Selected Topics in Education

Course Description:
This course is a graduate level course in economics of education. We will begin by reviewing trends in the college premium and wage inequality. A motivating question is why college premiums continue to rise and supply of skill has slowed. Another motivating question is the recent reversal in the gender gap in education. The second section will cover the basic human capital model of education, with discussion of the Mincer earnings equation and some of its shortcomings. We will then turn to measurement and estimation of the “return to schooling” with Becker’s Woytinsky lectures as basis. The fourth topic will cover the efficacy of various inputs in the education production function such as school resources, class size, peer effects, and teacher quality. The fifth topic will cover issues in higher education. We will investigate the importance of cognitive skills, credit constraints, financial aid, and information gaps in explaining college attainment. The course will end with papers on early childhood investments and recent emphasis on the formation of non-cognitive skills. The policy question that frames the course is: what are the most effective human capital policies that will meet the rising demand for an educated workforce?

Office Hours: By appointment. I am around most days but it is always a good idea to call me (x3-3823) or email me before you arrive at my office.

Course Requirements:
The goal of the class is to introduce students to topics in education, to familiarize them with empirical tools, and finally to have students produce an empirical paper with data analysis at the end of the semester. The requirements are a final exam (40%) and either a replication study or a proposal of original research (50%). Attendance and participation in class and regular attendance of empirical micro seminars will constitute the rest of your grade (10%). The syllabus contains two types of readings. The starred readings will be discussed in class. Most papers are available on the web or through JSTOR. Those papers that are hard to find (including Handbook chapters) will be available to be xeroxed in a file drawer outside my office. Please return them promptly after you have made a copy. The following are good sources for reference on the empirical methods that are covered in class.


(1) Final – The final exam will be an in-class exam on December 1, 2014. The test will cover lectures and papers discussed in class.

(2) Replication/Paper Proposal – There are two options to fulfill the requirement: option #1) proposal of an original paper with the student’s own research question, design, and data work and option #2) replication of an existing paper. The proposal should be approximately 8-10 pages and should include a literature review and proposed research project including the main hypothesis, description of the data that will be used, and the empirical strategy. Students should schedule appointments with me to discuss their ideas starting the week of September 29th. Towards the end of the course, students will be asked to prepare a 30 minute presentation of their proposal. The written proposal will be due on the last day of class, December 3, 2014.
(3) **Attendance at Seminars** – Attendance at the weekly micro seminars is required and will count towards your grade for attendance and participation. The micro seminars are generally held on Tuesday afternoons 3:30 p.m.

**Useful Web Sites:**


University of Michigan Library Education Statistics on the Web: [http://www.lib.umich.edu/govdocs/steduc.html](http://www.lib.umich.edu/govdocs/steduc.html)

**Course Outline**

I. **Evolution of the College Wage Premium and Wage Inequality** (Lectures 1) – college premium, evolution of wage inequality, polarization, slowdown in supply of college


II. **Human Capital, Income Distribution, Self-Selection** (Lectures 2, 3) – model of human capital, education as investment, relationship between education and earnings, Mincerian earnings regression


III. **Empirical Estimates of the Return to Schooling** (Lectures 4, 5, 6) – important because popularized IV empirical method, LATE discussion, problems with weak instruments


IV. **Education Production** - contrasting empirical methods state aggregate regressions, experiments, RD, debate over whether effective and why the different conclusions?

A. **School Resources** (Lecture 7, 8)


B. **Class Size** (Lecture 9, 10)


C. **Peer Effects** (Lecture 11) – best examples of estimating peer effects – the key critical difficulty is identifying peer effects from sorting


D. Teachers (Lecture 12) – recent examples of estimating teacher effects with large administrative data


http://obs.rc.fas.harvard.edu/chetty/w19423.pdf

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E. Charter Schools (Lecture 13) - effectiveness of some charter schools, what is the secret to success?


V. College Going and College Choice – the debate over whether it is college readiness or credit constraints that explains the college gap, – behavior anomalies, informational problems, why do poor, minority, Hispanic students not go to college?

A. College Gap Across Race, Income, and Ethnicity (Lectures 14,15)


B. Effect of Subsidies, Financial Aid (Lectures 16,17)


C. Behavioral Anomalies, information problems


VI. Early Childhood (Lectures 18, 19, 20, 21)– model, birth weight and parental offsetting/reinforcing investment, tax policies, Headstart, GED, non-cognitive skills

A. Early Investments


B. Later Investments – GED (Lecture 22)


C. Non-Cognitive Skills (Lecture 23)
