

## Economics 742a

### Bonus (Old) Lectures Reading List

In the past I have covered two topics that I am not covering this year: information in macro as it relates to aggregation and macro-labor. I am providing my old lecture notes on the website and the syllabus for that part of the course here. If you are interested in this material, I am happy to discuss it with you.

Note: Some papers I list as working papers may be published by the time you are reading this. I am not updating this document to reflect this.

#### **Regional Shocks and Evolutions (Beginning of Micro Data Unit)**

- Regional Dynamics and Variation
  - \*\* Blanchard and Katz (1992). “Regional Evolutions.” *BPEA*.
  - \*\* Yagan (2019) “Employment Hysteresis From the Great Recession.” *JPE*.
  - \* Autor, Dorn, and Hanson (2013). “The China Syndrome: Local Labor Market Effects of Import Competition in the United States.” *AER*.
  - \* Adao, Kolesar, and Morales (2019). “Shift-Share Designs: Theory and Inference.” *QJE*.
  - Goldsmith-Pinkham, Sorkin, and Swift (2020) “Bartik Instruments: What, When, Why and How.” *AER*.
  - Borusyak, Hull, and Jaravel (2021). “Quasi-Experimental Shift-Share Research Designs.” *Restud*.
  - Howard (2020) “The Migration Accelerator: Labor Mobility, Housing, and Aggregate Demand.” *AEJ: Macro*.
  - Suarez-Serrato and Zidar (2016) “Who Benefits from State Corporate Tax Cuts? A Local Labor Market Approach with Heterogeneous Firms.” *AER*.
  - Saiz (2010) “The Geographic Determinants of Housing Supply.” *QJE*.
  - Palmer (2015) “Why did So Many Subprime Borrowers Default During the Crisis: Loose Credit or Plummeting Prices?” WP.
  - \* Guren, McKay, Nakamura, and Steinsson (2021). “Housing Wealth Effects: The Long View.” *Restud*.
  - Chodorow-Reich (2020) “Regional Data in Macroeconomics: Some Advice For Practitioners” *JEDC*.

#### **Information in Macro, Relation to Aggregation (End of Micro Data Unit)**

- Information, Expectations, and Aggregation
  - \*\* Angeletos and La'O (2010) “Noisy Business Cycles. *NBER Macro Annual*.
  - \* Angeletos and Lian (2017) “Incomplete Information in Macroeconomics: Accommodating Frictions in Coordination.” *Handbook of Macroeconomics*.
  - \*\* Angeletos and Lian (2017) “Dampening GE: From Micro to Macro.” WP.
  - \*\* Gorodnichenko and Coibion (2012) “What Can Survey Forecasts Tell Us About Informational Rigidities.” *JPE*.
  - Gorodnichenko and Coibion (2015) “Information Rigidity and the Expectation Formation Process: A Simple Framework and New Facts.” *AER*.

- Angeletos and La'O (2013) "Sentiments." *EMCA*.

## Price Rigidity at the Micro Level

- Overviews
  - Klenow and Malin (2010) "Microeconomic Evidence on Price Setting." *Handbook of Monetary Economics*.
  - \*\* Nakamura and Steinsson (2013) "Price Rigidity: Microeconomic Evidence and Macroeconomic Implications." *Annual Review of Economics*.
- Evidence For Monetary Non-Neutrality
  - \* Christiano, Eichenbaum and Evans (1999) "Monetary Policy Shocks: What Have We Learned and To What End?" *Handbook of Macroeconomics*.
  - \* Romer and Romer (2004) "A New Measure of Monetary Shocks: Derivation and Implications." *AER*.
  - Romer and Romer (1989) "Does Monetary Policy Matter? A New Test in the Spirit of Friedman and Schwartz." *NBER Macroeconomics Annual*.
  - Mankiw (2001) "The Inexorable and Mysterious Tradeoff Between Inflation and Unemployment." *EJ*.
  - Fuhrer (2011) "Inflation Persistence." *Handbook of Monetary Economics*.
  - \* Nakamura and Steinsson (2018) "High Frequency Identification of Monetary Non-Neutrality: The Information Effect." *QJE*.
- Evidence on Price Adjustment
  - \* Bils and Klenow (2004) "Some Evidence on the Importance of Sticky Prices." *JPE*.
  - \*\* Nakamura and Steinsson (2008) "Five Facts About Prices: A Reevaluation of Menu Cost Models." *QJE*.
  - \*\* Klenow and Kryvtsov (2008) "State Dependent or Time Dependent Pricing: Does it Matter for Recent U.S. Inflation." *QJE*.
  - Gagnon (2009) "Price Setting During Low and High Inflation: Evidence from Mexico." *QJE*.
  - Alvarez, Gonzales-Rozada, Neumeyer, and Beraja (2019) "From Hyperinflation to Stable Prices: Argentina's Evidence on Menu Cost Models." *QJE*.
  - Eichenbaum, Jaimovich and Rebelo (2011) "Reference Prices, Costs, and Nominal Rigidities." *AER*.
- Theory of Price Adjustment: (S,s) Models
  - Math Reference: Dixit and Pindyck (1994) *Investment Under Uncertainty*.
  - Sheshinski and Weiss (1977) "Inflation and Costs of Price Adjustment." *RESTUD*.
  - \* Caplin and Spulber (1987) "Menu Costs and the Neutrality of Money." *QJE*.
  - Caplin and Leahy (1991) "State-Dependent Pricing and the Dynamics of Money and Output." *QJE*.
  - Dotsey, King and Wolman (1999) "State Dependent Pricing and the General Equilibrium Dynamics of Money and Output." *QJE*.
  - \*\* Golosov and Lucas (2007) "Menu Costs and Phillips Curves." *JPE*.
  - \* Caballero and Engel (2007) "Price Stickiness in Ss models: New Interpretations of Old Results." *JME*.

- \*\* Midrigan (2011) “Menu Costs, Multi-Product Firms, and Aggregate Fluctuations.” *Emca*.
- Gertler and Leahy (2008) “A Phillips Curve with an Ss Foundation.” *JPE*.
- Alvarez and Lippi (2014) “Price Setting With Menu Cost for Multi-Product Firms.” *Emca*.
- Alvarez, Le Bihan and Lippi (2016) “The Real Effects of Monetary Shocks in Sticky Price Models: A Sufficient Statistic Approach.” *AER*.
- Blanco and Baley (2017) “Firm Uncertainty Cycles and the Propagation of Nominal Shocks.” *AEJ: Macro*.
- Persistence and Strategic Complementarity
  - Cooper and John. 1988. “Coordinating Coordination Failures in Keynesian Models.” *QJE*.
  - \*\* Ball and Romer (1990) “Real Rigidities and the Non-Neutrality of Money.” *RESTUD*.
  - Kimball (1995) “The Quantitative Analytics of the Basic Neomonetarist Model.” *JMCB*.
  - \* Basu (2005). “Comment on: ‘Implications of State-Dependent Pricing for Dynamic Macroeconomic Modelling.’”
  - Nakamura and Zerom (2010) “Accounting For Incomplete Pass-Through.” *RESTUD*.
  - \* Guren (2018) “House Price Momentum and Strategic Complementarity.” *JPE*.
  - \* Basu (1995) “Intermediate Goods and Business Cycles: Implications For Productivity and Welfare.” *AER*.
  - Carvalho (2006) “Heterogeneity in Price Stickiness and the Real Effects of Monetary Shocks.” *BE Journal of Macroeconomics*.
  - \*\* Nakamura and Steinsson (2010) “Monetary Non-Neutrality in a Multi-Sector Menu Cost Model.” *QJE*.
  - Chari, Kehoe, and McGrattan (2000) “Sticky Price Models of the Business Cycle: Can the Contract Multiplier Solve the Persistence Problem?” *Emca*.
  - \* Klenow and Willis (2016). “Real Rigidities and Nominal Price Changes.” *Economica*.
  - \* Bils, Klenow, and Malin (2012). “Reset Price Inflation and the Impact of Monetary Policy Shocks.” *AER*.
  - \* Gopinath and Itskhoki (2011). “In Search of Real Rigidities.” *NBER Macroeconomics Annual*.
  - Kryvtsov and Midrigan (2012) “Inventories, Markups, and Real Rigidities in Menu Cost Models.” *RESTUD*.
  - Mongey (2021) “Market Structure and Monetary Non-Neutrality.” WP.
  - Simmons (2021) “Real Rigidities Strike Back: Sticky Basket Prices and Monetary Non-Neutrality.” WP.
- International Evidence
  - \* Gopinath and Itskhoki (2010) “Frequency of Adjustment and Exchange Rate Pass Through” *QJE*.
  - Gopinath, Itskhoki, and Rigobon (2010) “Currency Choice and Exchange Rate Pass-Through.” *AER*.
  - Berger and Vavra (2014) “Volatility and Pass Through.” WP.

- Amiti, Itskhoki, and Koenigs (2014) “Importers, Exporters, and Exchange Rate Disconnect.” *AER*.
- \* Amiti, Itskhoki, and Koenigs (2019) “International Shocks, Variable Markups, and Domestic Prices” *Restud*.
- \* Atkeson and Burstein (2008) “Pricing to Market, Trade Costs, and International Relative Prices.” *AER*.
- Time Variation
  - \*\* Vavra (2014) “Inflation Dynamics and Time-Varying Volatility: New Evidence and an Ss Interpretation.” *QJE*.
  - Gilchrist, Schoenle, Sim, and Zakrajsek (2017) “Inflation Dynamics During the Financial Crisis.” *AER*.
  - Klepacz (2017). “Price Setting and Volatility: Evidence From Oil Price Volatility Shocks.” WP.

## Macro-Labor

- Overviews
  - \*\* Rogerson, Shimer, and Wright (2005) “Search Theoretic Models of the Labor Market.” *JEL*.
  - \* Pissarides (2000) *Equilibrium Unemployment Theory, 2<sup>nd</sup> Edition*
- Facts
  - \* Elsby, Hobijn, and Sahin (2011) “The Labor Market in the Great Recession: An Update.” *BPEA*.
  - Blanchard and Diamond (1989) “The Beveridge Curve.” *BPEA*.
  - Davis, Faberman, Haltiwanger (2006) “The Flow Approach to Labor Markets: New Data Sources and Micro-Macro Linkages.” *JEP*.
  - \* Elsby, Michaels, and Solon (2009) “The Ins and Outs of Cyclical Unemployment.” *AEJ: Macro*.
  - \* Shimer (2012) “Reassessing the Ins and Outs of Unemployment.” *RED*.
  - Petrolongo and Pissarides (2001) “Looking Into the Black Box: A Survey of the Matching Function.” *JEL*.
- Partial Equilibrium Search
  - McCall (1970). “Economics of Information and Job Search.” *QJE*.
  - Diamond (1970) “A Model of Price Adjustment.” *JET*.
  - \* Jovanovic (1979) “Job Matching and the Theory of Turnover.” *JPE*.
- Random Search: The DMP Model
  - Pissarides (1985) “Short-Run Equilibrium Dynamics of Unemployment Vacancies and Real Wages.” *AER*.
  - \*\* Mortensen and Pissarides (1994) “Job Creation and Job Destruction in the Theory of Unemployment.” *RESTUD*.
  - Hosios (1990) “On the Efficiency of Matching and Related Models of Search and Unemployment.” *RESTUD*.
- Directed Search
  - Moen (1997) “Competitive Search Equilibrium.” *JPE*.
  - \* Menzio and Shi (2010) “Efficient Search on the Job and the Business Cycle.” *JPE*.
- Wage Dispersion

- \* Hornstein, Krusell, and Violante (2011). “Frictional Wage Dispersion in Search Models: A Quantitative Assessment.” *AER*.
- Unemployment Volatility and the “Shimer Puzzle”
  - \*\* Shimer (2005) “The Cyclical Behavior of Equilibrium Unemployment and Vacancies.” *AER*.
  - \* Hagedorn and Manovskii (2008) “The Cyclical Behavior of Equilibrium Unemployment and Vacancies Revisited.” *AER*.
  - \* Hall (2005) “Employment Fluctuations and Equilibrium Wage Stickiness.” *AER*.
  - Hall and Milgrom (2008) “The Limited Influence of Unemployment on the Wage Bargain.” *AER*.
  - Gertler and Trigari (2009) “Unemployment Fluctuations With Staggered Nash Wage Bargaining.” *JPE*.
  - \*\* Pissarides (2009) “The Unemployment Volatility Puzzle: Is Wage Stickiness the Answer?” *Emca*.
  - \* Michaillat (2012) “Do Matching Frictions Explain Unemployment? Not in Bad Times.” *AER*.
  - \* Schoefer (2016) “The Financial Channel of Wage Rigidity.” WP.
  - Hall (2017) “High Discount Rates and High Unemployment.” *AER*.
  - \*\* Ljungqvist and Sargent (2017) “The Fundamental Surplus.” WP.
- Wages
  - Elsby, Shin, and Solon (2016) “Wage Adjustment in the Great Recession and Other Downturns: Evidence from the United State and Great Britain.” JOLE.
  - Barsky Solon, and Parker (1994) “Measuring the Cyclical of Real Wages: How Important is Composition Bias?” *QJE*.
  - Guimares, Carneiro and Portugal (2012) “Real Wages and the Business Cycle: Accounting for Workers and Firm Heterogeneity” *AEJ: Macro*.
- Scarring and Long-Run Effects
  - \* Jacobson, LaLonde, and Sullivan (1993) “Earnings Losses of Displaced Workers.” *AER*.
  - Couch and Placzek (2010) “Earnings Loses of Displaced Workers and the Business Cycle: Ana Analysis With Administrative Data.” *AER*.
  - Von Wachter, Song, and Manchester (2009) “Long-Term Earnings Losses Due to Mass Layoffs During the 1982: An Analysis Using U.S. Administrative Data from 1974 to 2004.” WP.
  - Flaaen, Shapiro, and Sorkin. (2018). “Reconsidering the Consequences of Worker Displacements: Firm Versus Worker Perspective.” *AEJ: Macro*.
  - \* Davis and Von Wachter (2011) “Recessions and the Cost of Job Loss.” *BPEA*.
  - Hall (1995) “Lost Jobs.” *BPEA*.
  - \* Pries (2004) “Persistence of Employment Fluctuations: A Model of Recurring Job Loss.” *JPE*.
  - \*\* Jarosch (2015) “Searching for Job Security and the Consequences of Job Loss.” WP.