

**Economics 191EE – Economics of Education**  
**Course Outline and Reading List**  
**Spring 2008**

My Information:	Kelly Bedard North Hall 2022 kelly@econ.ucsb.edu	
Classes:	Tuesday and Thursday (Building and Room: 387 104)	12:30-1:45am
Office Hours:	Tuesday Thursday	2:30-3:30pm 2:30-3:30pm
Final Exam:	Monday, June 9	12:00-3:00pm

Economics 199E is a survey of theoretical models of education and empirical evidence. Topics range from the decision to invest in education, the production of education, school accountability, to the process of human capital accumulation.

### **Textbook**

George Borjas. *Labor Economics*, Fourth Edition, 2008. Irwin McGraw-Hill. (We will only use one chapter – I will put a copy on reserve).

### **Grading**

The final course grade will be computed as follows:

Assignments	(2 Assignments worth 10% each)	20%
Midterm Exam	(Tuesday, May 6)	30%
Final Exam	(Monday, June 9, 12-3pm)	50%

No makeup exams will be given in this course. If you miss the mid-term exam your final exam will count for 80% of your course grade instead of 50%. However, illness and serious family problems are the only reasons that you will be excused from the mid-term exam. In either case I will require the appropriate documentation. If you miss the mid-term exam for any other reason you will receive a grade of zero for the exam.

Your percentage grade at the end of the term will be converted into a letter grade approximately as follows: the top 25% of the class will receive an A+, A or A-, the next 35% a B+, B or B-, the next 30% a C+, C or C-, and the bottom 10% a D+, D, D- or F.

A cautionary note, academic dishonesty (plagiarism, cheating, and so on) will be taken very seriously. All cases will be reported to the appropriate office immediately.

## Assignments

The assignments are designed to familiarize you with the course material, as well as give you an opportunity to delve more deeply into selected issues.

The assignments **MUST BE TYPED** and are due at the beginning of class on the due date. Please note the following rule for late assignment submission: there will be a deduction of 25 marks (out of 100) for every 24 hours that the assignment is late. The first 25 marks will be deducted 10 minutes after the start of class on the due date.

I also encourage you to read the chapter(s) and papers for each lecture before coming to class. Many lectures, especially those focusing on journal articles or assignments, will have a substantial discussion and/or problem-solving component.

Assignments	Due Date
Assignment 1	Tuesday, April 22
Assignment 2	Thursday, May 22

All dates and topics listed in this syllabus are tentative in the sense that I reserve the right to change them. While it is possible that the topics covered may change slightly as we progress through the course, it is unlikely that the assignment due dates will change, and exam dates will not change.

## Class Schedule and Assigned Readings

### 1. Introduction (week 1)

#### A. Why do economists care about education?

- Taylor, L. L. 1999. "Government's role in primary and secondary education." *Federal Reserve Bank of Dallas Economic Review* 1, 15-24.  
<http://www.dallasfed.org/research/er/1999/er9901b.pdf>

#### B. The US educational system in perspective

- Goldin, C. 2003. "The human capital century." *Education Next* 3(1), 73-78.  
<http://www.hoover.org/publications/ednext/authors?authorID=2913591&c=y>

#### C. Human Capital and Economic Growth

- John Bishop. 1989. "Is the Test Score Decline Responsible for the Productivity Growth Decline?" *American Economic Review*. 79 (March), pp. 178-197.
- Eric Hanushek and Dennis Kimko. 2000. "Schooling, Labor-Force Quality, and the Growth of Nations." *American Economic Review*. 90 (December), pp. 1184-1208.

## 2. Investing in education (weeks 2 and 3)

### A. The theory and measurement of human capital

- Borjas, G. 2008. *Labor Economics*, pp. 243-268, 273-274, and 283-284
- Trostel, Philip, Ian Walker and Paul Woolley. 2002. "Estimates of the economic return to schooling for 28 countries," *Labour Economics* 9: 1-16.

## 3. Education as a signal (week 4)

- Borjas, G. 2008. *Labor Economics*, pp. 268-273

## 4. Educational Production (weeks 5, 6, and 7 – midterm exam during week 6)

### A. Does money matter?

- Hanushek, E. A. 1986. "The Economics of Schooling: Production and Efficiency in Public Schools." *Journal of Economic Literature* 24(3): 1141-77.
- Krueger, A. 1998. "Reassessing the View That American Schools are Broken," *FRBNY Economic Policy Review*. March, pp 29-43.  
<http://www.ny.frb.org/research/epr/98v04n1/9803krue.pdf>

### B. Peer effects

- Hoxby, C. M. 2002. "The Power of Peers," *Education Next* 2(2), 56-63.  
<http://www.hoover.org/publications/ednext/3366631.html>
- Meyer, Peter. 2008. "Learning Separately: The case for single-sex schools" *Education Next* 8(1), 10-21. <http://www.hoover.org/publications/ednext/11129951.html>

### C. Accountability

- Carnoy, Martin and Susanna Loeb. 2002. "Does External Accountability Affect Student Outcomes? A Cross-State Analysis." *Education Evaluation and Policy Analysis*. 2002
- Hanushek, Eric and Margaret E. Raymond. 2004. "Does School Accountability Lead to Improved Student Performance?" NBER Working Paper 10591
- Jacob, Brian. 2003. "High Stakes in Chicago," *Education Next* 3(1), 66-72  
<http://www.hoover.org/publications/ednext/3355136.html>

## **D. Teacher Effectiveness**

- Goldhaber, Dan. 2002. "The Mystery of Good Teaching." *Education Next* 2 (Spring). pp. 50-55 <http://www.hoover.org/publications/ednext/3368021.html>
- Daniel Goldhaber and Dominic Brewer. 1997. "Why Don't Schools and Teachers Seem to Matter? Assessing the Impact of Unobservables in Educational Productivity." *Journal of Human Resources*. 23 (Summer), pp. 505-523
- Jacob, Brian and Lars Lefgren. 2002. "The Impact of Teacher Training on Student Achievement: Quasi-Experimental Evidence from School Reform Efforts in Chicago." NBER Working Paper 8916

## **E. The market for teachers**

- Corcoran, S. P., W. N. Evans, and R. M. Schwab. 2004. "Changing Labor-Market Opportunities for Women and the Quality of Teachers, 1957-2000," *American Economic Review* 94(2), 230-235
- Hanushek, Eric and Steven Rivkin. 2004. "The Revolving Door," *Education Next* 1(2), 76-82. <http://www.hoover.org/publications/ednext/3345156.html>

## **5. School Choice (week 8)**

- Derek Neal. 2002. "How Vouchers Could Change the Market for Education." *Journal of Economic Perspectives*. 16(4), pp. 25-44
- Helen Ladd. 2002. "School Vouchers: A Critical View" *Journal of Economic Perspectives*. 16(4), pp. 3-24
- Hanushk, Eric, John Kain, Steven Rivkin, and Branch. 2005 "Charter School Quality and Parental Decision Making With School Choice." NBER Working Paper 11252

## **6. Early Human Capital Accumulation (week 9)**

- Temple, Judy and Arthur Reynolds. 2007. "Benefits and Costs of Investments in Preschool Education: Evidence from the Child-Parent Centers and Related Programs." *Economics of Education Review* 26(1): 126-44
- Currie, Janet and Matthew Neidell. 2007. "Getting inside the 'Black Box' of Head Start Quality: What Matters and What Doesn't." *Economics of Education Review*. 26(1): 83-99

## **7. Non-Cognitive Skills (week 10)**

- Heckman, James. 2007. “The Economics, Technology and Neuroscience of Human Capability Formation.” NBER Working Paper 13195
- Heckman, James, Jora Stixrud and Sergio Urzua. 2006. “The Effects of Cognitive and Noncognitive Abilities on Labor Market Outcomes and Social Behavior.” NBER Working Paper 12006