Syllabus: 14.03/003, Microeconomic Theory and Public Policy, Fall 2025

Instructor	Prof. David Autor (dautor@mit.edu)
Teaching assistants	Salome Aguilar Llanes (course 14 Ph.D.) Nagisa Tadjfar (course 14 Ph.D.) Emma Zhu (course 6-14 MEng)
Admin assistant	[redacted]
Class meetings	Monday, Wednesday 10:30am – noon, 32-124
Recitations	Friday, 9-10am in E52-164 Friday 10am – 11am in E51-057
Office hours	
David Autor	Wednesdays, 2:30pm – 4:00pm starting 9/10/25 in [redacted]
Salome Aguilar Llanes	Tuesdays, 4:30pm – 6:00pm, [redacted]
Nagisa Tadjfar	Wednesdays, 5:00pm – 6:30pm, [redacted]
Emma Zhu	Thursdays, 1:00pm – 2:30pm, [redacted]
Class Site	https://canvas.mit.edu [redacted]
Class Slack	[redacted]
Quick schedule grid	[redacted]
Final exam	TBA (by MIT registrar)

Overview

14.03/003 is a fast-paced, interactive introduction to modern applied economics as it is lived, breathed, and practiced by academic researchers and policy analysts. You will master core tools of applied theory while learning how to frame and test causal relationships using research design, experimentation, and data analysis. In class and problem sets, you will read, and we will discuss, classic and contemporary research studies that put these pieces together.

Some of the policy challenges we will analyze include: the consequences of minimum wage regulations for earnings and employment; the willingness of consumers to pay for healthcare; the power and limitations of unregulated free markets; the benefits and costs of international trade; the causes and remedies of externalities, the problems of adverse selection and moral hazard in markets for insurance, loans, and everyday goods; the detection and correction of discrimination in labor markets; and the application and misapplication of AI and machine learning to supplement (or subvert) decision-making.

Class attendance is mandatory, and your participation will be elicited

14.03/14.003 is a participatory class. Fully one-third of the class will focus on applications from empirical and theoretical papers from leading journals that will feature in lectures but do not appear in textbooks. (Moreover, there is no textbook!) It is not possible to master the core material without attending lectures. Plickers implicitly takes attendance every time we use it,

which is almost every lecture. We *do* keep track of attendance and *do* penalize unexcused absences (beyond a couple of lectures).

To overcome your natural shyness and ward off your natural sleepiness, I regularly call on students during class using a randomizer. If you don't know the answer to a question, it's entirely fine to guess an answer or to say, "I don't know." I do not penalize (or reward) students for knowing the answers. But I do reward engagement and participation. If you're not there when you're called upon, this is also recorded.

I may occasionally give in-class quizzes (using Plickers) at the start of lecture. These will be brief, non-technical checkups on your knowledge of what's going on in the class (readings, lectures, problem sets).

***Tablets* are permitted for in class for notetaking, but *laptops and phones are not* permitted.**

Published evidence from randomized controlled trials performed in military classrooms by Lieutenant Colonel Kyle Greenberg (one of my former MIT Ph.D. students) and coauthors demonstrates that when students are randomly assigned permission to use laptops and tablets in class, they uniformly learn less. Nevertheless, I leave the *tablet* decision to you. Because laptops are distracting to others, they may not be used. Phones have no legitimate in-class uses.

Recitations

During the ten Friday recitations, your TAs will cover material that is complementary to material discussed in class and presented on problem sets. These recitations will not review problem sets (you can check the solution sets for that) or repeat the lectures. The first recitation (on 9/05/2025) will cover math some tools for 14.03/003 with which you may be unfamiliar.

Grading

Here's the grading rubric:

1. Best four of five problem set grades: 20%
2. Class attendance, participation, and in-class quizzes: 20%
3. Three exams: 20% each (60% total)

The grade distribution is not allocated by quota (e.g., this many A's, B's, C's, and Q's). It's possible for everyone to do well, and I'd be happy to have a reason to assign mostly A's. In recent years, most students have received excellent grades. If you make minimal effort, however, you will probably receive a C. If I fear that you may be headed for a D or F, I will try to warn you before the drop date. (This has not actually happened in recent years)

Problem sets

I will assign five problem sets (dates on the syllabus). Psets typically include a set of pure theory questions and a set of application questions, often based on readings.

To receive credit, you must submit your problem sets in PDF form online and on time to Gradescope (via Canvas). To accommodate unanticipated events, illness, and conflicts in your schedule, *the problem set with the lowest score will be automatically dropped*. This means that you don't need to ask for an extension or permission to miss a p-set. It also means that I don't need to grant extensions. So, you need to get at least four p-sets over the line on time.

Three exams

There will be two in-class (dates below), closed-book exams of 80 minutes in length. There will also be a closed book final exam during the finals period (date TBA). You will have two full hours to complete the final, but it won't have more material (or count for more) than the prior two exams. The extra time is only to help you to relax. The date of the final exam is set by the MIT Registrar's office, which strategically withholds the schedule until late in the semester so that you cannot pick your classes based on final exam schedules.

Each exam will focus on the new material since the previous exam, although of course you will need to understand the older material to apply the new material. The exams will be based on the lecture notes, problem sets, assigned readings and classroom discussion. No notes, books, or phones are allowed (or needed) during exams. To support your study, I will share practice exams (with solutions) from prior years.

If you miss an exam for an excused reason, I will offer a written makeup or an oral exam on the blackboard. Students typically find oral exams painful. I will not write a new exam for only one or two students—so, an oral exam is reasonably likely.

Recommended books

These two recommended books are not self-contained textbooks but they are great references—well written, occasionally amusing (only the Angrist-Pischke book, tbh), and available in paperback. Both are available on electronic course reserves through the MIT libraries:

- Angrist, Joshua D. and Jörn-Steffen Pischke, *Mastering 'Metrics: The Path from Cause to Effect*, Princeton: Princeton University Press, 2014 (*unlimited simultaneous readers* via MIT libraries)
- Banerjee, Samiran. *Intermediate Microeconomics: A Tool-Building Approach*, 2nd Edition, New York: Routledge, 2021 (*up to three simultaneous readers* via MIT libraries)

Class materials

- Textbook readings are available through the MIT Libraries' course reserves:

The Banerjee books is *electronically* available; the Angrist and Pischke book is *physically* but not electronically available. The book can be purchased at Amazon for $34.

- All other readings are available directly from the Canvas site.

Required readings

Each lecture has an associated set of readings listed on the class schedule. These readings will feature in lectures, quizzes, exams and problem sets. If a reading is marked required, you are responsible for preparing the paper prior to class. This means reading the Abstract, Introduction and Conclusions (not necessarily the body of the paper) so that you're ready to answer the following questions:

a) What is the paper's research question?
b) What's the methodology for answering the question (e.g., an experiment, a quasi-experiment, a set of correlations, etc.)?
c) What is the headline result(s)?

I do not expect you to master the technical details of every paper, particularly not ahead of time. But I do expect you to familiarize yourself with the paper to get the conversation started.

Recommended readings

You will find several recommended readings on the syllabus for your education and entertainment. These papers should be useful—and in many cases fun—but you will not be tested on their content.

Questions on grading?

We aim to have fair and consistent grading. If you believe there was a mistake in grading, you can submit a regrade request through Gradescope. You must submit it no more than one week after the assignment/Pset has been handed back. Please do so only after carefully reading the solutions and your response. If you request a regrade, we reserve the right to review other questions and revise downwards in case those were graded too generously.

Getting help outside of class

If you have questions on the class material or problem sets, there are several ways to get assistance:

1. Use the class Slack channel for questions related to course content or class admin. We'll have threaded discussions there (monitored by TAs and professor as needed) for all problem sets and class topics. You should get a pretty quick response—and a good answer. We do not monitor the Slack channel after 9pm, so you should not expect online help in the three hours before a p-set is due (i.e., between 9pm and midnight).

2. Drop in during Instructor or TA office hours

3. Ask question during recitation (and in class as appropriate)

Except for personal class-related matters, please do not send us your *class-related* questions by email or Slack DM. Instead, use the public Slack 14.03/003 channels. Eiscussion there benefits all class members.

Schedule

I will strive to stick to the topic schedule and all critical dates (Pset dates, exams) specified on the course site and course schedule.

Other MIT Resources

Accessibility and support

The Economics Department values an inclusive environment. If you need a disability accommodation to access this course, please communicate with us early in the semester. If you have your accommodation letter, please meet with the faculty so that we can understand your needs and implement your approved accommodations. If you have not yet been approved for accommodations, please contact Student Disability Services at uaap-sds@mit.edu to learn about their procedures. We encourage you to do so early in the term to allow sufficient time for implementation of services/accommodations that you may need.

MIT Writing and Communication Center (WCC)

MIT Writing and Communication Center offers free one-on-one professional advice from communication specialists with advanced degrees and publishing experience. The WCC can help you learn about all types of academic and professional writing and further develop your oral communication skills. You can learn more about WCC consultations at http://cmsw.mit.edu/writing-and-communication-center and register with the online scheduler to make appointments through https://mit.mywconline.com. Please note that WCC hours are offered Monday-Friday, 9:00 a.m.-6:00 p.m. during the semester, and fill up fast.

Economics tutoring

The Economics Department occasionally provides tutors to students who are struggling with classwork. If you believe that you need a tutor, please contact [redacted].

Reporting bias-related or other incidents

The Economics Department fully endorses the Institute Discrimination and Harassment Response Office (IDHR) reporting process for any bias-related incident. We encourage students to use this valuable resource if needed for any reason. This process is useful for addressing any issues that may arise with professors, teaching assistants, or other students in this course. If

you've had a negative experience and aren't sure if IDHR is the place to go, they can also help you find the right office at MIT to receive support. The department values such reports as important to our pursuit of equitable and inclusive treatment for all students, faculty, and staff. https://idhr.mit.edu/submitincidentreport