Details on the Research Project

Your research project must be an evaluation of the impact of some government program or policy and must involve the analysis of data. You may look at local, state, or federal policies and programs; you may attempt to evaluate a new program or policy or a change in an existing one; you are not constrained to any particular historical period, but the requirement that the project involve the analysis of relevant data may limit how far back in history you can go.

As mentioned on the syllabus, there will be several graded milestones that are meant both to ensure that you make good progress on your project and to improve the final project. Important dates are as follows:

**January 15, 22, 27:** You should meet with me after class (in my office) to discuss possible topics and choose a topic. You **must** meet with me at least once by **Friday, January 29**. Come to this meeting with ideas about what you might do. We may need to meet more than once to find a good topic. The sooner you start the process of choosing a topic, the better.

**February 5, 10:** On one of these days you will make a 5-10 minute presentation to the class on your proposed topic. This presentation is worth 5% of your grade. Your presentation should tell us what government program or policy you will examine and the question or questions that you plan to address in your statistical analysis. You should make up an outline of your talk and write out the main points on a transparency that you can put on the overhead projector in class. Expect questions and comments from me and from the class.

**February 26:** A first draft of your project is due at the end of class. This draft is worth 5% of your grade. It will be an incomplete draft, but it must include the following sections:

1. An introduction that states the question you intend to address and discusses why that question is important;
2. A literature review that describes and summarizes what others have learned about this topic. You will find the online index Econlit to be useful, and I will give you other suggestions. A table is often a good way to summarize what others have learned about a topic;
3. An outline of your research strategy — that is, a statement of how you plan to address your question, including the type of data you have found and how you plan to analyze it. You will probably need to write down at least one equation that summarizes your estimations strategy.

**March 12, 17, 19:** On one of these days you will make a 10-minute presentation based on your first draft and any work you have done since. Also, you will be given the first draft of one other person in the class. After that person makes his or her presentation, you will give a 5 minute discussion of the draft. You should discuss the strengths and possible weaknesses of the research strategy and raise additional questions you think should be addressed. Your own presentation and your discussion of the other student’s proposal will be worth 10% of your grade.

**April 9:** The second draft of your project is due at the end of class. This draft will extend the first draft by including a preliminary empirical analysis. That is, you must have gathered your data and made a first attempt to analyze it by this time. You will also want to discuss what remains to be done. This draft is worth 10% of your grade.
**April 14, 16, 21:** On one of these days you will make a final presentation of your project, including the results of your statistical analysis and your conclusions. Plan for this presentation to last for 15 minutes. This presentation is worth 20% of your grade.

**April 23:** The final paper must be turned in at the end of class. This will be worth 40% of your grade. It will be evaluated on the basis of both content and writing quality. Organization, clarity, grammar, and spelling will all be considered along with content in grading the paper.

**April 29:** I will be in our regular classroom from 12:45-2:45. You should come by during this time to pick up your (graded) final paper and discuss it with me if you wish.

As each “milestone” approaches, I will give you more information about what I expect. You should feel free to contact me with questions at any stage of your work on the project. I will be available during scheduled office hours, and I am also available by e-mail, at woodbur2@msu.edu. Mr. Allgrunn can also help you with your project, including advice on data and on using the statistical software.

Late work will be penalized, and missed presentations will result in a failing grade for the course. The only exceptions are serious illness or family emergencies (in which case I will require documentation). You cannot receive a passing grade under any circumstances without completing the final paper and the final presentation. You can avoid conflicts with exams or other commitments by completing required work before it is due. When presentations cover a range of days, I will first take volunteers for each date, then assign students to dates as needed.
President Bush proposes to give states $3.6 billion to promote Personal Reemployment Accounts to Americans who need the most help getting back to work.

These funds will enable states to offer accounts of up to $3000 each to eligible individuals to purchase job training and key services, such as child care and transportation, to help them look for a job and get back to work quickly. Recipients will be able to keep the balance of the account as a cash reemployment bonus if they become reemployed within 13 weeks.

Personal Reemployment Accounts are a flexible new approach to giving the unemployed more control over their access to training and services and help them make a quick return to work. States will have considerable flexibility in designing the account program.

President Bush's new program will allow states to serve at least 1.2 million Americans most in need of help getting back to work.

The Concept

As part of the existing unemployment benefit proposal, all states identify individuals likely to exhaust unemployment benefits before becoming reemployed. States use factors such as prior employment in a declining industry, education level, and length of recent job tenure.

States will have the option of offering personal reemployment accounts to the following groups of unemployed workers:

- New or existing unemployment beneficiaries who are identified as "somewhat to very likely to exhaust" unemployment benefits, and
- Former UI claimants who have exhausted all their unemployment benefits within the three months prior to the effective date of the enactment of the program, and who meet one of the following criteria: (1) they are successfully in training and need extra support to complete training; or (2) they have worked in industries or occupations that are declining or no longer functioning in the local labor market (within the past 2 years). States will have the option of choosing additional targeting criteria.

States will be able to target this flexible new benefit to those individuals most in need of help getting back to work by offering Personal Reemployment Accounts of up to $3000, based on the specific conditions in each state.
The accounts will give eligible unemployed workers the power to purchase training, supportive services (e.g. child care, transportation), and intensive services (e.g., employment counseling, case management). The accounts will be administered through the One Stop Career Center system and individuals will be given broad flexibility to purchase the services of their choosing, within broad limits to prevent abuse.

In addition, states will have the option to allow eligible individuals who have exhausted all unemployment benefits to use account funds as income support, similar to unemployment benefits, until they become reemployed.

If an account holder becomes reemployed within 13 weeks, he or she will be able to keep the remaining balance of the account as a reemployment bonus. For new unemployment benefit recipients, the 13 week period begins to run when they begin to receive UI. For individuals who are already receiving unemployment benefits or have exhausted unemployment benefits, the 13 week period begins to run when they become eligible for the account. To encourage workers to stay on the job longer, the remaining balance will be paid in two installments (60% at employment and 40% after 6 months job retention).

Benefits of Reemployment Accounts

Because account recipients can keep the balance of their accounts when they become reemployed quickly and stay employed, they create an incentive to get off unemployment benefits and back to work more quickly. The more quickly a job is obtained, the larger the reemployment bonus will be.

The reemployment bonus also makes it easier for individuals to afford to make the transition to a new, more vibrant industry.

Reemployment accounts also make it easier for individuals to take advantage of training and services to help them get back to work and give them more flexibility and personal choice of their services.

The more quickly a job is attained, the shorter the period of unemployment benefit payments.
Notes

1. The first assignment is due on Monday, January 13. In addition to the assignment that was handed out on Monday [see #1(January9) on the web], please write a paragraph or two explaining how you would go about evaluating the Bush Administration’s proposal for Personal Reemployment Accounts. What questions would you ask about the proposal? What kind of information would you want to have in order to predict the likely effects of the proposal?

2. On Wednesday, we started to discuss problems 2.1, 2.4, and 2.6 in Wooldridge, and we will continue with this on Monday. You should review Chapter 2 of Wooldridge, especially the five assumptions of the Simple Linear Model. Also, begin reading Chapter 3. Sections 3.1 and 3.2 are especially important, and we will discuss them next week.