Economics 525
Economics of Education
Ingraham 224
TR 1-2:15 pm

Contact Information:
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Office Hours: Wed. 1-2pm, Tues. 2:30-3:30pm, or by appointment

Course Goals:
1) Apply theoretical and empirical methods of economics to education policy.
Economics is a powerful framework for thinking about education policy. Economics focuses us on the incentives created by a policy, allowing us to predict its intended and unintended consequences.

2) Distinguish good empirical research from bad.
There are thousands of empirical education studies. This course helps you separate the wheat from the chaff by teaching you to read closely and critically. We will discuss the key challenges in education research and learn the best-practice methods that overcome them.

3.) Improve your written communication skills. This is a writing-intensive course.

Prerequisites:
Students must have taken Intermediate Microeconomics (Econ 301 or 311) and Econ 410 (or concurrent enrollment).

Course Website:
Course material can be accessed through Learn@UW (https://learnuw.wisc.edu). Please check the course website frequently for required readings, announcements, and other course materials.

Readings:
All readings can be downloaded on-line or from the course website. Many of the readings are taken from academic journals, and while challenging, were chosen to be accessible to undergraduate economics majors. Please do not despair if you are not able to understand every aspect of the paper. The reading summaries, described below, are intended to help focus your reading of these articles. We will also be drawing material from the following texts:

**Grading:**

*Distribution of points:*

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Reaction Papers</td>
<td>10%</td>
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<tr>
<td>Homework</td>
<td>5%</td>
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<tr>
<td>Midterm 1</td>
<td>20%</td>
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<tr>
<td>Midterm 2</td>
<td>20%</td>
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<tr>
<td>Term Paper</td>
<td>30%</td>
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<tr>
<td>Oral Presentation</td>
<td>15%</td>
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**Reaction Papers:**

You will be asked to write reaction papers to articles denoted by * on the reading list. These will be due at the beginning of class and will be assigned at least 1 week prior. The papers are to be typed, preferably 1 page but no more than 1.5 pages double-spaced.

The first half should be a concise summary of the research described in the reading. It should answer the following questions:

1. What is the primary question/issue/hypothesis that the author wanted to address?
2. Why is the question interesting or important?
3. What data does the author use (if empirical paper)?
4. Give an intuitive description of the author’s test or model.
5. What are the author’s findings or conclusions?

The second half should be a critique of the paper. It may consider one or two of the following questions:

6. Are you convinced by the author’s results/arguments? Why or why not?
7. Do you believe they found a causal relationship? Why or why not?
8. Did the results obtained justify the interpretation and conclusions?
9. Were appropriate controls used or did the approach adequately test the hypothesis?
10. Do you think the results could be biased in some way? Explain.

The above questions are also intended to help guide your reading of some of the more challenging articles in the syllabus. Though you will only be graded on the assigned reaction papers, you are encouraged to answer these questions for the other assigned readings, as they will provide a useful study guide for the exams and will help enable you
to contribute to class discussions. They will also help you develop an understanding of
the key elements of research papers in economics, provide models for your own
economic writing and help you to synthesize the literature for your term paper.

Midterms:

There will be 2 midterms on March 3 and May 5. Please reserve these dates now. As a
general rule, I do not give make up exams. However, if you have documented,
exceptional circumstances that make it impossible for you to take an exam at the
scheduled time, you should contact me before the exam.

Term Paper:

Students will write a paper (10-12 pages, double-spaced, 12 point font) that analyzes a
topic in the economics of education. These deadlines must be met to receive full credit
for the paper:

- Thurs, Feb. 3 proposal due
- Mon., Feb 7- Fri., Feb 11 Meet with instructor to discuss proposal
- Thurs, Feb. 24 Detailed outline and bibliography due
- Thurs., Mar. 31 Draft due
- Mon., May 14 Paper due

More details will be provided in the upcoming weeks. However, I encourage you to start
reading about current issues in education policy. Links to some useful websites can be
found on the course webpage.

Oral Presentation:

You will present your term paper to the class during the last two weeks of April.

Class Participation:

While you will not be given an explicit class participation grade, I strongly encourage
class participation, and it can make a difference in borderline cases. Students are
expected to attend class and read the assigned material prior to class. The quality of the
class will greatly improve with student preparation.
Preliminary Course Outline
(Subject to Change)

I. Introduction


PART I: Educational Production

II. Educational Production


III. Finding What Works in Education


IV. Class Size: Experimental Evidence


V. Class Size: Observational Evidence


VI. Teachers


VII. Market for Teachers


VIII. Peers


IX. Achievement Gaps


PART II: Investment in Education

X. Private Investment in Education—Theory


(http://educationnext.org/the-human-capital-century/)

XI. Private Investment in Education—Empirical Evidence (Natural Experiments)


XII. Public Investment in Education


XIII. Financing Education --- Public finance in a federal system


PART III: Educational Reforms

XIV. Desegregation


XV. School Choice


XVI. Accountability

Figlio, D. N. and H. F. Ladd “School Accountability and Student Achievement,” in Handbook of Research in Education Finance and Policy.


Grievance Procedure:

The Department of Economics at UW-Madison has developed a grievance procedure through which you may register comments or complaints about a course, an instructor, or a teaching assistant. The Department continues to provide a course evaluation each semester in every class. If you wish to make anonymous complaints to an instructor or teaching assistant, the appropriate vehicle is the course evaluation. If you have a disagreement with an instructor or a teaching assistant, we strongly encourage you to try to resolve the dispute with him or her directly. The grievance procedure is designed for situations where neither of these channels is appropriate.

If you wish to file a grievance go to room 7238 in the William H. Sewell Social Science Building at 1180 Observatory Drive and request a Course Comment Sheet. When completing the comment sheet, you will need to provide a detailed statement that describes what aspects of the course you find unsatisfactory. You will need to sign the sheet and provide your student identification number, your address, and a telephone number where you can be reached. The Department plans to investigate comments fully and will respond in writing to complaints.

Your name, address, telephone number and student ID number will not be revealed to the instructor or teaching assistant involved and will be treated as confidential. The Department needs this information because it may become necessary for a commenting student to have a meeting with the Department Chair in order to gather additional information. Your name and address are necessary for providing a written response.