question?

5. Empirical Methodology: How would you use the data to answer your question? Be explicit about identification and causality, keeping in mind that the same set of empirical facts can often support many theories. Depending on the nature of your question and the ease of accessing and using the data, I may ask you to make significant progress in the actual implementation of your proposed empirical work.
6. Falsification Tests: What other specifications, tests and investigations could either bolster or cast doubt upon the primary tests of your hypotheses?

7. Preliminary Results: The extent of the results provided will differ across students based on the project and discussions with me.

Deadlines for the virtual paper:

- **February 26**: Email a two page write up of proposed idea. Please include “econ 2410” in the subject line.

- **February 27-28**: Meet with Professor Chodorow-Reich to receive feedback.

- **April ?**: Email a five page update. Please include “econ 2410” in the subject line.

- **April ?**: Meet with Professor Willen to receive feedback.

- **May 5**: Papers due via email. Please include “econ 2410” in the subject line.

You may request approval to work jointly on the virtual paper. Of course the bar for sufficient progress will be higher for joint projects.

**Audit policy**

If you are a 3rd year or above and wish to audit the course, send us an email introducing yourself and so you can be added to the class list (as always, please include “econ 2410” in the subject line). Auditors are not required to complete the written assignments, but are expected to do the starred readings and participate in class.
Course outline

1. Overview

2. Applied time series techniques (February 2)


James Stock and Mark Watson. Factor models and structural vector autoregressions in macroeconomics. *Handbook of Macroeconomics*, 2016, Section 4

3. Applied papers: VARs (February 9)

Homework I due.


4. **Applied papers: Narrative approach (February 16)**


5. **Applied papers: Cross-sectional approach (February 23)**

Homework II due.


*Martin Beraja, Erik Hurst, and Juan Ospina. The aggregate implications of regional business cycles. 2016


*Gabriel Chodorow-Reich. Geographic cross-sectional fiscal multipliers: What have we learned? http://scholar.harvard.edu/files/chodorow-reich/files/cross_sectional_multipliers.pdf (You may read the appendix only.)
6. Macro labor (March 2)


