ECON 642:
Topics in Applied Macroeconomics
Winter 2023/2024

University of Maryland, College Park
Master of Science Program in Applied Economics
Washington, DC location: 1400 16th St, NW, Suite 140

Syllabus Version (11/25/2023)
Lecturer: Samuel Rowe
Email: srowe124@umd.edu

Course Meeting: Wednesday 6:45pm-9:30pm, 1400 16th St, NW, Suite 140
There will be a 15-minute break between 7:45 and 8:30.
Office Hours: Monday 6:00-6:30 by appointment via Zoom or by request appointment

TA: Andrea Vlichez, andreav@umd.edu
TA Office Hours: Friday 6:00-6:30 by appointment via Zoom

Please note that the views do not represent the Health Resources and Services Administration or the Department of Health and Human Resources.

Course description: This is the core macroeconomic course in the applied economics M.S. program. This course focuses on understanding of the aggregate economy in the short and long run. The course will study properties of macroeconomic concepts, such as gross domestic product, inflation, and unemployment, along with macroeconomic models, such as models of growth, business cycles, labor markets, and investment. The course will also study the impacts of fiscal and monetary policies on the aggregate economy.

Our program has 7 general learning objectives:

1. Ability to understand, evaluate and analyze economic data
2. Ability to understand and interpret statistical evidence from economic data
3. Ability to apply empirical evidence to assessing economic arguments
4. Ability to apply macroeconomic theories to policy discussions
5. Ability to apply microeconomic theories to policy discussions
6. Ability to communicate economic ideas to a broader audience
7. Ability to evaluate the effectiveness of policy programs using sound economic techniques

The learning outcomes that pertain to this course are: 1, 3, 4, and 6

Course textbooks and learning materials

The lectures will utilize two textbooks and the chapters are indicated in the course schedule.

Required:
A Course in Modern Macroeconomics, Pablo Kurlat. (2020). Online version available for purchase here: https://sites.google.com/view/pkurlat

Intermediate Macroeconomics, Version 3.0.1. (GLS), Julio Garin, Robert Lester, and Eric Sims. (2021). Text freely available at
https://juliogarin.com/files/textbook/GLS_Intermediate_Macro.pdf

Supplemental Reading:
Additional Articles will be available on ELMS for online discussions

Grading

- Midterm: 30%
- Final: 30%
- Problem Sets: 20%
- Presentation/Replication Project: 10%
- Online Discussion: 10%
- Final Grade:

A	A-	B+	B	B-	C+	C	C-	D+	D	F
93-100	90-92	80-89	70-79	60-69	50-59	40-49	30-39	20-29	10-19	0-9

Exams:
The midterm will cover material from week 1 through week 5. The final will cover material from week 6 through week 11.

Problem Sets:
There will be four problem sets throughout the session. You will have one to two weeks to complete the assignment. You can discuss the problem sets with your classmates, but you work must be original and your own. All problem sets will need to be submitted electronically through ELMS. Please include your document file (.docx or .pdf). Answers will be posted on ELMS soon after the assignment is due.

Group Presentation:
Students will work in groups of 2-3 depending upon the size of the class. Students will sign up for a topic related to the course using a google sheet on ELMS. Each member of the group will contribute to produce a PowerPoint presentation about 15 minutes (no more than 10 slides) to be presented in class. The group will send a draft of the slides for me to review and provide feedback the weekend before presenting the slides. The following information should be provided: 1) The research question of interest, 2) literature review, 3) data and methods, 4) results and policy implications or tradeoffs, and 5) student feedback from material studied in the course.

Suggested Literature List for Group Presentations
There is a suggested reading list for group presentations, which I will put on ELMS for students to sign up. Your group can present other relevant papers beyond this list.

Tania Babina, Alex Xi He, Sabrina T Howell, Elisabeth Ruth Pelman, and Joseph Stadut. Cutting the innovation engine: How federal funding shocks affect university patenting, entrepreneurship, and publications. The Quarterly Journal of Economics, 2023, 138(2):895-954. URL https://doi.org/10.1093/qje/qjac046

Shubhdeep Deb, Jan Eeckhout, Aseem Ptel, and Lawrence Warren. What drives wage stagnation: Monopsony or monopoly? Journal of the European Economic Association 2022, 20:2181-2225 URL https://doi.org/10.1093/jeea/jvac060

Emek Basker, and Timothy Simcoe. Upstream, downstream: diffusion and impacts of the universal product code. Journal of Political Economy, 2021, 129(4): 1252-1286. URL https://www.journals.uchicago.edu/doi/10.1086/712762

Lucia Foster, and Alex He. Technology and productivity growth. Business Economics, 2022, 57:111-119. URL https://link.springer.com/article/10.1057/s11369-022-00262-7

Anmol Bhandari, Serdar Birinci, Ellen R. McGrattan, and Kurt See. What do survey data tell us about us businesses? American Economic Review: Insights, 2(4):443–58, December 2020. URL https://www.aeaweb.org/articles?id=10.1257/aeri.20190304

Olivier Blanchard. Should we reject the natural rate hypothesis? Journal of Economic Perspectives, 32(1):97–120, February 2018. URL https://www.aeaweb.org/articles?id=10.1257/jep.32.1.97

Kristin Forbes. Inflation Dynamics: Dead, Dormant, or Determined Abroad? NBER Work- ing Papers 26496, National Bureau of Economic Research, Inc, November 2019. URL https://ideas.repec.org/p/nbr/nberwo/26496.html

Kristin Forbes, Joseph Gagnon, and Christopher G Collins. Low inflation bends the phillips curve around the world. Working Paper 29323, National Bureau of Economic Research, October 2021. URL http://www.nber.org/papers/w29323

Gene M Grossman and Ezra Oberfield. The elusive explanation for the declining labor share. Working Paper 29165, National Bureau of Economic Research, August 2021. URL http://www.nber.org/papers/w29165

Robert E Hall. Sources and Mechanisms of Stagnation and Impaired Growth in Advanced Economies. Technical report, ECB Forum on Central Banking, June 2017. URL https://web.stanfored.edu/~rehall/SintraPaper

Robert E Hall and Marianna Kudlyak. Why has the us economy recovered so consistently from every recession in the past 70 years? Working Paper 27234, National Bureau of Eco- nomic Research, May 2020. URL http://www.nber.org/papers/w27234

Chad Jones. The Productivity Growth Slowdown in Advanced Economies. Technical report, ECB Forum on Central Banking, June 2017. URL https://web.stanford.edu/~chadj/JonesSintra2017.pdf

Online Discussion:
I will post a question or series of questions relevant to the course material every Friday evening. The discussion might cover an academic article, a newspaper article covering academic articles, or a published evaluation. The discussion will be open until Wednesday at midnight for you to comment/respond. I will check in to participate/respond/redirect. To fulfill this requirement, you may either create your own post in response to my original post, or write a substantive response to another student's post that contributes to the discussion. Each discussion session will be graded out of 10 points, with the following benchmarks:

Participated in and furthered the discussion (10)
Participated in a meaningful way (8)
Participated but did not in a meaningful way (4)
Late or unsubmitted (0)

Course Schedule

Week	Date	Topics	Assignments
Week 1	11/29/23	Gross Domestic Product Kurlat Chp 1-2	
Week 2	12/6/23	Economic Growth Part 1 Economic Growth, Kurlat Chp 3 Solow Growth Model Kurlat Chp 4	
Week 3	12/13/23	Economic Growth Part 2 Kurlat Chp 5 Garen et al, Chp 7	Presentation 1
Week 4	12/20/23	Microeconomic Foundations Part 1 Consumption Kurlat Chp 6 Labor and Leisure Kurlat Chp 7	PS 1 Due
Winter Break	12/27/23		
Week 5	1/3/24	Microeconomic Foundations Part 2 Investment Kurlat Chp 8 General Equilibrium Chp 9	Presentation 2
Week 6	1/10/24	Midterm	
Week 7	1/17/24	Neoclassical Model Kurlat Chp 13	PS 2 Due

		Shocks GSL Chp 18-19	
Week 8	1/19/24	Monetary topics Kurlat Chp 11-12 Business Cycles Kurlat Chp 12	Presentation 3
Week 9	1/24/24	New Keynesian Model Kurlat 14 Garin et al, Chp 24-25	PS 3 Due
Week 10	1/31/24	Dynamics and the Phillips Curve Kurlat 15 Garin et al, Chp 27-28	Presentation 4
Week 11	2/7/24	The Open Economy Garin et al, Chp 29-30	PS 4 Due
Week 12	2/14/24	Final Exam	

*Please note that we will meet on Friday, January 19 at 6:45 to make up for the Winter Break.

Academic Integrity:

The University of Maryland has a nationally recognized Code of Academic Integrity. You should inform yourself about the UMD policies related to academic misconduct: https://www.studentconduct.umd.edu/home/current-students (Links to an external site.)

Cases of academic misconduct, including plagiarism and giving or receiving unauthorized assistance on exams, will be referred to the UMD Office of Student Conduct. If found responsible for academic misconduct, students can be subject to sanctions. The standard sanction for graduate students found responsible for cheating on exams is expulsion from the university.

The exams in this course will ask students to affirm the UMD Honor Pledge: "I pledge on my honor that I have not given or received any unauthorized assistance on this assignment/examination."

Other Standard Policies for the Program and the University of Maryland

Policies related to all graduate courses at the University of Maryland are posted on this page of the Graduate School's website:

https://gradschool.umd.edu/faculty-and-staff/course-related-policies

Please familiarize yourself with these policies related academic integrity, non-discrimination policy, accessibility, absences and accommodations, grading, academic standing, grievance procedures, and other important policies.

Email: The University has adopted email as the primary means of communication outside the classroom, and I will use it to inform you of important announcements. The University creates an "@umd.edu" email address for every graduate student. All official UMD communications

will be sent to students at their "@umd.edu" email address. You are responsible for reading your @umd.edu email address, including ELMS/Canvas Announcements I send to the class. You should make sure ELMS/Canvas Announcements and messages are forwarded to an email address that you check regularly. Failure to check email, errors in forwarding email, and returned email due to "mailbox full" or "user unknown" will not excuse a student from missing announcements or deadlines. I will do my best to respond to email within 36 hours.

Course Website: Copies of the course syllabus, student's grades, and other relevant links and documents will be posted on the course's ELMS/Canvas website. Students can access the site via www.elms.umd.edu. They will need to use their University of Maryland "directory ID" and password.

Contact Hours: Three credit master's-level courses at the University of Maryland require a minimum amount of contact between instructors and students. Our courses' 12 weekly meetings only satisfy 80% of the university's contact requirement. The other 20% is satisfied by weekly mandatory and graded online contact. In principle, the contact hours requirement could be satisfied by scheduling 3 additional 150-minute meetings per term, or 6 additional 75-minute meetings, or 10 additional 45-minute meetings. But in practice the contact hours requirement is satisfied by the weekly online discussions. The weekly online discussions are a more flexible way to ensure that our program's courses in DC provide the same level of student-instructor contact as the traditional 15-week face-to-face version of the same course when it is taught on campus in College Park.

Work Load: Mastering the material covered in this course requires a significant amount of work outside of class. Students should expect to spend more time outside of class than in class – typically at least twice as much time. The courses in our DC program are 12-week courses that cover all the same material as a traditional semester-long 3-credit course (15 weeks). The compressed schedule makes it possible to complete our degree in just 15 months if you take 2 courses each term. But the compressed schedule also implies an accelerated pace with an average of 25% more work per week in a given course (15/12 = 1.25).

The normal full-time load in a master's program is 3 courses per 15-week semester. So one should expect the average weekly workload of 3 courses per semester to approach 40 hours per week in the semester-based calendar. So maybe 12 or 13 hours per week per course.

Since the 12-week version of a given course will have 25% more work per week, one should expect 15 hours of work per week for a given 12-week course, and about 30 hours per week when taking 2 courses per term. This is less than "full time" but still a significant commitment, especially if undertaken on top of full time employment.

The DC program takes just 1 week off between each of the 12-week terms. Students who take 2 courses per quarter in our program complete 8 courses per year, and can complete all 10 courses in our curriculum in 15 months.

Academic Progress: The graduate school requires that students maintain a GPA of at least 3.0. Students whose cumulative GPA falls below 3.0 will be placed on academic probation by the graduate school. Students on academic probation must ask the program's director to petition the graduate school if they want to remain in the program. The petition must include a plan for getting the student's GPA up to at least 3.0. Students who do not live up to their plan can be forced to leave the program without having earned the degree. Note: a grade of "B" corresponds to a GPA of 3.0. A grade of "B-" corresponds to a GPA of 2.7.

Excused Absences: If you miss any class meetings for any reason, it is your responsibility to work with the instructor to make sure you catch up on the missed material. Instructors routinely facilitate things by posting lecture notes, etc.

If you need to miss an exam or other graded course requirement because of illness, injury, or some other emergency: Follow doctor's orders and get documentation. Get in touch with the instructor as soon as you're able – preferably prior to missing the exam or deadline. Communicate with the instructor to make up the course requirement as soon as possible. You are entitled to recover before you make up the course requirement, but you are not entitled to extra days to study beyond the time the doctor's note says you're incapacitated. If you are incapacitated for more than a week or so beyond the end of the term, your grade in the course will be an "Incomplete". In such cases you must negotiate a plan with your instructor for completing the course requirements. Once you make up the course requirement the instructor will change your "I" to the appropriate letter grade.

School Closings and Delays: Information regarding official University closing and delays can be found on the campus website and the snow phone line: (301) 405-SNOW (405-7669) The program director will also announce cancellation information to the program as an announcement on the program's ELMS/Canvas site. This will generally be done by 1:00 p.m. on days when weather or other factors are an issue. When classes need to be canceled during the semester, we make every effort to schedule makeup classes.

UMD Counseling Center: Sometimes students experience academic, personal and/or emotional distress. The UMD Counseling Center in Shoemaker Hall provides free, comprehensive, and confidential counseling / mental health services that promote personal, social, and academic success. All Counseling Center services are completely free for enrolled students. Proactively explore the range of services available at the Counseling Center, including the Counseling Service and Accessibility and Disability Service described at http://www.counseling.umd.edu/

Graduate Academic Counselor: The UMD Graduate School also has an academic counselor available to support students who are having difficulty navigating mental health resources on campus, are considering a leave of absence and/or need assistance finding mental health care off campus. The Graduate Academic Counselor also facilitates bi-weekly Graduate Student Circle Sessions which provide an opportunity to learn about resources and connect with other graduate

students. Students can learn more about the Graduate Academic Counselor by going to: https://gradschool.umd.edu/gradcounselor

Course Evaluations: Near the end of the term, you will receive an email inviting you to submit a voluntary and anonymous course evaluation. Your feedback on courses will be very helpful in improving the quality of instruction in our program.

Building Access: There is a smartphone app that can be used to enter our building after normal business hours. The program coordinator will provide information about this. We will also provide information about the code for entering the front door of our suite. Please make sure you are receiving the ELMS-Announcements that we send out to the program about these and other important matters.