

Economics 742

Adam Guren and Robert King, Spring 2024

Class Time and Location:

Tuesday and Thursday 9:30-10:45am in Room 315

Instructors:

Adam Guren

guren@bu.edu

270 Bay State Rd., Room 406

OH: W 3:30-5, M 9-10:30 (before Spring Break), Tu 11-12:15 (after Spring Break), and by appointment. *Please email ahead so I can stagger students.*

Robert King

rgkbucourses@gmail.com

270 Bay State Rd., Room 502

OH: Sign up for 15-minute blocks using Google Calendar at www.bu.edu/econ/rking
Send an outline via email 24 hours in advance.

Course Overview:

This course is the second half of the second-year macroeconomics field sequence that focuses on active research topics related to the instructors' expertise. We will review recent research in the field of macroeconomics and provide feedback and guidance for student research projects. The course is split into two parts taught separately by Professors Guren and King. A reading list for each part will be posted on Blackboard.

Topics Covered by Adam (until 2/29):

- Micro Data and Identification in Macroeconomics
- Housing Markets and Macroeconomics
- Heterogenous Agent New Keynesian Models

Topics Covered by Bob (Starting 3/7):

- Monetary Policy and Bond Markets
- Communication and Commitment

Course Requirements:

Required Readings and Course Participation (40% of grade)

For Adam's Part (20% of total grade)

To produce new macroeconomic knowledge, you must first be able to consume and synthesize the existing ideas of macroeconomists. For each class meeting, one to two journal articles will be specified on the course reading list as required reading.

- **Summary Slides:** For classes 2-9, each student will prepare a 2-slide summary of each article assigned as required reading. The first slide should briefly summarize the conclusions of the article. The second slide should present an analysis of the paper: a critique or an idea related to the paper. To receive credit for each assigned reading, students must email their summary slides to the instructor no later than **3pm the day before the class meeting**.
- **In Class Presentation of HANK Paper:** An important skill to develop is to be able to present a paper in a seminar. This assignment is meant to provide students an opportunity to present a paper that is not their own to the class.

For the last four lectures of Adam's part from **February 20 to February 29**, the class will be structured as a reading group on Heterogenous Agent New Keynesian Models. We will cover two papers, and everyone will be expected to read the papers. At the beginning of the semester, each student will choose a paper to present for this portion of the class. Every student will be expected to teach the paper to the class. You should plan for a presentation of 25 mins uninterrupted with no more than 25 slides. We will discuss the paper as a group for about 10 minutes (which may be interspersed with the presentation).

There is also a list of related papers for each paper. Please look briefly at these related papers and mention them in your presentation if you think it would be useful. You do not need to read them with the same level of detail and care as the main paper (see Adam's notes for examples of how to briefly summarize related papers).

Please send Adam your slides at least 48 hours before your presentation. Adam will work with you on refining them as necessary. He will also post them on the website so that other students will have them for note taking.

For Bob's Part (20% of total grade)

- **Summary slides on selected course readings:** For specified sessions in the second half of the course, each student will prepare a 4-slide summary of a specific article assigned as required reading. The first slide should briefly summarize the substantive conclusions of the article. The second slide should clearly state the author(s)'s description of the contribution of the article and the student's appraisal of this contribution. The third slide should provide a critique of the paper. The fourth slide

should express a new research idea related to the paper. To receive credit, students must email slides to Bob no later than 3 pm the day before the class meeting. Bob may call on specific students to discuss slides in class.

- **Pseudo conference module:** Conference-related activities are very important for effective marketing of research. This course module is designed to start training you to make effective presentations but is based on the idea that it is easier to do so with someone else's research. We will use **recent job market papers (JMP)**.
- **Teams and Papers:** Each student will be assigned a paper by January 17 (start of classes) as well a teammate for this activity. Teams and papers are assigned by the instructor but with some consideration given to student areas of research interest. Each team will prepare the following items by the following dates (additional details will be provided on blackboard)
 - Three-page summary of JMP and 2 key predecessors (due FR March 8)
 - Poster: On TU March 19, each team will submit a poster describing the contributions of the JMP, two pages of bullet points to accompany a poster presentation, and a 3-minute recorded presentation. On FR March 22 one// team member will present the poster within the 3-minute window, with 2 minutes for follow up questions. It is not necessary to produce a physical poster, but the presentation should be in poster format. This FR session may be in person or via Zoom depending on room availability.
 - Conference presentations and discussions: Conference presentations and discussions are among the most important activities for academic researchers. For each assigned, the teammates will work to produce (a) a set of slides for a 12-minute presentation, (b) a set of slides for an 8-minute discussion, and (c) a prepared response to points raised by the discussant and questions from the floor. Conference sessions will be held on TU March 26 and TH March 28.
 - Referee report on JMP: Due M April 1
- **External presenters.** A feature of recent versions of Part 2 of EC742 has been presentations by external visitors, talking on topics related to the class and visiting via Zoom. Such sessions may be held during normal class times but also during Friday afternoons from 3 to 5:30. If you can, please do not schedule other Friday afternoon activities during Part 2 of the course. But, as such sessions are recorded, it will be possible to gain from these sessions in the event that a student has a conflict.

Grading for Part 2 of EC742 will be based on these activities (summary slides and pseudo conference elements) but also on class participation. Details will be discussed in class.

Research Project (60% of grade)

Students will be expected to begin and provide concrete progress on an independent research project over the course of the semester. It is our hope that this project can serve as the foundation for a student's second-year paper or future dissertation research.

Some guidelines and rules:

1. We define macroeconomics broadly. Our goal is for this to be useful for you, not for this to fit into a “macroeconomics” box but not be useful for your future research.
2. You may continue work on a research topic that you worked on for a prior class. In this case, we ask that you submit your final proposal or research from that class with your topic memo so that we know where you left off. You will be expected to make substantial progress (as discussed below) on this baseline rather than on the baseline of a new idea.
3. You may not turn in the same project or work for EC 742 and for another class this term. Nonetheless, students have in the past subdivided a research project across two classes and done different components for each class (e.g., here is my overall research idea, for EC 742, I will develop the theory and for development, I will develop the empirics).
4. We want to encourage co-authorship among Ph.D. students. To that end, you are welcome to work in pairs for our class, but second year papers cannot be coauthored (this is a department rule). If you work in pairs, you will be expected to produce roughly twice as much progress as a student working alone.

Step 0: Topic Selection

- **Friday February 9** 2-5pm: Each student meets individually with Bob and Adam together for 15 minutes to discuss your research interests and potential topics. By Wednesday February 7 at 5pm, students e-mail Bob and Adam at least three ideas for potential presentation topics. Sign-ups will be distributed soon.
- After the first meeting, we will assign students a project adviser based on their interests. You are welcome to meet with the instructor who is not your adviser and/or macro faculty members not teaching 742 about your project. However, during weeks with required one-on-one meetings with your project adviser, we ask that you not meet with the other instructor so that project advisers can allocate enough attention to their advisees.
- **Tuesday February 20**: Students select their topic and send a two-page memo outlining the topic, data (if empirical), methods, and relation to the literature to both instructors.

Step 1: Research Proposal

Formulating specific goals and planning for their implementation forces a researcher to think about what might be learned from their work. Students will present a research proposal with a set of concrete objectives and steps for completion of their research project.

- **Week of February 20**: Each student meets individually with their project adviser to discuss and refine their selected topic based on their memo. This will be scheduled

with their project adviser at a mutually agreeable time.

- **Tuesday, March 5 in class (9-10:45 a.m.):** Each student gives an 8-minute presentation of their proposed research. You have *no more than six slides* to motivate the topic, explain the idea clearly, provide some preliminary evidence or analysis, and explain what the next steps are for the research. Because students will be expected to provide results by the end of the semester in step 3, students should clearly explain what they plan to achieve in that time frame. Students are expected to be present for all their peers' presentations and to provide peer feedback.

Step 2: Research Results

To contribute to macroeconomic knowledge, a researcher must produce results. This process is the core of research and often requires the acquisition of new skills and creative problem-solving effort. To ensure that students gain experience with the implementation of a research plan, each student will present preliminary results building on their proposal from part 2. *Note that after your part 1 presentation, you will not be able to change topics.*

- **Week of March 18:** Each student meets individually with their project adviser to get feedback on your research proposal presentation and discuss plans for what results are reasonable to achieve by the final presentation.
- **Mid-April:** Each student meets individually with their project adviser to review their progress and decide on specific goals for the final presentation.
- **April 30 in class (Starting at 8:30):** Each student gives a 12-minute in-class presentation of their preliminary research results. The presentation should be *no more than eight slides*. Students should include an introduction motivating their work project, their results, and a plan of where to continue next. *The presentation should not assume that we have seen their step two presentation and should explain and motivate everything as if we have never heard of their research before.* Students must also submit a research paper outline of at least three pages based on their results.

Other Course Policies

Generative Artificial Intelligence We understand that generative artificial intelligence is becoming an important aid for researchers. This is particularly true for coding. However, we want to make sure you get the most out of the course. To that end, we have a few policies regarding AI:

1. You must clearly indicate when and how you used AI to assist you with an assignment.
2. You should not use AI for any assignments where you are required to summarize a paper. The point of the class is for you to do the readings and think critically about them. We do not want you to use AI to do this.

3. You may use AI for an overall literature review, to help analyze data and find facts for research, and to help you code.

If anything is unclear regarding this policy, please contact us.

Job Market Papers used in Bob's Part Some guidelines for the job market paper component in Bob's part:

- Do not contact the author of the JMP.
- If you locate the author's slides on the internet, you must provide a copy to the instructor.
- If you find a conference discussion of the JMP, you must provide a copy to the instructor.

Summary of Important Dates:

- February 7 by 5pm: Email with three ideas for research project
- February 9 2:30-5: Meet with Bob and Adam
- February 20 by 5pm: Two-page research topic memo due via email
- February 20-29: Student HANK reading group presentations
- March 5 (9-10:45): Research Proposal Presentations
- March 7: External speaker
- March 8: Three-page summary of JMP due to Bob by email
- Week of 18: Meet with project adviser
- March 19 by 5pm: Posters and video due to Bob.
- March 22 (F 3-5:30): Poster presentations
- March 26 and 28: Teams present their papers.
- April 1: Referee report due to Bob.
- Mid-April: Meet with project adviser
- April 16-18: Auclert DV Lectures in Class
- April 30 (8:30-10:45): Final Student Presentations. Three-page outline due.