

DEPARTMENT OF ECONOMICS
UNIVERSITY OF MISSOURI-COLUMBIA

Economics 9447
Advanced Empirical Methods
Topics in Microeconomic Policy Analysis

Winter/Spring 2012

Class Meetings: Tuesday, Thursday 11-12:15, Middlebush 305

Instructors: Dara Lee, Peter Mueser, Michael Podgursky

Administrative issues: Peter Mueser, mueserp@missouri.edu, 331 Professional Building
Dara Lee, leedn@missouri.edu, 226 Professional Building

Office hours: Mueser, Wednesday and Thursday 3:30-5:00 or by appointment (appointment recommended in any event)

Lee, Tuesday 2:15-4, or by appointment

Prerequisites: 8451, 8472; concurrent enrollment in 8473 or 9473 is recommended

OBJECTIVES:

The objective of these courses is to provide a toolkit for the evaluation of key economic policy questions in the areas of labor, public economics, social welfare and health. The course will cover the most current and relevant empirical techniques in these fields, and provide context and examples of applications. Although the focus of the course is in the areas described above, the toolkit will be useful for research in all areas of applied microeconomics.

Grading:	Attendance and Class Participation	15 percent
	Assignments	20 percent
	Midterm and Final Exam	40 percent
	Research Paper & Presentation	25 percent

Exams: There will be one midterm exam and a final exam. The midterm exam will be given in approximately week 8 of the semester. The final exam is currently scheduled for May 7, 3-5 p.m., in the normal classroom, but this is subject to change.

Assignments: There will be 4-6 problem set assignments given during the semester to aid in studying for the exams.

Paper and presentation: A term paper, and a presentation covering this material, is required.

Additional administrative information: A syllabus addendum containing additional administrative information relating to this course is posted on the course Blackboard website under Syllabus.

Topics and Reading List

Unless otherwise indicated in class, copies of assigned readings can be found on the course Blackboard website under (click the “Documents” button in the upper left).

Website: <http://blackboard.missouri.edu>

Matching Techniques (Mueser)

Rosenbaum, Paul and Donald Rubin (1983), “The Central Role of the Propensity Score in Observational Studies for Causal Effects,” *Biometrika* 70(1):41-55.

Mueser, P., K. Troske and A. Gorislavsky (2007), “Using State Administrative Data to Measure Program Performance,” *Review of Economic and Statistics* 89(4) (November):761-783.

Regression Discontinuity (Mueser)

Imbens, Guido and Thomas Lemieux (2007), “Regression Discontinuity Designs: A Guide to Practice,” *Journal of Econometrics* 142(2):615-35.

Angrist, Joshua D. and Victor Lavy (1999), “Using Maimonides Rule to Estimate the Effect of Class Size on Scholastic Achievement,” *Quarterly Journal of Economics* 114(2) (May):533-575.

Jepsen, C., P. Mueser and K. Troske (2010), “Labor-Market Returns to the GED Using Regression Discontinuity Analysis,” Unpublished.

Black D.A., J. Galdo, and J. Smith J. (2007) “Evaluating the Worker Profiling and Reemployment Services System using a Regression Discontinuity Approach,” *American Economic Review* 97(2) (May):104-107.

Duration and Hazard Models (Mueser)

Greene, William (2007), “Models for Counts and Duration,” chapter 26 in *Econometric Analysis*, 6th Edition, Prentice Hall.

Meyer, B. D. (1990) “Unemployment Insurance and Unemployment Spells,” *Econometrica* 58(4) (July):757-782.

Teacher Labor Markets: Impact of Pension Structure (Podgursky)

Costrell, R. and M. Podgursky (2009), “Peaks, Cliffs, and Valleys: The Peculiar Incentives of Teacher Retirement Systems and their Consequences for School Staffing,” *Education Finance and Policy* 4(2) (Spring):175-211.

Costrell, R. and M. Podgursky (2010), “Distribution of Benefits in Teacher Retirement Systems and Their Implications for Mobility,” *Education Finance and Policy* 5(4) (Fall), pp. 519-557.

Estimating Labor Demand and Supply (Lee)

Farber, Henry (2005) "Is Tomorrow Another Day? The Labor Supply of New York City Cabdrivers," *Journal of Political Economy* 113(1): 46-82.

Angrist, Joshua and William N. Evans (1998) "Children and Their Parents' Labor Supply: Evidence from Exogenous Variation in Family Size," *American Economic Review* 88: 450-477.

Card, David (1990). "The Impact of the Mariel Boatlift on the Miami Labor Market," *Industrial and Labor Relations Review* 43: 245-57.

Acemoglu, Daron, Autor, David, and David Lyle (2004) "Women, War and Wages: The Effect of Female Labor Supply on the Wage Structure at Midcentury," *Journal of Political Economy* 112(3):497-551.

Goldin, Claudia and Cecilia Rouse (2000) "Orchestrating Impartiality: The Impact of Blind Auditions on the Composition of Orchestras," *American Economic Review*, 90(3): 715-41.

Evaluation of Education Policies (Lee)

Card, David and Krueger, Alan B. (1992) "Does School Quality Matter? Returns to Education and the Characteristics of Public Schools in the United States," *Journal of Political Economy*, 100(1):1-40.

Rouse, Cecilia E. (1998) "Private School Vouchers and Student Achievement: An Evaluation of the Milwaukee Parental Choice Program," *Quarterly Journal of Economics*, 113(2): 553-602.

Chetty, Raj, John Friedman, and Jonah Rockoff (2011) "The Long-Term Impacts of Teachers: Teacher Value-Added and Student Outcomes in Adulthood." NBER Working Papers 17699.

Angrist, Josh and Victor Lavy (2009). "The Effects of High Stakes High School Achievement Awards: Evidence from a Randomized Trial," *American Economic Review* 99(4):1384-1414.

Empirical Analysis of Health Care Markets (Lee)

Kessler and McClellan (1996) "Do Doctors Practice Defensive Medicine?" *Quarterly Journal of Economics*, 111(2):353-390.

Finkelstein, Amy (2007). "The Aggregate Effects of Health Insurance: Evidence from the Introduction of Medicare," *Quarterly Journal of Economics*, 122(1):1-37.

Dranove, David, Kessler, Daniel, McClellan, Mark, and Mark Satterwaite (2003). "Is More Information Better? The Effects of Report Cards on Health Care Providers," *Journal of Political Economy*, 111(3): 555-588.

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Addendum

ACADEMIC INTEGRITY POLICY

Academic integrity is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person's work has been responsibly and honorably acquired, developed, and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards breaches of the academic integrity rules as extremely serious matters. Sanctions for such a breach may include academic sanctions from the instructor, including failing the course for any violation, to disciplinary sanctions ranging from probation to expulsion. When in doubt about plagiarism, paraphrasing, quoting, collaboration, or any other form of cheating, consult the course instructor.

Academic Dishonesty includes but is not necessarily limited to the following:

- A. Cheating or knowingly assisting another student in committing an act of cheating or other academic dishonesty.
- B. Plagiarism which includes but is not necessarily limited to submitting examinations, themes, reports, drawings, laboratory notes, or other material as one's own work when such work has been prepared by another person or copied from another person.
- C. Unauthorized possession of examinations or reserve library materials, or laboratory materials or experiments, or any other similar actions.
- D. Unauthorized changing of grades or markings on an examination or in an instructor's grade book or such change of any grade report.

ACADEMIC INTEGRITY PLEDGE: *"I strive to uphold the University values of respect, responsibility, discovery, and excellence. On my honor, I pledge that I have neither given nor received unauthorized assistance on this work."* Students are expected to adhere to this pledge on all graded work whether or not they are explicitly asked in advance to do so.

The University has specific academic dishonesty administrative procedures. Although policy states that cases of academic dishonesty must be reported to the Office of the Provost for possible action, the instructor may assign a failing grade for the assignment or a failing grade for the course, or may adjust the grade as deemed appropriate. The instructor also may require the student to repeat the assignment or to perform additional assignments. In instances where academic integrity is in question, faculty, staff and students should refer to Article VI of the

Faculty Handbook. Article VI is also available in the M-Book. Article VI provides further information regarding the process by which violations are handled and sets forth a standard of excellence in our community.

STUDENTS WITH DISABILITIES:

If you anticipate barriers related to the format or requirements of this course, if you have emergency medical information to share with me, or if you need to make arrangements in case the building must be evacuated, please let the instructor know as soon as possible.

If disability related accommodations are necessary (for example, a note taker, extended time on exams, captioning), please register with the Office of Disability Services (<http://disabilityservices.missouri.edu>), S5 Memorial Union, 882-4696, and then notify me of your eligibility for reasonable accommodations. For other MU resources for students with disabilities, click on "Disability Resources" on the MU homepage.

THE DEPARTMENT OF ECONOMICS EXAM ACCOMMODATION PROCEDURE FOR STUDENTS WITH DISABILITIES:

1. A disabled student who wants accommodations for an exam in Economics course must present the course instructor with a Letter of Accommodation from the Office of Disability Services (ODS) that documents the accommodations the student is entitled to receive. This should be done as early in the semester as possible.
2. For each accommodated exam, the student should bring the course instructor an Adaptive Examination Request Form from ODS. The course instructor is not required to accept such a request unless the student has first provided the instructor with a Letter of Accommodation. ODS policies require that this form be provided to at least 7 business days in advance for hourly examinations and by Thanksgiving Break (Spring Break) for fall (spring) final examinations.
3. The student section of the form must be properly filled out (including consistency with the Letter of Accommodation regarding the accommodations) and signed by the student. The course instructor must fill out the instructor portion including a note in the SPECIAL INSTRUCTIONS box and sign the form.
4. The white and pink copies of the form are given back to the student and the student must submit the white copy to ODS.

INTELLECTUAL PLURALISM STATEMENT

The University community welcomes intellectual diversity and respects student rights. Students who have questions or concerns regarding the atmosphere in this class (including respect for diverse opinions) may contact the Departmental Chair or Divisional Director; the Director of the Office of Students Rights and Responsibilities (<http://osrr.missouri.edu/>); or the MU Equity

Office (<http://equity.missouri.edu/>), or by email at equity@missouri.edu. All students will have the opportunity to submit an anonymous evaluation of the instructor(s) at the end of the course.

UNIVERSITY OF MISSOURI-COLUMBIA NOTICE OF NONDISCRIMINATION

The University of Missouri System is an Equal Opportunity/ Affirmative Action institution and is nondiscriminatory relative to race, religion, color, national origin, sex, sexual orientation, age, disability or status as a Vietnam-era veteran. Any person having inquiries concerning the University of Missouri-Columbia's compliance with implementing Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Americans With Disabilities Act of 1990, or other civil rights laws should contact the Assistant Vice Chancellor, Human Resource Services, University of Missouri-Columbia, 130 Heinkel Building, Columbia, Mo. 65211, (573) 882-4256, or the Assistant Secretary for Civil Rights, U.S. Department of Education.

GRIEVANCE POLICY

Information concerning student grade appeal procedures and non-academic grievances and appeals may be found in the Student Handbook.

POLICY REGARDING RECORDING

University of Missouri System Executive Order No. 38 lays out principles regarding the sanctity of classroom discussions at the university. The policy is described fully in Section 200.015 of the Collected Rules and Regulations. In this class, students may make audio or video recordings of course activity unless specifically prohibited by the faculty member. However, the redistribution of audio or video recordings of statements or comments from the course to individuals who are not students in the course is prohibited without the express permission of the faculty member and of any students who are recorded. Students found to have violated this policy are subject to discipline in accordance with provisions of Section 200.020 of the Collected Rules and Regulations of the University of Missouri pertaining to student conduct matters.