

ECON 236 Economics of Education

Washington and Lee University

Fall 2020

Course Information

Class Meetings

- Section 01: Tuesday, Thursday, 14:30-16:00 AM, Newcomb 122
- Section 02: Tuesday, Thursday, 16:30-18:00 PM, Newcomb 122

Instructor: Professor Matt Naven

Office: Huntley 213

Office Hours

- Monday 9:00-10:00
- Tuesday 9:00-10:00
- Wednesday 9:00-10:00
- Thursday 9:00-10:00
- By appointment

Campuswire Website: <https://campuswire.com/c/GE7F76CE5/feed>

Campuswire is a tool that encourages students to collaborate with their classmates. If you have a question about any of the material you can post the question to Campuswire and your fellow classmates have the opportunity to provide assistance. I have the ability to endorse answers that students provide which I will use to verify correct answers. If no students can come up with the correct answer then I may provide an answer myself.

I am requiring that all questions related to course content or course details (i.e. anything that is not a personal question or confidential) be posted to Campuswire in lieu of email (but please don't feel intimidated about coming to my office hours!). I will then award participation points both to the students

who ask questions and to the students who provide responses.

Note that the purpose of Campuswire is to provide *help* in the form of explaining how to solve questions as opposed to just giving the final answer.

Website: www.matthewnaven.com/teaching/2019-2020

My website has a link to the syllabus as well as other information for the class.

Email: mnaven@wlu.edu

I don't check email on my phone, and I only check and respond to my email between 9:00 AM and 5:00 PM Monday through Friday. If you're anything like me as an undergrad, this will probably be the exact opposite times of when you're sending emails. Keep this in mind if you want a question answered promptly. I'll do my best to respond to emails quickly within that timeframe, so if I haven't gotten back to you in a couple of days don't hesitate to send a follow up because I may have just lost your email in my inbox. Also note that an email sent late in the day may not get answered until the following day (or week if it's a Friday).

Course Overview

Economics is the study of how individuals, firms, and governments allocate scarce resources. The goal of this course is to get students to analyze education topics through the lens of an economist. This course will focus on the determinants of education, the factors in the production of education, how to improve the educational outcomes of students, and how education affects other outcomes. There will be a particular focus on education in the United States and the impact of existing policies and potential reforms on the achievement and opportunities available to poor and disadvantaged students.

Economists often analyze issues in quite different ways than their peers, with a focus on costs, benefits, incentives, and *ceteris paribus* ("all else equal") analysis that holds other factors constant. This often entails developing formal models, both graphically and algebraically, that explain the world around us.

Economic analysis is often used, and perhaps more often misused, when discussing social and political issues. Thus, understanding basic economic principles is a critical component of being an informed citizen that contributes to society. This course places a strong emphasis on critical thinking and will hopefully change the way students analyze seemingly noneconomic issues that arise in their everyday lives. A solid foundation in economics has become an important asset for careers in law, journalism, public policy, medicine, education, international relations, business and many other areas.

For many students, economics will be an entirely new way of looking at issues. Some students will find this thought process intuitive, while others may struggle with the concepts or resist this new way of thinking. If you

find yourself questioning or struggling with the material I encourage you to work with other students in the class or stop by my office hours so that we can discuss the issues in more detail!

Class Norms

The academy is a place for open dialog and debate. Some topics in this class may make you feel uncomfortable. However, all students are expected to engage in good-faith communal inquiry with both myself and other students. In order to create a classroom environment that supports respectful, critical inquiry through the free exchange of ideas, the following principles will guide interactions among students and professors in this class:

- Treat every member of the class with respect, even if you disagree with their opinion
- All viewpoints are welcome
- No ideas are immune from scrutiny and debate
- Treat every opinion as open to examination, even if it comes from someone with more experience or expertise than you
- Any claim will be challenged with counterarguments using evidence, not attacked or shamed
- Reasonable minds can differ on any number of perspectives, opinions, and conclusions
- Some perspectives, opinions, and conclusions are unreasonable or based on falsehoods and should be identified as such
- Because constructive disagreement sharpens thinking and deepens understanding, it will factor into your participation grade
- You will not be graded on whether your professor or peers agree with your opinions
- You will be graded on the evidence and reasoning that leads to those opinions

Required Materials

Michael Lovenheim and Sarah Turner, *Economics of Education*, 1st Edition

Grading

My grading principles are as follows:

1. I grade anonymously so that, to the extent possible, I'm unaware of which student I'm grading.
2. I use the entire 0%-100% scale. An assignment that has no correct answers will receive a 0%.
3. I target a GPA of 3.3 between all sections.
4. I prefer to grade strictly in order to create a grade distribution with a large variance, which I can then modify with a curve as I see fit.

- There will *likely* be an (as yet undetermined) curve for the course. If a curve is implemented at the conclusion of the course, it will *only* positively affect your grade (i.e. your percentage grade will not drop due to the curve).

Course Requirements

Your grade will be determined as follows:

Component	Percentage
Policy Briefs	40%
Exam	20%
Participation	15%
Reading Responses	15%
Problem Sets	10%

Policy Briefs

Students must write two policy briefs arguing for a particular position on the following topics. The purpose of these assignments is to apply the economic analyses we learn in class to an issue that does not have a correct answer, which will improve students' critical thinking skills and encourage them to develop convincing evidence-based arguments.

A separate rubric will be provided outlining the specific requirements of the policy briefs.

Topics:

1. K-12 teachers in Virginia should be designated essential workers during the coronavirus pandemic and forced to return to schools.
2. Washington and Lee's department of admissions should implement an affirmative action program on the basis of race.
3. Public universities should have a mandatory liberal arts curriculum.
4. Virginia should divert subsidies from four-year universities to vocational programs.
5. The state and federal governments should make all public colleges free.
6. Virginia should ban charter schools.
7. Virginia should implement a school voucher system for K-12 education.

Exam

There will be one exam on October 29, 2020 in class.

As with our instruction time, phones, tablets, and computers are absolutely banned from being visible during exams. They must be turned off and placed in your backpack for the duration of the exam. In particular, this means that phones cannot be on top of your desk or in your hands when using the restroom. Any student with technology visible during the exam will be in violation of this policy.

Participation

There are three components to the participation score:

1. Ask questions and contribute to discussions, keeping in mind that others may share your confusion or learn from your insights. Asking questions is a positive externality, as the answers to those questions become a public good that all students in the class can benefit from. Questions and contributions to Campuswire will also contribute towards your participation grade. This is the most important determinant of your participation grade.
2. I ask that all students be mindful during our one hour class period. While I encourage students to practice mindfulness in the other aspects of their life, I only require it for three hours of each week. The purpose of our class time is to learn economics, and I ask students to give their undivided attention. In particular, this means not using phones, tablets, or computers during class. If I see your phone (i.e. it's on the table) even if you're not using it, then note that you will be losing participation points. Academic research shows the [negative impact of electronics in the classroom](#), and you may even be surprised to notice that you enjoy the reduced anxiety from not constantly checking notifications.
3. Respect your fellow students by behaving professionally. This includes arriving on time, not leaving class unnecessarily, and, in particular, not using phones, tablets, or computers. I list this twice because phones, tablets, and computers are not only a distraction to those who use them but also to everyone else around them. Note that if I see your phone, tablet, or computer, I will oblige you to internalize the negative externality by reducing your participation score.

If you are sick or must miss class for a university activity I will excuse the absence, but you must send me an email *before* the class for which you will be absent in order for me to excuse the absence. For all other absences I will reduce your participation score.

Problem Sets

Students will be assigned problem sets related to the course material. The purpose of the assignments is for students to better understand the material, as students often believe they understand a topic until they are asked to utilize that knowledge in practice. Given the purpose of the assignments, I will accept late

assignments one day after their due date for a 50 percentage point reduction. For example, if an assignment is due on February 1st and a student completes the assignment by February 2nd with a score of 80%, then they will receive a score of 30% for the assignment. I will also drop the lowest assignment score.

Students can turn in problem sets in groups of up to four students. I strongly encourage students to work together on the problem sets. Different students will have different comparative advantages, and teaching a concept to others is one of the best ways to master the material. Please keep in mind that working together involves collaboration, so students should not be simply giving answers to others in order to complete a problem.

Reading Responses

Students will be required to complete reading responses to a select number of readings throughout the term. The purpose of the reading responses is to provide an incentive for you to complete the reading and to stimulate class discussions. I will provide a template for the reading responses. Responses will include a brief summary of the paper, interpretation of main results, and questions or comments that you are willing to raise in class that will contribute to the class discussion. These questions and comments may include concerns about the paper's model, results, or interpretations as well as additional research questions.

Responses will be graded on an "exceeds standards", "meets standards", and "below standards" scale. Responses that include a clear and concise summary of the major points of the paper, a deep understanding of the strengths and weaknesses of the analysis, and exceptional questions that reflect careful consideration of the reading will receive an "exceeds standards". Responses that reflect a careful reading of the paper and some level of reflection will receive a "meets standards", and responses that include simplistic questions that suggest only cursory coverage of the material will receive a "below standards". Reading responses are due at the start of the class period. They will not be accepted if you are late to class without an approved excuse.

Honor System

I expect students to follow the honor system with regard to all coursework and exams. You are not allowed to use any answer keys to complete assignments. Phones, tablets, and computers must be turned off and placed in your backpack for the duration of the exam. In particular, this means that phones cannot be on top of your desk or in your hands when using the restroom. However, I encourage students to collaborate both when working on assignments and studying for exams. One of the best ways to master a topic is to teach it to someone who doesn't understand it.

Academic Accommodations

I am committed to ensuring access to course content for all students. Reasonable accommodations are

available for students with disabilities. Contact Lauren Kozak, Title IX Coordinator and Director of Disability Resources, to confidentially discuss your needs and the accommodation process. More information can be found at: <https://www.wlu.edu/disability-accommodations/undergraduate-accommodations>.

If you have already been approved for accommodations, please meet with me within the first two weeks of the term so we can develop an implementation plan together. It is important to meet as early in the term as possible; this will ensure that your accommodations are implemented early on. If you have accommodations for test-taking, please remember that arrangements must be made at least a week before the date of the test or exam.

Topic List

Date	Topic	Readings	Assignments
08/25/2020	Intro, microeconomic review	L&T Ch. 1	
08/27/2020	Structure and history of education markets	L&T Ch. 2	
09/1/2020	The human capital model	L&T Ch. 4	
09/3/2020	The signalling model	L&T Ch. 5	
09/8/2020	Empirical tools of education economics	L&T Ch. 3	Problem set 1 assigned
09/10/2020	The returns to education investment	L&T Ch. 6	
09/15/2020	The returns to education investment	Oreopoulos, Philip. "Estimating average and local average treatment effects of education when compulsory schooling laws really matter." <i>American Economic Review</i> 96, no. 1 (2006): 152-	Reading response 1 due

		175.	
09/17/2020	The education production function	L&T Ch. 7	
09/22/2020	The financing of local public schools	L&T Ch. 8	
9/24/2020	Achievement gaps	<p>Reardon, Sean F., Joseph P. Robinson, and Ericka S. Weathers. "Patterns and trends in racial/ethnic and socioeconomic academic achievement gaps." Handbook of research in education finance and policy (2008): 497-516.</p> <p>Reardon, Sean F. "The widening academic achievement gap between the rich and the poor: New evidence and possible explanations." Whither opportunity 1, no. 1 (2011): 91-116.</p> <p>Reardon, Sean F., and Claudia Galindo. "The Hispanic-White achievement gap in math and reading in the elementary grades." American Educational Research Journal 46, no. 3 (2009): 853-891.</p>	
9/29/2020	Achievement gaps	Naven, Matthew. "Within-School Heterogeneity in Quality: Do Schools Provide Equal Value Added to All Students?." (2020).	<p>Reading response 2 due</p> <p>Problem set 2 assigned</p>
10/1/2020	Education inputs and outcomes	L&T Ch. 9	
10/6/2020	Education inputs and outcomes	Chetty, Raj, John N. Friedman, and Jonah E. Rockoff. "Measuring the impacts of teachers II: Teacher value-added and student outcomes in adulthood." American economic review 104, no. 9 (2014): 2633-79.	Reading response 3 due
		Martorell, Paco, Kevin Stange, and Isaac McFarlin	Reading

10/8/2020	Education inputs and outcomes	Jr. "Investing in schools: capital spending, facility conditions, and student achievement." <i>Journal of Public Economics</i> 140 (2016): 13-29.	response 4 due
10/13/2020	Education inputs and outcomes	Lafortune, Julien, Jesse Rothstein, and Diane Whitmore Schanzenbach. "School finance reform and the distribution of student achievement." <i>American Economic Journal: Applied Economics</i> 10, no. 2 (2018): 1-26.	Reading response 5 due
10/15/2020	School choice	L&T Ch. 10	
10/20/2020	School choice	Hastings, Justine, Thomas J. Kane, and Douglas O. Staiger. "Heterogeneous preferences and the efficacy of public school choice." NBER Working Paper 2145 (2009): 1-46.	Reading response 6 due Problem set 3 assigned
10/22/2020	Test-based accountability programs	L&T Ch. 11	
10/27/2020	Teacher labor markets	L&T Ch. 12	
10/29/2020	Exam	L&T Ch. 1-12	
11/3/2020	Market dimensions of higher education in the U.S.	L&T Ch. 13	
11/5/2020	Student financial aid policies and collegiate enrollment	L&T Ch. 14	
11/10/2020	Student financial aid policies and collegiate enrollment	Denning, Jeffrey T., Benjamin M. Marx, and Lesley J. Turner. "ProPelled: The effects of grants on graduation, earnings, and welfare." <i>American Economic Journal: Applied Economics</i> 11, no. 3 (2019): 193-224.	Reading response 7 due

11/12/2020	The economics of college life: admissions, peer effects, and graduation	L&T Ch. 15	
11/17/2020	The economics of college life: admissions, peer effects, and graduation	Naven, Matthew. "Human-Capital Formation During Childhood and Adolescence: Evidence from School Quality and Postsecondary Success in California." (2019).	Reading response 8 due
11/19/2020	Catch-up day		