Syllabus

Course Organization

The class meets on Tuesdays and Thursdays from 1:00 p.m. to 2:50 p.m. in AAH 3245. A discussion section will meet in the same room Fridays 11:00 a.m. to 12:50 p.m. The course grade will be based on three components: problem sets (25%), a midterm exam (25%), and a final exam (50%).

Contact Information

The easiest way to get in contact with me if you have any questions is via e-mail. My address is:

doepke@northwestern.edu

My office hours are by appointment or walk-in if my door is open. A web site for this course will be maintained on Blackboard.

The teaching assistant for the class is Sebastian Kohls:

sebastian.kohls@u.northwestern.edu

Textbooks

The main textbook for the class is Ljungquist and Sargent (LS). We will also draw to some extent on Stokey-Lucas Prescott (SP), and additional readings will be made available on the course web site.


Preliminary List of Course Topics

1. Heterogeneity in the standard model: insurance and consumption under complete markets and full information.
   - LS, chapter 8.

2. Models with exogenously incomplete markets.
   - LS, chapter 16, 17.
   - Dirk Krueger’s manuscript on “Consumption and Saving: Theory and Evidence,” chapters 1–4.

3. Endogenous market incompleteness: Bankruptcy and participation constraints.
   - Dirk Krueger’s manuscript on “Consumption and Saving: Theory and Evidence,” chapter 6.


5. Search models of the labor market.
   - LS, chapters 6, 26.

6. Possible bonus topics: Political economy in macroeconomics, family macroeconomics.