

Georgetown University – Spring 2023
Introduction to Education Economics
ECON 209-01
Instructor: Lawrence Costa

Course Description

This course provides an overview of the economics of education. The material concerns three general areas: 1) a description of the types of models economists use to describe education, 2) empirical findings on who gets an education and the returns to one, and 3) a discussion of education policy. Students will be introduced to economics journal articles and will learn how to interpret them at an accessible level.

Specifically, with respect to the journal articles, you will be expected to interpret sections of research papers to understand what is being studied, why, the results, and how it relates to a wider literature. Since this is a 200 level course, you will *not* be expected to give in-depth interpretations of study methodology, derive mathematical models (you may need to read/interpret mathematical notation, but calculus is not a prerequisite for this course), *et cetera*.

Time/Location

Lecture: Car Barn 204, Tuesday & Thursday, 5:00 pm – 6:15 pm

Office Hours: By appointment

TA Office Hours: TBA

Midterm: 23 February, during class

Final: 4:00 – 6:00 PM Saturday 6 May, location TBA, [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.
- Discussion & Homework: 20%
 - Some course sections will be discussion-based / interactive (as opposed to lectures). I will randomly call on students for comments/answers. Evaluation will be based on preparedness and the quality of your answers. (Just a “+” or “-“

when I call on you; I'll deduct points at the end of the semester based on number of "-")

- I may assign homework to get you some (basic) experience with empirical analysis in STATA. Since this is a 200 level course, grading will be quite lenient.
- 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. Additionally, some sections will be discussion based; that is, some days I will lead a discussion where you'll need to participate, rather than give a lecture.

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 might 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 (subject to change):

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.