

Topics in Family Economics

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Master Seminar - Spring term 2021

Seminar description

Goals and contents of the module: In this seminar we will discuss current research in family economics. The range of topics includes taxation of households/families; how laws and public policies impact marriage and divorce; the effects of parenthood on labour market outcomes; fertility decisions; child development; the impact of family policies; how the Covid-19 crisis affected families. The main focus of the course (with a few exceptions) will be on macro-style papers.

We will study several research papers that utilize empirical techniques and economic modelling to understand different forces driving effects on household choices and the family structure. Studying the economic determinants of families is important for at least two reasons: first, decisions within the family can have long-run welfare effects via aggregate economic outcomes such as growth and inequality in an economy. Second, it is crucial to understand the effects of and (optimal) design of policies related to e.g. parenthood, childbearing, divorce, taxation of families and households.

Students will choose a paper from the reading list and present it in the seminar. They are expected to participate actively in discussions. After the presentation, they will write a seminar paper summarizing and critically evaluating the paper as well as briefly proposing potential extensions.

Expected competences acquired after completion of the module: Students will learn about the recent developments in the family economics literature and understand how the current literature can be extended. The seminar will help students to gain knowledge in economic modelling of family decision making and the application of different empirical methods. The students will develop skills to critically evaluate frontier research. Especially, they will practice to present main findings and deliver their own discussions of the reasearch and improve their writing skills.

Basic information

Requirements: The registered participants in the seminar are expected to pick one paper of the attached reading list and present it in the seminar by summarizing, critically evaluating, and comparing it to the related literature. In addition to that, they need to submit a seminar paper with a maximum of 30,000 characters (ignoring whitespace). Students are also expected to read some additional (lighter) material which will be featured in a general discussion during the seminar (from voxEU, etc.).

Grading and ECTS credits: The final grade is based on the seminar paper (50 %), the presentation (40%), and active participation in discussions in class (10 %). The seminar counts for 5 ECTS.

Registration: The registration and allocation of seminars takes place in Portal2 via the registration module „Seminar Registration MSc Economics“. The registration period begins on 19 February and ends on 25 February. International exchange students should contact Sebastian Herdtweck (econgrad@uni-mannheim.de).

Selection of topic/paper: Students who have received a slot in the seminar should send me at least 3 papers ranked by their preferences chosen from the attached reading list (koll@uni-mannheim.de). Based on that, I will then assign topics/papers to all participants.

Orientation meeting: The general orientation meeting will take place on Thursday February 18, 2021, 10:15am - 11:30am. An additional meeting restricted to participating students will take place towards the end of March / beginning of April.

Presentations: The presentations will take place on Thursday April 29, 2021 and Friday April 30, 2021. The exact timetable will be announced after the registration took place.

Deadline to hand in seminar paper: Friday May 21, 2021, 6pm.

Contact and Office Hours:

- Office: L7, 3 - 5, P.01
- Mail: koll@uni-mannheim.de
- Office Hours: tba

Topics

Introductory (background) papers on the overall topic are Greenwood, Guner, and Vandembroucke 2017 and Doepke and Tertilt 2016. A background paper on child development is Cunha and Heckman 2007. They cannot be chosen for presentation though. Possible topics/papers are:

Taxes and Labor supply of households/married couples

- Guner, Kaygusuz, and Ventura 2012
- Bick and Fuchs-Schündeln 2018

Divorce laws and their dynamic impact

- Voena 2015
- Foerster 2020

Marriage

- Aiyagari, Greenwood, and Guner 2000
- Greenwood, Guner, Kocharkov, and Santos 2016
- Low, Meghir, Pistaferri, and Voena 2018
- Persson 2020

Child development

- Bernal 2008
- Moschini 2020

Childcare and child-related transfers

- Bick 2016
- Hannusch 2020
- Guner, Kaygusuz, and Ventura 2020

Motherhood and labor market outcomes

- Adda, Dustmann, and Stevens 2017
- Blundell, Costa Dias, Meghir, and Shaw 2016

Fertility

- Doepke and Kindermann 2019

Covid and Families

- Alon, Doepke, Olmstead-Rumsey, and Tertilt 2020
- Fuchs-Schündeln, Krueger, Ludwig, and Popova 2020

References

- Adda, J., C. Dustmann, and K. Stevens (2017). “The Career Costs of Children”. *Journal of Political Economy* 125.2, 293–337. URL: <https://www.journals.uchicago.edu/doi/10.1086/690952?mobileUi=0>.
- Aiyagari, S. R., J. Greenwood, and N. Guner (2000). “On the State of the Union”. *Journal of Political Economy* 108.2, 213–244. URL: <http://www.jstor.org/stable/10.1086/262117>.
- Alon, T., M. Doepke, J. Olmstead-Rumsey, and M. Tertilt (2020). “This Time It’s Different: The Role of Women’s Employment in a Pandemic Recession”. URL: http://tertilt.vwl.uni-mannheim.de/research/ADOT%7B%5C_%7DNov2020.pdf.
- Bernal, R. (2008). “The Effect of maternal employment and child care on children’s cognitive development”. *International Economic Review* 49.4, 1173–1209. URL: <https://doi.org/10.1111/j.1468-2354.2008.00510.x>.
- Bick, A. (2016). “The Quantitative Role of Child Care for Female Labor Force Participation and Fertility”. *Journal of the European Economic Association* 14.3, 639–668. URL: <https://academic.oup.com/jeea/article/14/3/639/2194872>.
- Bick, A. and N. Fuchs-Schündeln (2018). “Taxation and Labour Supply of Married Couples across Countries: A Macroeconomic Analysis”. *The Review of Economic Studies* 85.3, 1543–1576. URL: <https://doi.org/10.1093/restud/rdx057>.
- Blundell, R., M. Costa Dias, C. Meghir, and J. Shaw (2016). “Female Labor Supply, Human Capital, and Welfare Reform”. *Econometrica* 84.5, 1705–1753. URL: <https://doi.org/10.3982/ECTA11576>.
- Cunha, F. and J. Heckman (2007). “The Technology of Skill Formation”. *American Economic Review* 97.2, 31–47. URL: <https://www.aeaweb.org/articles?id=10.1257/aer.97.2.31>.
- Doepke, M. and M. Tertilt (2016). “Families in Macroeconomics”. *Handbook of Macroeconomics*. Ed. by J. B. Taylor and H. Uhlig. Vol. 2B. Handbook of Macroeconomics. Elsevier. Chap. 23, 1789–1891. URL: <http://www.sciencedirect.com/science/article/pii/S1574004816300064>.
- Doepke, M. and F. Kindermann (2019). “Bargaining over Babies: Theory, Evidence, and Policy Implications”. *American Economic Review* 109.9, 3264–3306. URL: <http://www.aeaweb.org/articles?id=10.1257/aer.20160328>.
- Foerster, H. (2020). “Untying the Knot: How Child Support and Alimony Affect Couples’ Decisions and Welfare”.
- Fuchs-Schündeln, N., D. Krueger, A. Ludwig, and I. Popova (2020). “The Long-Term Distributional and Welfare Effects of Covid-19 School Closures”.

- Greenwood, J., N. Guner, G. Kocharkov, and C. Santos (2016). “Technology and the Changing Family: A Unified Model of Marriage, Divorce, Educational Attainment, and Married Female Labor-Force Participation”. *American Economic Journal: Macroeconomics* 8.1, 1–41. URL: <https://www.aeaweb.org/articles?id=10.1257/mac.20130156>.
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- Moschini, E. (2020). “Child Skill Accumulation in One- and Two-Parent Families”. URL: <https://egmoschini.github.io/Moschini%202020.pdf>.
- Persson, P. (2020). “Social Insurance and the Marriage Market”. *Journal of Political Economy* 128.1, 000. URL: <https://doi.org/10.1086/704073>.
- Voena, A. (2015). “Yours, Mine, and Ours: Do Divorce Laws Affect the Intertemporal Behavior of Married Couples?” *American Economic Review* 105.8, 2295–2332. URL: <http://www.aeaweb.org/articles?id=10.1257/aer.20120234>.