This syllabus covers a course in the economics of human capital. The course contains two parts. In the first part, we analyze the returns to human capital accumulated during formal schooling. We first examine the extensive literature on the returns to education, where we analyze different identification strategies, focusing on OLS, instrumental variable and regression discontinuity approaches. We then examine the returns to specific investments, including the returns to early-life cognitive and non-cognitive skills, the returns to course-taking in high school, as well as the role of college majors and college quality in affecting labor market outcomes. We also examine the role of human capital as a potential driver of gender and racial wage gaps.

In the second part of the course, we examine the drivers of post-schooling wage growth. We first consider theoretical and empirical evidence on the returns to labor market experience and tenure. We then analyze the literature on the role of employer learning about individuals' unobserved skills. We also examine the extensive literature on the returns to job training, as well as the methodological challenges associated with identification in this context. We also examine the returns of tasks in the labor market, and present empirical evidence regarding their importance. Lastly, we consider a growing literature on the role of firms in driving labor market outcomes and wage inequality.

This course presumes that students have successfully completed coursework in econometrics and a course in intermediate microeconomics. The course will not be based on a book, but rather on reading the papers assigned in each section. The reading list presented below contains readings that will be discussed in the lectures as well as other references for interested students. Additional papers may be added to each section during the semester.

Your grade in this course will be based upon on four problem sets (60 percent), two in-class quizzes (10 percent), and a final exam (30 percent). There will be two problem sets covering different topics for each part of the course. The final exam will be held on the last day of class and will cover all topics in the course.

**Tentative Problem Set Dates**

1. Due February 3. Distributed on Sunday 1/19.
4. Due April 15. Distributed on Sunday 3/29
Part I: Returns to Schooling and Human Capital Accumulation (13 lectures)

I. Returns to Schooling


II. Returns to Skills in the Labor Market


III. Returns to Investments in High School


IV. Returns to College Majors


V. Returns to College Quality


VI. Racial and Gender Wage Gaps


Part II: Post-Schooling Wage Growth (13 lectures)

1. Returns to Labor Market Experience and Firm Tenure


II. Consequences of Job Displacement


III. Models of Employer Learning


IV. The Returns to Job Training Participation


V. The Task Framework in the Labor Market


VI. The Importance of Firms in the Labor Market


