Synopsis: In this course we will explore the theory behind and applications of the economics of education with a focus on understanding the use of econometric techniques in education research and the analysis of education policy issues. The course will be a survey of readings in the economics of education. Topics will include but are not limited to externalities, public goods, human capital theory, education production functions and current issues in education such as accountability, incentive pay and school choice. This course is intended to be the first part of a sequence with ED 945. Thus, upon completion of both courses students will be required to produce an original research paper on a topic in education that uses econometric techniques.

Meetings: This course will be held Mondays and Wednesdays from 12:40PM to 2:00PM. In Wells A306.

Office Hours: Mondays and Wednesdays 10:00am – 11:30am or by appointment.

Requirements:

(1) Referee report. At one point during the course you will be required to write a referee report for an assigned working paper. This will be worth 15% of your grade.

(2) Class participation. All students are expected to attend class regularly, read all assigned papers prior to class, and participate. Classes will be a mix of lecture and back-and-forth discussion about the readings. Students are expected to participate in all discussions. This will account for 20% of your grade.

(3) Presentation. Students will work in pairs to produce a 15 minute presentation as one would present at a conference on one of the non-bolded papers listed below. Presentations will be made during the last three classes and will also include question and answer sessions. Students must choose the paper they will present in consultation with me by November 7. This will account for 15% of your grade.

(4) Paper Proposal. By the end of the class students will produce a 10 – 15 page (not including references, tables and figures), double spaced paper proposal. This proposal is intended to serve as a starting point for working on a full research paper for ED 945, though you are not required to keep the same topic in that class.
The proposal will include a formulation of a question you wish to answer, a full literature review that places your research in the literature, a discussion of what data you will use, a discussion of your planned empirical strategy, and what you expect you might find. The proposal will be worth 50% of your grade. Any paper that exceeds the page limit will not be accepted until it is brought into line with the page limitation. The proposal is due on the last day of class and should be submitted to me electronically via email in a PDF, Microsoft Word, or similar word processing document. I highly recommend that you meet with me at least once during the semester to discuss your choice of paper topic.

**Readings:** I will inform you each week what readings will be discussed the following week. You are expected to have finished all assigned readings in **bold** prior to the first class of the week. Additional readings that are not bolded are recommended but will not be discussed in class. I will also assign supplementary readings from Mostly Harmless Econometrics by Angrist & Pischke (Princeton University Press, ISBN 978-0-691-12035-5) and Econometric Analysis of Cross Section and Panel Data by Wooldridge based on what econometric strategies are used in the assigned papers.

**NOTE THAT THE SYLLABUS IS PRELIMINARY AND READINGS AND TOPICS COVERED MAY CHANGE**

1. **Public Good Provision and Crowd-Out**


Econometric Background (Instrumental Variables) – Angrist & Pishke Chapter 4; Wooldridge, Chapter 5

2. Education as an Externality and the Social Returns to Education


3 Human Capital

3.1 Private Returns to Educational Attainment


3.2 Private Returns to Education Quality


3.3 Returns to Cognitive and Non-Cognitive Skills


4
4 **Education Production**


4.1 **Class Size**


Econometrics Background (Experiments): Angrist & Pishke, Chapter 2

4.2 **Peer Effects and Tracking**


Econometrics Background (Difference-In-Differences & Fixed-Effects) – Angrist & Pishke Chapter 5; Wooldridge Chapters 10 & 11

4.3 Teacher Quality


5 Current Issues in K-12 Education Reforms

5.1 Accountability


5.2 School Choice and Competition


5.3 Teacher Incentive Pay


6 Current Issues in Higher Education

6.1 Financial Aid


6.2 Credit Constraints


Additional readings will be added if time allows.