(Preliminary) Syllabus for ECON712 “Topics in Quantitative Macroeconomics”

Fall 2020

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Meeting times: Tuesday, Thursday, 1.30-3.00pm; October 27 – December 10

Room: Virtual (Zoom) almost surely

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Office Hours: TBD

This is a graduate course on quantitative macroeconomics, with an emphasis on household/firm heterogeneity and inequality. The list of topics and readings below is tentative: your input is very much appreciated, and we can flexibly add and drop topics and papers.

In terms of methods, the emphasis will be on a “Macro/Labor” approach: we take the micro data seriously, and apply them to study questions of macroeconomic interest.

The most important goal of this class is that it acts as a transition ramp for you to conduct original research (the toughest part of a PhD program). Therefore, we will discuss both seminal papers as well as current frontier research.

Class Structure

- Synchronous Activities
  - We use the regular lecture time slots (Tuesday and Thursday, 1.30-3.00pm)
  - Almost surely, all classes will be virtual (using Zoom)
  - Hopefully everyone can participate live, in which case we do not record lectures and upload them on Canvas
  - Perhaps we can conduct some in-person meetings in an appropriately safe setting

Assessment

- Referee Report (25%): provide a referee report on a recent working paper. Good choices include papers that are currently at R&R stage at top general interest or top macro field journals, and also NBER working papers. Any working paper is fine, subject to my approval. A referee report should consist of three sections: summary (~0.5 pages), essential points (~1 page), and suggestions (~1 page). See Berk, Harvey, Hirshleifer “How to Write an Effective Referee Report and Improve the Scientific Review Process”, JEP 2017.
• Term Paper (50%): Ideally, the term paper is a research proposal. Describe the question and why it matters; summarize the literature; describe what kind of data and model you (plan to) use; how to estimate/calibrate the model, and relatedly your identification strategy; share some preliminary results if possible (it can be from a simpler model version). If you are struggling to come up with a proposal, you may substitute this with a literature review + paper replication (one option would be to replicate a paper and add a twist to it). The goal here is to transition into research, and there are multiple ways to do so.

• Presentation (25%): you can choose to present your term paper OR the paper you wrote a referee report on OR some other paper that interests you and broadly fits into the class. The first option is probably going to maximize your objective function as a PhD student.

Background Readings:

1. Handbook Chapters and Survey Papers
   d. Quadrini, Rios-Rull (2015): Inequality in Macroeconomics, Chapter in Handbook of Income Distribution

2. Background Papers

Topics:

1. Income and Wealth Heterogeneity


f. Fagereng, Guiso, Malacrino, Pistaferri (2020): Heterogeneity and Persistence in Returns to Wealth, ECTA


2. Facts on the Labor Share

a. Autor, Dorn, Katz, Patterson, Van Reenen (2020): The Fall of the Labor Share and the Rise of Superstar Firms, QJE


3. Technological Change and the Labor Market


c. Hubmer (2019): The Race Between Preferences and Technology, working paper


e. Jarosch, Nimczik, Sorkin (2020): Granular Search, Market Structure, and Wages, working paper

5. Firm Heterogeneity in the Macroeconomy
