Economics 499 — Senior Seminar for Economics Majors

Professor Woodbury
Spring Semester 2003

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Office Hours: MW 2:15-3:15 (other times by appointment)
(Please note: You don’t need an appointment to see me during office hours — just stop by. Also, after class is often a good time to talk.

Teaching Assistant: Michael Allgrunn (allgrunn@msu.edu)
Office and Office Hours: To be announced

Course Description
Economics 499 is the “capstone” course for economics majors, in which you are given the opportunity to apply what you have learned in other economics courses by planning and completing an independent research project. The topic of this seminar is “Economics, Econometrics, and Evaluating Government Programs and Policies,” and the goal is to familiarize you with the approaches used by economists in analyzing the outcomes of government policies and appraising whether those policies achieve their stated goals efficiently. Although evaluating economic policy involves applying both economic theory and empirical methods, the emphasis in the seminar will be on empirical research and statistical methods used by economists to evaluate policy. We will focus in particular on recent attempts by economists to apply the logic of randomized trials to understanding the effects of real-world economic policies.

Seminar sessions will be devoted to a combination of lectures, discussions, and student presentations. The lectures will be concerned mainly with explaining the empirical strategies and statistical methods mentioned above, and illustrating through a series of case studies how they have been used in the evaluation of government policy. Some class time will be devoted to group discussions of existing examples of policy evaluation by economists, with the aim of teaching students to critically evaluate such research; or to discussion of possible approaches to the evaluation of real or hypothetical government programs or policies. Each student will also be expected to make three in-class presentations during the term describing the current status of his or her research project for the rest of the class.

Prerequisites
You must have taken intermediate microeconomics (EC251H or EC301), intermediate macroeconomics (EC252H or EC302), and have taken or be currently enrolled in EC420.

Required Texts

Course Requirements
The main course requirement is planning and completion of a significant research project, which will involve your own evaluation of a government program or policy based on statistical analysis of data. You will be working on this project throughout the term, and at various points in the term you will be graded on your progress. Specifically:

- A brief (5-10 minute) presentation of your topic to the class is worth 5% of your grade.
- A first, incomplete, written draft of your paper is worth 5% of your grade.
- An in-class presentation (10 minutes) describing what you have done so far and what you plan to
do is worth 10% of your grade.
• A second draft of the paper, due about two weeks before the end of class, will be worth 10% of your grade.
• During the last week of class, a final oral presentation of the paper to the class will be worth 10% of your grade.
• The final paper, due on the last day of class, will be worth 40% of your grade.

Next time, I will distribute a detailed description of the project options available to you and a schedule for completing the drafts and making and in-class presentations.

The final 20% of your grade will be based on class participation, attendance, and a series of homework assignments. The homework assignments are described further in a separate handout. This is a small class by design — I expect you to participate in class, asking questions and making comments. I also expect you to attend all classes, including classes in which other students make presentations. In these classes, it is important for you to offer suggestions and ideas that will help them improve their final product. Class time will be devoted to discussing reading assignments from Wooldridge’s *Introductory Econometrics* and Booth, Colomb, and Williams’s *Craft of Research*, often along with questions for you to consider prior to the discussion. Finally, you should expect me to ask you questions during class.