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 48500", otherwise your emails may be missed.

Description

This course is PhD level introduction to the economics of education. It introduces microeconomic theories of returns to education and frontier 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 is on early childhood and K-12 education in the US.

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 and take it to the frontier of contemporary analytical tools required for the study of the question.

Goals: The goal of this course is to introduce various questions and methodological innovations with an aim to initiate a PhD thesis. You will be heavily involved in discussions. You will prepare a presentation on a paper of your choice from the weekly assignment. I will moderate the discussions. We will determine the procedure together in the first day of the class. Also, we will discuss the reading list for the following week at the end of each class and make adjustments depending on your interests.

Requirements and Grading:

The course will be graded based on

- Weekly assignments and presentations - 50%
- Term Project – 50%
  - 40% for the project
  - 10% for peer review of your classmates’ projects
The course is designed to be

**Weekly Readings and Assignments**

Please see below the weekly topics and associated readings.

There is no bad/silly question or comment. You are expected to participate in the discussions with your questions and comments even if you are not the presenter. 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 and progress.

**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. An NSF proposal sets a maximum of 15 pages. Your proposal will be a maximum 20 pages (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 is 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 20 pages
- May 2: Projects will be assigned for peer review
- May 6: Peer reviews returned
• May 12: Submit your final proposal of maximum 20 pages after responding to the review of your proposal
• May 15: In class presentations (depending on time, we may add an additional class)

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. You are strongly encouraged to demonstrate some preliminary findings with actual data and analysis. If your work mainly consists of a methodological contribution, you are strongly encouraged to sketch your theoretical arguments.
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/

Wednesday, March 20

- *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*
- Theory: The Human Capital Model and Education as Signaling
- 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


Wednesday, April 3

The Education Production Function: Input and Output


**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.


**Wednesday, April 17**

*Crime*


**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


**Wednesday, May 1**

*Test-based accountability*


**Wednesday, May 8**

School Choice and Research Design


**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/