Course Description and Goals:

Over the past twenty years economics has made a number of contributions to understanding the role of education in the wider economy and the effectiveness of various education policies. This course provides a broad overview of the different issues in education that economists study. Through readings and discussion we will study the various aspects of the intersection of economics and education with a focus on US education policy. The goal for this course is to provide you with a broad understanding of the issues that arise at the intersection of education and economic policy, to be able to make judgments about the effectiveness of various education policies based on current research, and to be able to make cogent and effective arguments about what you feel are appropriate policy recommendations.

Class meetings: Class will meet on Mondays and Wednesdays from 3:00pm to 4:20pm in Berkey 122.

Office Hours: Mondays 9:30am – 11:30am or by appointment in 25E MAH.

Requirements and grading:

Your grade in this course will be calculated as follows:

- Quizzes – 15%
- Policy Analysis Brief – 20%
- Midterm – 25%
- Final Exam – 40%

Descriptions of the course requirements are as follows:

1. Readings – Readings will come from a variety of sources. First is a set of selections from a draft copy of *Economics of Education* by Michael Lovenheim and Sarah Turner. Our class will serve as a beta test for this book. Thus while it will be rough around the edges, the chapters we will go over will be provided on D2L so you do not need to purchase a
text book. In return, at the end of the semester I may ask you to provide some feedback on the textbook for the authors to use as they make improvements.

A number of readings will also come from the *Handbook of the Economics of Education* (referred to as “Handbook” below). These selections will be provided in D2L but are available electronically through the MSU libraries. The *Handbook* can be found at [http://catalog.lib.msu.edu/record=b6664136~S39a](http://catalog.lib.msu.edu/record=b6664136~S39a). To download or print the documents you need to create a free *ebrary* account by clicking on the link for the appropriate volume. Some additional articles from various sources will also be used. Links to these are provided on this syllabus and on D2L. **For some links to work you need to be on campus. If you are not, you can search the MSU library electronic journals to gain access.** These sources include, but are not limited to, selections from the *Journal of Economic Perspectives, Education Next,* and policy briefs from *Education Finance and Policy*. Articles from other sources can be accessed through D2L. These are all written for undergraduate students and policy makers and thus do not contain advanced statistics or mathematics.

(2) **Exams** – About halfway through the course we will have a midterm exam that will test you on the readings and class discussions. There will also be a cumulative final exam at the end of the semester. The exams will primarily consist of short-answer (1 to 2 sentence) questions and essays and may also include some graphing and interpretations of statistical analyses. A calculator will not be necessary for the exams but students are permitted to use a 4-function or scientific calculator without any graphing or note-taking abilities.

(3) **Quizzes** – Every other week on Monday there will be a short (15 minute) quiz at the start of class which will test you on the topics covered in the previous two weeks. The quizzes may include a couple of short answer questions or a brief essay assignment. Quiz absences will not be excused; however I will drop your lowest quiz grade.

(4) **Policy Analysis Brief** – About 2/3 of the way through the semester students will work in groups of 4 to write a 10 to 12 page double spaced policy brief on an education policy chosen from a list provided by me. The students will provide background information on the policy, examples of implementation in real life, summarize any research conducted on the policy and closely related policies, and provide an assessment using evidence from economic theory and existing research on what, if any, impact we would expect from the policy. Students may choose their own groups though those who are not part of a group by the specified date will be randomly assigned to groups.

***Note that if you have a question or concern regarding your grade on any assignment you need to bring it up within one week after it is returned. After that I will not entertain any requests for grade changes.***

**Academic Honesty**: Students are expected to abide by the academic honesty requirements set forth here [https://www.msu.edu/~ombud/academic-integrity/index.html](https://www.msu.edu/~ombud/academic-integrity/index.html). Any academic dishonesty will not be tolerated and is subject to referral to the appropriate review process.
Written assignments for this course may be evaluated for possible plagiarism using Turnitin. The university’s policy for use of Turnitin is copied here:

Consistent with MSU’s efforts to enhance student learning, foster honesty, and maintain integrity in our academic processes, instructors may use a tool called Turnitin to compare a student’s work with multiple sources. The tool compares each student’s work with an extensive database of prior publications and papers, providing links to possible matches and a ‘similarity score’. The tool does not determine whether plagiarism has occurred or not. Instead, the instructor must make a complete assessment and judge the originality of the student’s work. All submissions to this course may be checked using this tool.

Students should submit papers to Turnitin Dropboxes without identifying information included in the paper (e.g. name or student number), the system will automatically show this info to faculty in your course when viewing the submission, but the information will not be retained by Turnitin.

Incompletes: Incompletes are only provided in extraordinary circumstances and at the instructor’s discretion. The MSU Registrar’s office provides the following rules for the application of incomplete grades: “The I-Incomplete may be given only when: the student (a) has completed at least 6/7 of the term of instruction, but is unable to complete the class work and/or take the final examination because of illness or other compelling reason; and (b) has done satisfactory work in the course; and (c) in the instructor’s judgment can complete the required work without repeating the course”

Accommodations: University policy requires that reasonable accommodations be made for students with disabilities, and absences due to religious holidays and athletic competitions. Students who are absent for religious holidays or athletic competitions will not have their attendance grade affected by those absences, nor will they count to your two permitted absences, provided that you inform me in advance. Further, reasonable accommodations will be made for students who are absent for exams or quizzes due to religious holidays or athletic competitions provided you inform me at least one week prior to the exam or quiz. Students who are ill will be permitted to make up the exam only if they provide documentation of their illness from a health professional or health care institution. Note that the documentation must attest that the student was too ill to take the exam. A note that simply states the student visited a clinic is insufficient. Whether accommodations for other reasons for missing exams will be provided are to be decided by the instructor on a case-by-case basis. Failure to provide reasonable documentation of your excuse or provision of an insufficient excuse could result in receiving a reduced grade or zero on the missed exam. Students who are ill for quizzes will not be permitted to make them up. Students with disabilities that require extra time for an exam or other accommodations must provide me with a Verified Individualized Services and Accommodations (VISA) document at least one week prior to the first exam at which point I will work with you to make alternative arrangements.

Social Media Policy: As members of a learning community, students are expected to respect the intellectual property of course instructors. All course materials presented to students are the
Course Outline:

This outline is preliminary and may change if the class goes too fast or too slow.

Weeks 1 & 2 – Aug 27, Sep 3 (No Class Sep 1 – Labor Day)

**Introduction, Externalities and Public Goods**

Lovenheim & Turner, Chapters 2 – 3


Week 3 – Sep 8, 10

**Human Capital, Signaling and the Returns to Education**

Lovenheim & Turner, Chapters 4 – 6


Week 4 – Sep 15, 17

**Quiz 1, Sep 15**

**Education Production Functions – Theory and Observable Inputs**

Lovenheim & Turner, Chapters 7 & 9
Handbook (Volume 2): “School Resources” by Hanushek

http://www.jstor.org/stable/2138552

http://www.jstor.org/stable/2138553

Week 5 – Sep 22, 24

Education Production Functions –Teacher Quality

Handbook (Volume 2): “Teacher Quality” by Hanushek and Rivkin


Week 6 – Sep 29, Oct 1

Quiz 2, Sep 29

Peer Effects and Tracking

Handbook (Volume 3):

“Peer Effects in Education: How Might They Work, How Big Are They and How Much Do We Know So Far?” by Sacerdote


“Poor Results for High Achievers” by Bui, Craig and Imberman in Education Next http://educationnext.org/poor-results-for-high-achievers/

Week 7 – Oct 6, 8

Accountability and No Child Left Behind
Lovenheim & Turner, Chapter 11

Handbook (Volume 3): “School Accountability” by Figlio and Loeb


Week 8 – Oct 13, 15

  Quiz 3, Oct 13

  **Catch up and midterm review – October 13**

  **Midterm – Wednesday, October 15, in class.**

Week 9 – Oct 20, 22

**School Choice**

Lovenheim & Turner, Ch. 10


Week 10 – Oct 27, 29

**Incentivizing Students and Teachers**

“Student Incentives” by Imberman, forthcoming in *The Encyclopedia of Education Economics and Finance* (download via D2L)
“When and Why Incentives (Don't) Work to Modify Behavior”
http://www.jstor.org/stable/41337236

Week 11 – Nov 3, 5

Quiz 4, Nov 3

The State of Higher Education Finance

Lovenheim & Turner, Ch. 13

http://www.jstor.org/stable/41348812

http://www.jstor.org/stable/2647135

Policy brief must be uploaded to D2L dropbox by 5:00pm on Friday, Nov 7.

Week 12 – Nov 10, 12

Postsecondary Financial and Merit Aid

Lovenheim & Turner, Ch. 14

http://futureofchildren.org/futureofchildren/publications/docs/23_01_04.pdf

http://www.jstor.org/stable/41348811


Week 13 – Nov 17, 19

Quiz 5, Nov 17

Professor Quality


College Mismatch


Week 14 – Nov 24 (Class Canceled Nov 26 – Pre-Thanksgiving)

Community and For-Profit Colleges


Week 15 – Dec 1, 3

Quiz 6, Dec. 1
Continue community & for-profit colleges and final exam review.

Final exam – Tuesday December 9, 3:00pm – 5:00pm.