ECONOMICS 412: APPLIED MICROECONOMICS SEMINAR

The field of applied microeconomics (“applied micro”) is a fundamentally outward-looking branch of economics. Applied microeconomists take economic theories and methodologies out into the world in order to apply them to interesting questions of individual behavior and societal outcomes. This upper-level seminar will start with an overview of the field and its methodologies, followed by foundational material in economic theory and econometric identification. We will then address substantive areas such as environmental effects on health, the fetal origins hypothesis, and the economics of crime, gender, and race. Most of the course will be devoted to close reading of research papers, including discussion of the relative merits of particular theoretical and empirical methodologies. Students will participate actively in class discussion, engage with cutting-edge research, make oral presentations, evaluate empirical data, and write analytical papers.

Readings: We will read journal articles and book chapters. The readings are available online as e-reserves on the course website and on reserve in Frost Library. In order to be able to read actively and to participate fully in class discussion, you must bring hard copies to class. (Past experience shows that we are able to achieve much richer engagement with the work when students have hard copies in front of them. As an inferior alternative, you may use a tablet. However, you may not use a traditional laptop computer.)

Prerequisites: Economics 300/301 (Microeconomic Theory) is required.
Economics 360/361 (Econometrics) is required.

Grading: Grades for the course will be based on a variety of assignments, as follows:

- Reading and class participation (20%)
- Engagement papers (15%)
- Empirical assignments (20%)
- AEJ-Applied paper summary and discussion (10%)
- Final paper plan and draft (10%)
- Final paper (25%)

Class: Class meets Tuesdays and Thursdays from 10:00 to 11:20 in Converse 308. You must attend every class. You must arrive on time and be prepared to discuss the material in detail. You must print the papers out and bring them to class or bring a tablet with the papers easily accessible. No other technology use is permitted in class.
**Academic Honesty:** Students must abide by the *Amherst College Honor Code*, as outlined in the Student Handbook. Your work must be your own. If you consult any sources (including online sources), you must cite them clearly and completely; failure to do so constitutes plagiarism. If you work with others, you must make a note of that on your own assignment; failure to do so constitutes cheating. So that you have a clear understanding of your ethical obligations, I ask that you carefully reread the *Statement of Intellectual Responsibility* by September 10th. The following links may be helpful:

https://www.amherst.edu/academiclife/dean_faculty/fph/policies/sir
https://www.amherst.edu/campuslife/deanstudents/acadhonesty

**Engagement Papers:** You should do three of these during the semester, one in each month. You will choose the topic. In a single paragraph (about half a page, single-spaced), engage with some aspect of one of the papers we are reading for class that week. Turn in a PDF copy to the course dropbox by 6:00 pm the night before class, and bring a paper copy to class.

**Empirical Assignments:** There will be two or three short empirical assignments during the semester. In the first, you will brush up on your STATA skills. In the others, you will complete small data analyses related to the papers we are discussing. These assignments will be distributed at least a week before they are due. Turn in a PDF copy to the course dropbox by 6:00 pm the night before class, and bring a paper copy to class.

**Final Paper:** There are five articles on the syllabus from the *American Economic Journal: Applied Economics*. You will choose one of these articles to engage with closely during the semester. This engagement will involve a number of elements:

- Summary: prior to our class discussion of the paper, you will create a one-page summary of the paper that identifies several key issues or questions. (Turn a PDF in by 6pm the night before.)
- Class discussion: on the day we discuss the paper you have chosen, you will be responsible for facilitating a discussion of a particular empirical or theoretical issue you find interesting in the paper.
- Paper plan and draft: in mid-November, you will make a plan to use the paper’s data (available on the journal’s website) to answer a question that is related to the paper’s main question but is not directly covered in the paper itself. You also have the option of turning in a draft of your paper.
- Final paper: you will implement and discuss your analysis, turning in a 5-7 page paper at the final class meeting.
COURSE OUTLINE AND READINGS

September 2nd & 4th

• Intro: What is Applied Micro?
  o Pick an interesting article or two from the NBER working paper series and read it…

September 9th & 11th

• Early Life Influences and the Fetal Origins Literature

September 16th

• Thinking about Behavior
  o Any microeconomics textbook: review the classical economic model of individual behavior.
September 18th

- Understanding Evidence

September 23rd

- Doing Econometrics
  - Alan C. Acock. *A Gentle Introduction to Stata*, 3rd ed. Chapters 1, 4, 5. College Station, TX: Stata Press.

September 25th & 30th

- Methodology Case Study: Differences in Differences

(no class October 2nd)
October 7th, 9th, and 16th (note: no class October 14th)

- Environment and Health

October 21st & 23rd

- Paper Presentations

October 28th & 30th

- Crime
November 4th, 6th, 11th, 13th

- Gender

November 18th & 20th

- Race

December 2nd & 4th

- Additional topics, discuss final papers, and wrap up.