

Georgetown University – Fall 2021
Economics of Education
ECON 409-01
Instructor: Lawrence Costa

Course Description

This course surveys various ways in which economists look at education. Broadly, the material can be broken down into three overlapping topics: 1) technical items such as economic models of human capital, 2) empirical findings on who gets an education and the returns to one, and 3) education policy. There will be a focus on learning how to read, understand, and interpret economics journal articles.

Time/Location

Lecture: ICC 213, Monday & Wednesday, 2:00 pm – 3:15 pm

Office Hours: Tuesday noon-1:30 PM

TA Office Hours: N/A (no TA for this class)

Midterm: 8 November, during class, ICC 213

Final: 10 December, [as scheduled by the registrar](#)

Classroom Decorum, Attendance, & Academic Standards

I do not anticipate any problems here but this section is a sort of mandatory disclaimer. Appropriate classroom manners are expected. I do not take attendance but do expect that students will attend all lectures. As for academic standards, any dishonesty will be punished to the fullest extent possible.

Exams & Assignments

- Final exam: 35%
 - Cumulative
- Midterm: 30%
 - This can only help you. If you have a higher score on the final than the midterm, the final will count for 65% of your grade. As such, there will be no make-up midterm exam.
- Homework: 20%
 - I will assign homework on occasion. This will often entail using STATA to replicate empirical work from journal articles. You are encouraged to work in groups of up to 3 people (turn in the same assignment for all group members and list all your names).
- Project: 15%
 - You will present a journal article in small groups. This will depend on class size. If there are too many students for this to be feasible, the project's 15% of the course grade will be reallocated to the midterm and final.

Course Structure

I will alternate between material that tracks with your textbook and directly presenting journal articles. This is to keep you from having to digest more than an article or two per week (understanding a journal article takes work and I expect you'll find it harder than the textbook material).

In terms of content, we will cover some basic models economists use to conceptualize education (*e.g.*, human capital, education signaling). Much of the rest of the course will be devoted to empirical research implications for education policy.

Software

- You will need STATA for some of the homework assignments. Georgetown has a license so you can download it for free.

Textbook & Articles

Textbook:

Economics of Education, by Michael Lovenheim and Sarah Turner, E-book ISBN: 9781464156946

Articles:

Higher Education

- Black, Sandra, Jeffrey Denning, and Jesse Rothstein. 2020. "Winners and Losers? The Effect of Gaining and Losing Access to Selective Colleges on Education and Labor Market Outcomes." NBER Working Paper. No. 26821.
- Castro, Rui and Daniele Coen-Pirani. 2014. "Explaining the Evolution of Educational Attainment in the U.S." Cahiers de recherche 11-2014, Centre interuniversitaire de recherche en économie quantitative, CIREQ.
- Chetty, Raj, John N. Friedman, Emmanuel Saez, Nicholas Turner, and Danny Yagan. Forthcoming. "Income Segregation and Intergenerational Mobility Across Colleges in the United States." *The Quarterly Journal of Economics*.
- Goldin, Claudia, Lawrence Katz, and Ilyana Kuziemko. 2006. "The Homecoming of American College Women: The Reversal of the College Gender Gap." *The Journal of Economic Perspectives*, 20 (4): 133-156.
- Hoxby, Caroline Minter. 2009. "The Changing Selectivity of American Colleges." *Journal of Economic Perspectives*, 23 (4): 95-118.
- Spence, Michael. 1973. "Job Market Signaling." *The Quarterly Journal of Economics*, 87 (3): 355-374.
- Zimmerman, Seth D. 2014. "The Returns to College Admissions for Academically Marginal Students." *Journal of Labor Economics*, 32 (4).

Primary/Secondary Education

- Chetty, Raj, John Friedman, Nathaniel Hilger, Emmanuel Saez, Diane Schanzenbach, and Danny Yagan. 2011. "How Does Your Kindergarten Classroom Affect Your Earnings? Evidence from Project STAR." *Quarterly Journal of Economics*, 126(4): 1593-1660.
- ~~Chetty, Raj, John Friedman, and Johan Rockoff. 2014. "Measuring the Impacts of Teachers I: Evaluating Bias in Teacher Value-Added Estimates." *American Economic Review*, 104(9): 2593-2632.~~
- ~~Chetty, Raj, John Friedman, and Johan Rockoff. 2014. "Measuring the Impacts of Teachers II: Teacher Value-Added and Student Outcomes in Adulthood." *American Economic Review*, 104(9): 2633-2679.~~
- Dobbie, Will, and Roland G. Fryer Jr. 2014. "The Impact of Attending a School with High-Achieving Peers: Evidence from the New York City Exam Schools." *American Economic Journal: Applied Economics*, 6 (3): 58-75.
- Hoxby, Caroline Minter. 1996. "How Teachers' Unions Affect Education Production." *The Quarterly Journal of Economics*, 111 (3): 671-718.
- Johnson, Rucker. 2011. "Long-run Impacts of School Desegregation and School Quality on Adult Attainments." NBER Working Paper. No. 16664.
- Neal, Derek and Diane Schanzenbach. 2010. "Left Behind by Design: Proficiency Counts and Test-Based Accountability." *The Review of Economics and Statistics*, 92(2): 263-283.

Human capital (some are difficult, so we won't always cover the entire article)

- Ben-Porath, Yoram. 1967. "The Production of Human Capital and the Life Cycle of Earnings." *The Journal of Political Economy*, 75, (4): 352-365.
- Blandin, Adam. 2018. "Learning by Doing and Ben-Porath: Life-cycle Predictions and Policy Implications." *Journal of Economic Dynamics and Control*, 90, (May) 220-235.
- Huggett, Mark, Gustavo Ventura, and Amir Yaron. 2006. "Human Capital and Earnings Distribution Dynamics." *Journal of Monetary Economics*, 53(2): 265-90.
- Huggett, Mark, Gustavo Ventura, and Amir Yaron. 2011. "Sources of Lifetime Inequality." *American Economic Review*, 101(7): 2923-54.