Introduction to Economics of Education
Syllabus - Spring 2024
Harris Public Policy School

(syllabus is subject to change, this version: February 7, 2024)

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Email subject line must include "PPHA 35710", otherwise your emails may be missed.

Description

Education is integral in the human capital production for the economy, distribution of income, economic growth and civic society. This course is an introduction to the economics of education. It introduces microeconomic theories of returns to education and econometric methods that are employed in investigating issues in education. The course pays attention to causal inference and predictions about impact of education policies. Primary focus of is on early childhood and K-12 education in the US. It explores educational outcomes, effectiveness of school financing, teacher labor markets, accountability and school choice. It studies reforms and interventions to increase accountability and production in education.

Prerequisites: The field of Economics of Educations uses theoretical and empirical tools from various fields such as microeconomics, labor economics, industrial organization and public economics. A good understanding of consumer theory, competitive equilibrium, probability and statistics and regression analysis are required. We build on that foundation. We will briefly discuss each analytical tool required for the study of the question in class.

Requirements and Grading:

The course will be graded based on

- Weekly assignments and presentations - 40%
- Weekly hunt for policy applications – 10%
- Term Project – 50%
  o 40% for the project
  o 10% for peer review of your classmates’ projects

A new topic will be introduced by the Professor every Wednesday. The following Tuesday will be devoted to class discussions.
Weekly Assignments
The Wednesday class will introduce substantive questions, the underlying theories, and empirical methods. The following class on Tuesday will focus on applications. The weekly homework must be submitted by Sunday, 5pm. Late submissions will not be accepted.

Weekly Hunt for Policy Applications – 10%
You will search the news and policy outlets for a recent debate on the topic of the week. For example, if the weekly topic is incentive pays, you will search for news about teacher compensation based on performance. You will post your catch on our course site. Repeated postings are not allowed, the person who posts an article first claims the credit for it.

Assignment and Presentation
Three to four articles are highlighted for each Tuesday. You will review these articles and prepare a presentation for each article specifically addressing the following questions:
1. What is the question and why is it relevant?
2. What has the literature said about is so far?
3. What is the unique contribution of the article?
4. What is its methodology? What is unique about it?
5. What do we learn? What are the findings of the article?
6. Optional: Is it relevant to the debate you have found?

You are welcome to elaborate more, but you need to address these five questions.

We will randomly select from submissions for each article. If your assignment is selected, you will present your slides and lead the discussions. Regardless of who presents, everybody is expected to participate in the discussions. Your presentation and participation in discussions will count towards your grade from the weekly assignments.

There is no bad/silly question or comment. You are expected to participate in the discussions with your questions and comments. When a question is raised, please do not hesitate to answer it or even speculate about it. In fact, potentially wrong answers are most welcome, as wrong answers/intuitions are a good starting point for learning.

Term Project
In your term project, you will prepare a research proposal to be submitted to foundation for financial support. You must raise a novel and interesting question that is of policy relevant. It will be a maximum 10 page proposal (Calibri, 12 points, double space) addressing the following points:

1. What is the question and why is it relevant?
2. What has the literature said about it so far?
3. What is your data?
4. What is the methodology of your project? What is unique about it?
5. Why do you think that this is the right dataset and the right method?

The deadlines for the term project are as follows:

- April 10: Submit the question you want to study along with news articles or policy debate illustrating the importance of the issue; identify the foundation to which you are applying and explain briefly why the foundation would be interested in funding your research.
- April 17: Submit a list of the scientific articles you plan to review (you may expand the list later as you learn more about the topic)
- April 23: Submit your proposal for data and methodology. Be specific about your data source and empirical strategy.
- May 1: Submit your full research proposal of maximum 10 pages
- May 2: Projects will be assigned for peer review
- May 6: Peer reviews returned
- May 12: Submit your final proposal after responding to the review of your proposal
- May 13,15: In class presentations

You need to specify the source of the data and the variables you intend to use. You also need explain your empirical strategy and why the data and your strategy are appropriate.

Proposals with preliminary findings demonstrating the issue are more likely to be funded or supported. Actual data and analysis are not required for the term project. But you are most welcome to collect some data and present empirical findings.
Readings

We will introduce the required analytical tools in class. You may refer to your Microeconomic Theory textbook to refresh your mind. There are several good resources for econometrics. The following online book (also available in print) provides a good foundational introduction to causal inference:

Causal Inference: The Mixtape
by Scott Cunningham
https://mixtape.scunning.com/

Week 1:

Monday, March 18

*Introduction with a focus on Policy Impact in Education; Why government in education? Externalities and natural Monopolies; State of the PK-12 education in the US*

Wednesday, March 20

Theory: The Human Capital Model and Education as Signaling


Week 2:

Monday, March 25 – Assignment Day

A brief on Empirical Methods by the Professor


**Wednesday, March 27**

*Returns to Education and the Mincer equation*

Lemieux, T. 2003. 'The "Mincer Equation" Thirty Years After Schooling, Experience and Earnings' Center for Labor Economics, University of California, Berkeley


**Week 3:**

**Monday, April 1 – Assignment Day**


Wednesday, April 3

*The Education Production Function: Input and Output*


Week 4:

Monday, April 8 – Assignment Day


Wednesday, April 10

*Peer Effects*


Bruce Sacerdote. “Peer Effects in Education: How Might They Work, How Big Are They and How Much Do We Know Thus Far?” Chapter 4 from Handbook of the Economics of Education, 3, (2011), Elsevier B.V.


**Week 5:**

**Monday, April 15 – Assignment Day**


**Wednesday, April 17**

**Crime**


Week 6:

Monday, April 22 – Assignment Day


Wednesday, April 24

School Accountability


McElroy, Katherine, 2023, "Does test-based accountability improve more than just test scores?" *Economics of Education Review*, Volume 94, 2023, 102381


Week 7:

Monday, April 29 – Assignment Day


Wednesday, May 1

Test-based accountability


Week 8:

Monday, May 6 – Assignment Day


**Wednesday, May 8**

School Choice and Research Design


**Week 9 – Term Projects:**

**Monday, May 13**

Term project presentations

**Wednesday, May 15**

Term project presentations
University Resources, Disability Accommodations, and Academic Integrity

- For University policies on disabilities accommodations, please contact the Office of Student Disabilities Services via disabilities.uchicago.edu | 773-702-6000 | or disabilities@uchicago.edu
- For Title IX violations, please note that most employees of the University are mandatory reporters. If you have any questions about Title IX violations, please contact titleix@uchicago.edu
- For the University’s Policy on Harassment, Discrimination and Sexual Misconduct, please see http://harassmentpolicy.uchicago.edu/page/policy.
- For policies on academic honesty and integrity, including incidents of plagiarism, please consult the Student Manual at https://studentmanual.uchicago.edu/Policies/