

Economics 4345/7345 – Economics of Education, Fall 2018

2-3:15 pm, Tuesday/Thursday
Laffer Hall W0013

Professor Cory Koedel

Office: Department of Economics

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Office Hours: Tuesday, 12:45 – 2, Professional Building #318, or by appointment

Web Page: Go to <http://faculty.missouri.edu/~koedelc/>

TEXTBOOK

Required: None

Strongly Recommended: Lovenheim, Michael and Sarah Turner (2018). *Economics of Education*. New York, NY: Worth Publishers.

If you elect not to purchase the Lovenheim and Turner textbook, the course may be more difficult. As an alternative, I would at least recommend finding a used copy of a recent intermediate microeconomics textbook.

OBJECTIVES

The objective of this course is to provide a comprehensive treatment of the key issues in the economics of education. The course will go through foundational economic theory in the field and consider contemporary policy issues through an economic lens.

UNIVERSITY OF MISSOURI-COLUMBIA NOTICE OF NONDISCRIMINATION:

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SPECIAL NEEDS:

If you have special needs as addressed by the Americans With Disabilities Act, please notify the instructor immediately. Reasonable efforts will be made to accommodate your needs. Course material can be made available in alternative formats if requested. For questions regarding Americans With Disabilities Act accommodations, contact the MU Access Office, A048 Brady Commons.

ASSIGNMENTS AND GRADING:

1. Homework

Four ungraded homework assignments will be posted online throughout the semester. Although these assignments will not be turned in, they should serve as your primary study guide for the midterm. Some answers to the homework assignments may be posted with a lag.

2. Short Assignment

There will be one short problem-solving assignment. **It will account for 10% of the final grade.**

3. Exams

There will be three exams and each will account for 30% of the final grade. The first exam will be an in-class exam. The last two exams will be take-home tests. The take home tests will be made available online (on the class website) at 3 PM the day before they are due. They must be turned into me personally, or the economics department office, no later than 3:15 PM on the due date.

4. Writing Assignment (7345 Only)

If you are taking this course at the 7000-level, in addition to the above assignments you will also be required to write a research paper. **The research paper will account for 20% of the final grade, and will reduce the weight on the second and third exams by 10% each** (thus, the final grade will be determined as follows: 10 percent for the short problem-solving assignment, 30 percent for the first exam, 20 percent for the second and third exams, and 20 percent for the research paper). The research paper must be 5-8 double-spaced pages, 12 point font, 1-inch margins. The topic must be selected from the list of policy topics shown below in this syllabus. Within these topics, the focus of the research paper can vary at the discretion of the student. A common approach would be to review the economics literature on one of the topics. A minimum of seven references from peer-reviewed economics journals must be cited in the research paper. It is recommended (but not required) that 7000-level students meet with the instructor to discuss their paper topics early in the semester. The research paper is due no later than 9:30 AM on Friday, December 14th. It must be delivered as a hard copy in person to the instructor.

Late Work

The penalties for turning in assignments or exams past the due date will be severe and non-negotiable (barring an excused absence). All assignments and exams are due at the end of class on the due date. Here is the grade-deduction scale for late work:

Assignment/exam is late by:

1 minute to 12 hours:	1.5 grade deduction
12.01 hours to 36 hours:	2.5 grade deduction
36.01 hours or more:	<i>Score is set to zero</i>

Late work must be delivered as a hard copy in person to the instructor. Note that it will be impossible to turn in an assignment or exam at, say, the 10th hour after it is due (this will be 1:15 AM and I will not be in the office). Essentially, if you are late but can get the assignment or exam to me before the end of the day it is due, subject to my availability, you will lose 1.5 grades. Otherwise, if you turn the paper in the next morning or later, you will receive at least a 2.5-grade deduction.

Exam Make-Ups

Exam make-ups will only be available for excused absences. Make-ups will not be granted if it is at all possible for students to take the exams at the scheduled times. If a make-up is required, please see me as soon as possible.

Academic Dishonesty

Please see the University of Missouri guidelines on academic dishonesty. Cases of academic dishonesty will be taken very seriously.

OUTLINE FOR COURSE:

The course outline below is subject to change. *It is your responsibility to keep up with any changes to the pace of the course, including changes to assignment and exam dates.*

Week 1 (Week of August 20th)

L1: Introduction to the Economics of Education (L&T Chapter 1)

L2: Historical Context and Basics of Education Markets (L&T Chapter 2)

Week 2 (Week of August 27th)

L1: Investing in Education/Human Capital and Signaling (L&T Chapters 4 & 5)

L2: Investing in Education/Human Capital and Signaling (L&T Chapters 4 & 5)

Week 3 (Week of September 3rd)

L1: Investing in Education/Human Capital and Signaling (L&T Chapters 4 & 5)

L2: The Education Production Function (L&T Chapter 7)

Week 4 (Week of September 10th)

L1: The Education Production Function (L&T Chapter 7)

L2: Teacher Labor Market Topics (L&T Chapter 12, + supplemental material)

Week 5 (Week of September 17th)

L1: School Finance (L&T, Chapter 8)

L2: School Finance (L&T, Chapter 8)

Assignment 1 Due Tuesday 9.18.2018

Week 6 (Week of September 24th)

L1: School Choice (L&T Chapter 10)

L2: Problem Set Review

Week 7 (Week of October 1st)

L1: EXAM 1 (in class)

L2: Correlation versus Causation and Empirical Tools in the Economics of Education

Required Reading:

L&T, Chapter 3

Cook, Thomas. 2001. Sciencephobia. *Education Next* 1(3), 63-68

Week 8 (Week of October 8th)

L1: Correlation versus Causation and Empirical Tools in the Economics of Education

Required Reading:

L&T, Chapter 3

Cook, Thomas. 2001. Sciencephobia. *Education Next* 1(3), 63-68

L2: Policy Topic 1: K-12 School Choice

Required Reading:

Abdulkadiroglu, Atila, Josh Angrist, Sarah Cohodes, Susan Dynarski, Jon Fullerton, Thomas Kane and Parag Pathak. Informing the Debate: Comparing Boston's Charter, Pilot and Traditional Schools. Policy Report. Boston, MA: The Boston Foundation.

Week 9 (Week of October 15th)

L1: NO CLASS

L2: Policy Topic 1: K-12 School Choice

Required Reading:

*Abdulkadiroglu, Atila, Parag Pathak and Christopher R. Walters. 2015. School Vouchers and Student Achievement: Evidence from the Louisiana Scholarship Program. NBER Working Paper No. 21839.

Hart, Cassandra M.D. and David Figlio. 2011. Does Competition Improve Public Schools? *Education Next* 11(1), 74-80.

Week 10 (Week of October 22nd)

L1: Policy Topic 2: K-12 Accountability

Required Reading:

Dee, Thomas and Brian A. Jacob. 2010. Evaluating NCLB. *Education Next* 10(3), 54-61.

L2: Policy Topic 2: K-12 Accountability

Required Reading:

*Burgess, Simon, Deborah Wilson and Jack Worth. 2013. A Natural Experiment in School Accountability: The Impact of School Performance Information on Pupil Progress. *Journal of Public Economics* 106, 57-67.

Week 11 (Week of October 29th)

L1: Policy Topic 3: K-12 Teacher Labor Markets and Evaluation

Required Reading:

Weisberg, Daniel, Susan Sexton, Jennifer Mulhern and David Keeling. 2009. The Widget Effect: Our National Failure to Acknowledge and Act on Differences in Teacher Effectiveness. New York: The New Teacher Project.

Corcoran, Sean P., William N. Evans and Robert M. Schwab. 2004. Changing Labor-Market Opportunities for Women and the Quality of Teachers, 1957-2000. *American Economic Review* 94(2), 230-235.

L2: EXAM 2 (due no later than 3:15 PM)

Week 12 (Week of November 5th)

L1: Policy Topic 4: K-12 Finance (Does Money Matter?)

Required Reading:

*Hanushek, Eric A. 2003. The Failure of Input-Based Schooling Policies. *Economic Journal* 113, F64-F98.

L2: Policy Topic 4: K-12 Finance (Teacher Pensions)

Required Reading:

Backes, Ben, Dan Goldhaber, Cyrus Grout, Cory Koedel, Shawn Ni, Michael Podgursky, P. Brett Xiang and Zeyu Xu. 2016. Benefit or Burden? On the Intergenerational Inequality of Teacher Pension Plans. *Educational Researcher* 45(6), 367-77.

Week 13 (Week of November 12th)

L1: Policy Topic 5: Teacher Licensing

Required Reading:

*Sass, Tim R. Licensure and Worker Quality: A Comparison of Alternative Routes to Teaching. *Journal of Law and Economics* 58(1), 1-35.

Decker, Paul T., Daniel P. Mayer and Steven Glazerman. 2004. The Effects of Teach for America on Students: Findings from a National Evaluation. Policy Report. Mathematica Policy Research
(Executive Summary Only)

L2: Policy Topic 6: Grade Inflation

Required Reading:

*Butcher, Kristin F., Patrick J. McEwan, and Akila Weerapana. 2014. The Effects of an Anti-grade-Inflation Policy at Wellesley College. *Journal of Economic Perspectives* 28(3), 189-204.

THANKSGIVING HOLIDAY

Week 14 (Week of November 26th)

L1: Policy Topic 7: College Quality

Required Reading:

*Cohodes, Sarah, and Joshua Goodman. 2014. Merit Aid, College Quality and College Completion: Massachusetts' Adams Scholarship as an In-Kind Subsidy. *American Economic Journal: Applied Economics* 6 (4), 251-285.

Ungated version at link: <http://scholar.harvard.edu/joshuagoodman/publications/merit-aid-college-quality-and-college-completion-massachusetts-adams>

L2: Policy Topic 7: College Costs & Debt

Required Reading:

*Cellini, Stephanie, and Claudia Goldin. 2014. Does Federal Student Aid Raise Tuition? New Evidence on For Profit Colleges. *American Economic Journal: Economic Policy* 6(4), 174-206.

Dynarski, Susan. 2016. The Trouble with Student Loans? Low Earnings, Not High Debt. Evidence Speaks Report No. 19. Washington, DC: Brookings Institution.

Week 15 (Week of December 3rd)

L1: Policy Topic 8: Technology and Educational Production

Required Reading:

*Carter, Susan Payne, Kyle Greenberg and Michael Walker. 2017. The Impact of Computer Usage on Academic Performance: Evidence from a Randomized Trial at the United States Military Academy. *Economics of Education Review* 56, 118-132.

L2: EXAM 3 (due no later than 3:15 PM)

* *Indicates more challenging reading assignment*