

**EAD 942: Economic Analysis in Education Policy Making
Spring 2008**

Dr. Amita Chudgar (amitac@msu.edu)

Class time and location

Wednesdays, 5-7:50pm,
Room 313, Ernest Bessy Hall

Office hours and office location

Wednesdays, 12-1pm
426, Erickson Hall

Course description

The course will begin with an introduction to some basic economic concepts and a discussion on how they may be applied in the analysis of educational issues. We will then discuss specific areas of education research and policy making which have been influenced by the use of economic tools. Specifically the class will focus on, education and economic productivity, the role of school resources in student achievement, standard based reforms and accountability, economics of higher education, cost-benefit analysis, teacher labor markets and school choice. Given the nature of the readings, in the first few classes I will spend some time on how to read and interpret quantitative results. However, through the semester I would expect that you continue to keep working on these skills as a part of your training through this course.

Late assignment policy

You are expected to turn in the assignments on time. Late submission will affect your grades. If you are unable to complete your work on time due to unavoidable circumstance, you must speak to the instructor at the earliest about this to ensure that your grades may not be affected.

Absence policy

If you must remain absent from a class, you need to a) inform the instructor ahead of time b) within a week of missing class, you must submit a one page summary for each of the readings covered in class on the day you missed class c) more than one absence may negatively affect your grade.

Assignments

1. Classes are a combination of lecture and discussion. Students are expected to participate fully in weekly discussions. It is essential that you come to class having read all the assigned articles and ready to engage with your classmates. From time to time I may also bring newspaper articles and other such materials to generate a discussion in class. Your engagement in these materials is crucial. Please remember that how well you do on this part of the assignment benefits not just you but also your classmates because we all learn from each other (15 percent).

2. Summarize and share in class three readings from the course. I will circulate a signup sheet on the second day of class where you will note your three selected readings from the syllabus. On the day when we read that paper you will be expected to come to class prepared with a brief summary for your class, and a question or two that the reading prompted you to think about. Specifically in your summary you should focus on the following, what was the author's main question(s), what data and method did the

author use to address this questions, what are the their main findings, your critical thoughts and feedback on how this study could have been done differently, improved or why this is an excellent study as it is. At the end of the class, you will turn in the brief summary and your question(s) to the professor (no longer than one single spaced page) (30 percent).

3. A short exercise using cost-benefit analysis. You can work in groups of no more than three for this assignment. This will require intermediate competency with Microsoft Excel or similar software (15 percent).

4. In groups of no more than three students a detailed analysis of an educational issue from an economic perspective. You will make a brief presentation on this paper in the last class and turn in a no longer than 25 page double spaced paper. While it is not necessary, students with sufficient statistical background are welcome and encouraged to engage in a data analysis project. I will distribute more instructions on this final assignment in class (40 percent).

Course material

Most readings you will need for this class are available online through MSU library's online resources (<http://er.lib.msu.edu/>) or online. The remaining readings are available in a course pack at the Spartan Bookstore in the International Center for \$33.86. Course packs may be purchased online at www.spartanbook.com, by phone at 877.267.4700, or in the store.

Course schedule and readings (subject minor changes/additions)

Class 1, 1/9 and Class 2, 1/16

Looking at education with an economic lens, some key economic concepts and how they may inform education, reading regression tables

1. Chapter 4, The Elements of Demand and Supply
2. Chapter 21, Theory of Production and Marginal Products
3. Chapter 29, Labor Unions and Collective Bargaining
4. Chapter 32, Economic Role of the Government
5. Chapter 34, Poverty, Equality and Efficiency (Samuelson 13th Edition)
6. How to read a statistical table

Class 3, 1/23

Education and economic productivity

1. Returns to investment in education: a further update G Psacharopoulos, HA Patrinos Education Economics, Volume 12, Number 2, August 2004 , pp. 111-134(24)
2. Human Capital vs. Signaling Explanations of Wages, Andrew Weiss, The Journal of Economic Perspectives, Vol. 9, No. 4 (Autumn, 1995), pp. 133-154
3. Does learning to add up add up? : the returns to schooling in aggregate data Lant Pritchett (From the Handbook of Economics of Education, Hanushek)
http://www.isid.ac.in/~planning/seminar/papers/18_2_2005.pdf

4. Emily Hannum and Claudia Buchmann. 2005. "Global Educational Expansion and Socio-Economic Development: An Assessment of Findings from the Social Sciences." *World Development* 33:333-54.

Class 4, 1/30 and Class 5, 2/6

Inputs in Education, school resources

1. School Resources, Eric A. Hanushek (From the Handbook of Economics of Education, Hanushek)
<http://edpro.stanford.edu/hanushek/admin/pages/files/uploads/HESEDU2014-1.pdf>
2. Dan Goldhaber and Dominic Brewer (1997) Why don't schools and teachers seem to matter? Assessing the impact of unobservables on educational productivity. *Journal of Human Resources* 32(3), 505-523.
3. David Cohen, Stephen Raudenbush, and Deborah Loewenberg Ball (2002). Resources, instruction, and research. *Education Evaluation and Policy Analysis* 25(2): 119-142.
4. School Resources and Student Outcomes: An Overview of the Literature and New Evidence from North and South Carolina
David Card, Alan B. Krueger *The Journal of Economic Perspectives*, Vol. 10, No. 4 (Autumn, 1996), pp. 31-50
5. Gary Burtless (1996). Introduction and summary. In G. Burtless, ed., *Does Money Matter?* Washington, DC: The Brookings Institution. Ch. 1, pp. 1-42
6. Economic Considerations and Class Size, Krueger, Alan B. *The Economic Journal*, Volume 113, Number 485, February 2003, pp. 34-63(30)
7. The Effect of School Resources on Student Achievement
Rob Greenwald, Larry V. Hedges, Richard D. Laine
Review of Educational Research, Vol. 66, No. 3 (Autumn, 1996), pp. 361-396

Class 6, 2/13 and Class 7, 2/20

Standard based reforms and accountability

1. The Confusing World of Educational Accountability June 2001, Eric A. Hanushek and Margaret E. Raymond *National Tax Journal* 54(2)
<http://edpro.stanford.edu/hanushek/admin/pages/files/uploads/accountability.ntj.pdf>
2. Carnoy and Loeb, "Does External Accountability Affect Student Outcomes? A Cross-State Analysis." *Educational Evaluation and Policy Analysis*, Vol 24 (4). Winter, 2003.
3. Helen Ladd (2001). School-based educational accountability systems: The promise and the pitfalls. *National Tax Journal*, 54(2), June, pp. 385-400. Available through <http://ntanet.org>.
4. Thomas Kane, Douglas Staiger, and Jeffrey Geppert (2002). Randomly accountable. *Education Next*, 2(1), Summer, pp.57-61. Available at: <http://www.educationnext.org> 3/30
5. Helen F. Ladd and Arnaldo Zelli, *Educational Administration Quarterly*, Vol. 38, No. 4, 494-529 (2002) School-Based Accountability in North Carolina: The Responses of School Principals

6. Charles T. Clotfelter et.al; Do School Accountability Systems Make It More Difficult for Low-Performing Schools to Attract and Retain High-Quality Teachers? *Journal of Policy Analysis and Management*, v23 n2 p251-271 Spr 2004
7. Geeta Kingdon and Francis Teal, "Does performance related pay for teachers improve student performance? Some evidence from India" *Economics of Education Review*, Volume 26, Issue 4, August 2007, Pages 473-486

Class 8, 2/27

Economics of Higher Education

1. Clotfelter, C. T. (1999). "The Familiar but Curious Economics of Higher Education: Introduction to a Symposium." *Journal of Economic Perspectives* 13 (1). pp. 3-12.
2. Does It Pay to Attend an Elite Private College? Cross-Cohort Evidence on the Effects of College Type on Earnings Dominic J. Brewer, Eric R. Eide, Ronald G. Ehrenberg
The Journal of Human Resources, Vol. 34, No. 1 (Winter, 1999), pp. 104-123
3. Subsidies, Hierarchy and Peers: The Awkward Economics of Higher Education Gordon C. Winston
The Journal of Economic Perspectives, Vol. 13, No. 1 (Winter, 1999), pp. 13-36

Class 9, 3/12 and Class 10, 3/19

ASSIGNMENT 3: COST-BENEFIT EXAMPLE DISTRIBUTED IN CLASS ON 3/12 ASSIGNMENT 3: COST-BENEFIT EXAMPLE DUE BY 3/19 EVENING ON ANGLE

Cost-benefit analysis

1. Levin, H. and P. McEwan. "Cost Effectiveness as an evaluation Tool." Forthcoming in the *International Handbook of Educational Evaluation*
2. Cost-Effectiveness and Educational Policy Henry M. Levin *Educational Evaluation and Policy Analysis*, Vol. 10, No. 1 (Spring, 1988), pp. 51-69
3. W. Steven Barnett, "Benefit-Cost Analysis of the Perry Preschool Program and Its Policy Implications" *Educational Evaluation and Policy Analysis*, Vol. 7, No. 4 (Winter, 1985), pp. 333-342
4. Barnett, W. S., & Masse, L. N. (2007), "Early Childhood Program Design and Economic Returns: Comparative Benefit-Cost Analysis of the Abecedarian Program and Policy Implications", *Economics of Education Review*, 26, 113-125.
5. Belfield, C., Nores, M., Barnett, W.S., & Schweinhart, L. (2005) Updating the benefit-cost analysis of the High/Scope Perry Preschool Program through age 40. *Educational Evaluation and Policy Analysis*, 27(3), 245-262.

Class 11, 3/26 and Class 12, 4/2

Teacher labor markets

1. Hamilton Lankford, Susanna Loeb, and James Wykoff (2002). Teacher sorting and the plight of urban schools: A descriptive analysis. *Educational Evaluation and Policy Analysis*, 24(1), Spring, pp. 37-62.
2. Richard Ingersoll (2001). Teacher turnover and teacher shortages: An organizational analysis. *American Educational Research Journal*, 38(3), Fall, pp. 499-534.

3. Dan Goldhaber (2002). The mystery of good teaching: Surveying the evidence on student achievement and teachers' characteristics. *Education Next*, 2(1), Spring, pp. 50-55. Available at: <http://www.educationnext.org>
4. Dale Ballou and Michael Podgursky (1998). The case against teacher certification. *Public Interest*, Summer, 132, pp. 17-30.
5. Carolyn Hoxby (2002). Would school choice change the teaching profession? *Journal of Human Resources* 73(4): 846-91.
6. Linda Darling-Hammond and Gary Sykes (2003). Wanted: A national teacher supply policy for education: The right way to meet the "Highly Qualified Teacher" challenge. *Education Policy Analysis Archives*, 11(33). Available at <http://epaa.asu.edu/epaa/v11n33>.
7. Understanding the level and causes of teacher turnover: A comparison with other professions *Economics of Education Review* Volume 26, Issue 3, June 2007, Pages 325-337

Class 13, 4/9 and Class 14, 4/16

School Choice

1. Henry Levin (2002). A comprehensive framework for evaluating educational vouchers. *Educational Evaluation and Policy Analysis*, 24(3), Fall, 159-174.
2. Helen Ladd (2001). School vouchers: A critical view. *Journal of Economic Perspectives*, 16(4), Fall, 3-24.
3. Rand Research Brief (2001). What do we know about vouchers and charter schools? Available at: <http://www.rand.org/publications/RB/RB8018/>. The full report, B.P. Gill, P.M Timpane, K.E. Ross, D.J. Brewer, *Rhetoric Versus Reality: What Do We Know About Vouchers and Charter Schools?* is available at: <http://www.rand.org/publications/MR/MR1118/>.
4. Caroline M. Hoxby, School choice and school competition: Evidence from the United States, *Swedish Economic Policy Review*, 2003, http://www.utahtaxpayers.org/email_campaign/taxing%20times/post.economics.harvard.e.pdf
5. National Voucher Plans in Chile and Sweden: Did Privatization Reforms Make for Better Education? Martin Carnoy, *Comparative Education Review*, Vol. 42, No. 3 (Aug., 1998), pp. 309-337
6. TBD

Class 15, 4/23

ASSIGNMENT 4 DUE IN CLASS

Class presentation