

ECP 3510: Economics of Education Syllabus

Spring Semester 2017

Time

Mondays & Wednesdays, 3rd and 4th periods (9:35pm-11:30pm).

Location

Room HVNR 270

To familiarize yourself with the unique features of this course you must read this syllabus carefully. I will consider your continued enrollment in this course equivalent to accepting all the responsibilities and policies outlined in this syllabus. If something is not clear please contact me.

Brief Course Description

We study economic issues related to education, balancing theory with empirical results. We apply economics from several fields (Game Theory, Microeconomics, Public Economics, Labor Economics, Macroeconomics, Growth Theory) to questions related to education. We give special attention to the policy implications of the economic analysis. Special attention is given as well to the relationship between key features of the education system, education policy and the equal opportunity goal, as well as to key equity-efficiency trade-offs that education policymakers face. Real world discussion and examples will mostly be US-based but we will sometimes carry out international comparisons too.

Prerequisites

Principles of Microeconomics (ECO 2023).

Textbook and other readings

Required readings for every topic are listed in the schedule starting in page 4 of this syllabus. The majority of them are chapters from the course textbook:

D. J. Brewer and P. J. McEwan (Editors): Economics of Education. Elsevier. 2010.
ISBN 978-0080965307

Other readings include academic articles –mostly from top economic journals– as well as some more didactic ones from Education Next and other sources. Articles marked with an asterisk are technically challenging. Students are not expected to study or understand any technical detail in these articles that is not explained in class.

Instructor Information

Name: Francisco Martínez-Mora

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Office: TBC

Office Hours: Thursdays 2:00pm-5:00pm (or by appointment).

Student Responsibilities & Resources

Classroom Expectations:

Class attendance is required. Students are expected to be punctual and to remain in the classroom for the entire class session, as they would in any business appointment, unless an urgent need arises or prior arrangements have been made with the instructor.

Students are expected to arrive for class prepared to meet classroom obligations and to devote full attention and commitment to the work of that class, as well as to actively participate in the class.

Laptops and other electronic devices should not be turned on. In the rare but urgent situation, the student should advise the instructor in advance of a pending phone call or message.

I will hold myself to the same standards of behavior that I expect of students.

Course Evaluation:

Students are expected to provide feedback on the quality of instruction in this course by completing online evaluations at <https://evaluations.ufl.edu>.

Evaluations are typically open during the last two or three weeks of the semester, but students will be given specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results/>.

University Honesty Policy:

UF students are bound by The Honor Pledge which states, “We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honor and integrity by abiding by the Honor Code. On all work submitted for credit by students at the University of Florida, the following pledge is either required or implied: “On my honor, I have neither given nor received unauthorized aid in doing this assignment.”

The Honor Code (<https://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>) specifies a number of behaviors that are in violation of this code and the possible sanctions. Furthermore, you are obligated to report any condition that facilitates academic misconduct to appropriate personnel. If you have any questions or concerns, please consult with the instructor or TAs in this class.

Counseling and Wellness Center:

Contact information for the Counseling and Wellness Center:
<http://www.counseling.ufl.edu/cwc/Default.aspx>, tel: 392-1575;
and the University Police Department: 392-1111 or 911 for emergencies.

Students Requiring Accommodations:

Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, www.dso.ufl.edu/drc/) by providing appropriate documentation.

Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodation. Students with disabilities should follow this procedure as early as possible in the semester.

Advice for success:

Keep up with the course materials and lectures. Read the corresponding book chapter or articles specified in this syllabus before every lecture. Actively participate during the lecture. Review the lecture notes and test whether you understand the material covered after each lecture.

Grading

Your course grade is normally determined by your performance on a one-hour and thirty-minute midterm class test (25%), an article report (15%) and class presentation (10%), and in a two-hour final exam (50%). Borderline course grades will be adjusted if appropriate for class attendance and participation (up or down).

Midterm (25%) and Final Exams (50%):

The midterm exam will cover topics 1 to 3. The final exam will cover the whole course but will put more weight on the material covered in topics 4 to 8 (including experiment 1). We will discuss further the nature of the midterm and final exams as they approach.

Article Report (15%):

You are expected to prepare a critical Article Report. To do that you must choose an article from a list that I will publish at the end of January. You must read the article you choose carefully, write a short critical report about it (up to 1,000 words) and present it in front of the class. The deadline for submitting your work is the 5th of April. Late submissions will not be accepted.

Class Presentation (10%):

Students are expected to do a short class presentation of their article report (10 to 15 minutes). Presentations will take place in the last two weeks of term. Depending on the number of students taking this course, presentations may be individual or in groups. Final arrangements will be explained later on in the course.

Please note that any lapse of appropriate conduct while a fellow classmate is presenting may result in a final course grade reduction of one letter grade. Presenting one's own work in front of peers can be nerve-wracking; we must make sure that we are as respectful and supportive as possible.

Classroom Experiments

Students are expected to actively participate in two classroom experiments on February 22nd and March 15th. The idea is that you “get your hands dirty” by taking decisions in a simulated economic problem, and then to observe how all the participants’ decisions aggregate into specific individual and global outcomes (e.g. aggregate welfare, students’ welfare, segregation, inequality), and how those outcomes relate to the relevant theory.

Contents and Schedule

Please note that the scheduled content of lectures is subject to changes due to the normal evolution of the course.

Week #	Date	Topic	Required Reading
1	Jan 4 th	Introduction	
2	Jan 9 th	1) Human Capital & Signaling Theories of Education	Human Capital: Eide and Showalter (2010)
	Jan 11 th		Signaling: Page (2010) Human Capital vs Signaling: *Weiss (1995)
3	Jan 18 th	2) Private & Social Returns to Education	Private returns: Gunderson and Oreopoulos (2010)

			<p>External Benefits: McMahon (2010)</p> <p>Growth: Hanushek and Wößmman (2010) Hanushek et al. (2016)</p> <p>Health: Muennig (2010)</p> <p>Civic Engagement: Dee (2010)</p> <p>Crime: Lochner (2010)</p>	
4	Jan 23 rd			
	Jan 25 th			
5	Jan 30 th	<p>3) Production of Education: Early Education, Family inputs, Neighbors, Peers, Teachers, Class Size</p>	<p>General: Hanushek (2010) Hoxby (2016)</p> <p>Early Education: Heckman (2006) Nores (2010)</p> <p>Family inputs: Currie and Goodman (2010) Rothstein (2010) Egalite (2016)</p> <p>Peers and Neighbors: Vigdor and Ludwig (2010)</p> <p>Teachers: Pelayo and Brewer (2010)</p> <p>Class Size: Schanzenbach (2010) *Lazear (2001)</p>	
	Feb 1 st			
6	Feb 6 th			
	Feb 8 th	<p>4) School Choice (I): Vouchers</p>	<p>Zimmer and Bettinger (2010) Belfield and Levin (2010) *Epple and Romano (1998) *Epple and Romano (2008)</p>	
7	Feb 13 th			
	Feb 15 th			

8	Feb 20 th	Midterm Exam (25%)	Topics 1 to 3
	Feb 22 nd	Classroom Experiment (I)	
9	Feb 27 th	5) Decentralized vs Centralized School Finance: Tiebout model, segregation and competition	Downes (2010) Nechyba (2010) *Bénabou (1996)
	Mar 1 st		Original article: *Tiebout (1956)
10	Mar 13 th		
	Mar 15 th	Classroom Experiment (II)	
11	Mar 20 th	6) School Choice (II): Student Assignment Mechanisms	Abdulkadiroğlu et al. (2005a) Abdulkadiroğlu et al. (2005b) *Abdulkadiroğlu and Sönmez (2003) *Pathak (2016)
	Mar 22 nd		
12	Mar 27 th	7) Higher Education Markets	Ehrenberg (2010) Winston (1999)
	Mar 29 th		
13	April 3 rd	8) Education Policy, Redistribution and the Equal Opportunity Goal	Plank and Davis (2010) Blanden and Machin (2010) *Betts and Roemer (2005) *De Fraja (2004)
	April 5 th		
	April 5 th	Deadline for submitting your Article Report (15%)	
14	April 10 th	Student Presentations (10%)	
	April 12 th		
15	April 17 th	Student Presentations (10%)	
	April 19 th		

16	Time & Venue TBC	Final Exam (50%)	Topics 1 to 8
<p>* Articles marked with an asterisk are technically challenging. Students are not expected to study or understand any technical detail in these articles that is not explained in class.</p>			

Required reading:

1. Atila Abdulkadiroğlu; Parag A. Pathak; Alvin E. Roth and Tayfun Sönmez (2005a): The Boston Public School Match. *American Economic Review (Papers and Proceedings)*, Vol. 95(2), pp. 368–371.
2. Atila Abdulkadiroğlu; Parag A. Pathak and Alvin E. Roth (2005b): The New York City High School Match. *American Economic Review (Papers and Proceedings)*, Vol. 95(2), pp. 364–367.
3. *Atila Abdulkadiroğlu and Tayfun Sönmez (2003): School Choice: A Mechanism Design Approach. *American Economic Review*, Vol. 93(4), pp. 729-747.
4. C. Belfield and H. M. Levin (2010): Educational Privatization. Textbook chapter, pp. 306-310.
5. *Roland Bénabou (1996): Equity and Efficiency in Human Capital Investment: The Local Connection. *The Review of Economic Studies*, 63(2), pp. 237-264.
6. *Julian R. Betts and John E. Roemer (2005): Equalizing Opportunity for Racial and Socioeconomic Groups in the United States through Educational Finance Reform. In Paul Peterson and Ludger Wößmman (Editors): *Schools and the equal opportunity problem*, MIT Press. Cambridge.
7. J. Blanden and S. Machin (2010): Education and Inequality. Textbook chapter, pp. 99-108.
8. J. S. Coleman (1966): Equality of Educational Opportunity. U.S. Department of Health, Education, and Welfare, Office of Education, Washington, DC.
9. J. Currie and J. Goodman (2010): Parental Socioeconomic Status, Child Health and Human Capital. Textbook chapter, pp. 156-162.
10. T. S. Dee (2010): Education and Civic Engagement. Textbook chapter, pp. 89-92.
11. *Gianni De Fraja (2004): Education and Redistribution. Unpublished manuscript.

12. T. Downes (2010): School Finance Reform. Textbook chapter, pp. 221-226.
13. Anna J. Egalite (2016): How Family Background Influences Student Achievement. *Can Schools Narrow the Gap?* Education Next, Spring.
14. R. G. Ehrenberg (2010): The Economics of Tuition Fees in American Higher Education. Textbook chapter, pp. 227-232.
15. E. R. Eide and M. H. Showalter (2010): Human Capital. Textbook chapter, pp. 27-32.
16. *Dennis Epple and Richard Romano (1998): Competition between private and public schools: Vouchers and peer group effects. *American Economic Review* 88: 33-62
17. *Dennis Epple and Richard Romano (2003): Neighborhood Schools, Choice and the Distribution of Educational Benefits. In Caroline M. Hoxby (Editor): *The Economics of School Choice*. University of Chicago Press, pp. 227-286.
18. *Dennis Epple and Richard Romano (2008): Vouchers and cream skimming. *International Economic Review*, 49(4), pp. 1395-1435.
19. M. Gunderson and P. Oreopoulos (2010): Returns to Education in Developed Countries. Textbook chapter, pp. 37-43.
20. E. A. Hanushek (2010): Education Production Functions: Evidence from Developed Countries. Textbook chapter, pp. 132-136.
21. E. A. Hanushek, J. Ruhose and L. Wößmann (2016): It Pays to Improve School Quality. *Education Next*. Summer.
22. E. A. Hanushek and L. Wößmann (2010) Education and Economic Growth. Textbook chapter, pp. 60-67.
23. James J. Heckman (2006): Skill Formation and the Economics of Investing in Disadvantaged Children. *Science*, Vol. 312, pp. 1900-1902.
24. Caroline Hoxby (2016): The Inmensity of the Coleman Data Project. *Education Next*, Spring.
25. *Edward P. Lazear (2001): Educational Production. *Quarterly Journal of Economics*, vol. 116(3), pp. 777-803.
26. L. Lochner (2010): Education and Crime. Textbook chapter, pp. 93-98.
27. W. W. McMahon (2010): Education and Health. Textbook chapter, pp. 68-79.
28. P. Muennig (2010): The External Benefits of Education. Textbook chapter, pp. 80-88.

29. *Thomas J. Nechyba (2000): Mobility, targeting and private school vouchers. *American Economic Review*, vol. 90, pp. 130–146.
30. Thomas J. Nechyba (2010): Tiebout Sorting and Competition. Textbook chapter, pp. 311-316.
31. M. Nores (2010): The Economics of Early Childhood Interventions. Textbook chapter, pp. 191-196.
32. M. E. Page (2010): Signaling in the Labor Market. Textbook chapter, pp. 33-36.
33. *Parag Pathak (2016): What Really Matters in Designing School Choice Mechanisms. Unpublished Manuscript.
34. D. N. Plank and T. E. David (2010): The Economic Role of the State in Education. Textbook chapter.
35. Pelayo and D. J. Brewer (2010): Teacher Quality in Education Production. Textbook chapter, pp. 178-182.
36. S. Rivkin (2010): Desegregation, Academic Achievement, and Earnings. Textbook chapter, pp. 170-177.
37. R Rothstein (2010): Family Environment in the Production of Schooling. Textbook chapter, pp. 148-155.
38. D. W. Schanzenbach (2010): The Economics of Class Size. Textbook chapter, pp. 183-190.
39. *Charles M. Tiebout (1956): A Pure Theory of Local Expenditures, *Journal of Political Economy*, vol. 64(5), pp. 416-424.
40. Jacob Vigdor and Jens Ludwig (2010): Neighborhoods and Peers in the Production of Schooling. Textbook chapter, pp. 163-169.
41. Gordon C. Winston (1999): Subsidies, Hierarchy and Peers: The Awkward Economics of Higher Education.