

Economics 461 - Economics of Education

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Section 001
Meeting Time M W 3:30-4:45
Classroom MARB B124
Office Hours M 12:30-1:30, W 10:30-11:30
Prerequisites Econ 388

Reference Material

My website will contain all class materials including homework assignments, notes, etc.
jeffdenning.com

Learning Outcomes

1. Evaluate education policy from an economics perspective
 - Incorporate costs and benefits in education policy analysis
 - Identify unintended consequences associated with alternative policy options
 - Base analysis on research literature findings.
2. Demonstrate an understanding of the theoretical underpinnings of the field
 - Education production
 - Human Capital formation
 - Role of incentives
3. Speak fluently and intelligently about current issues in education policy, including
 - US and International policy
 - Teacher labor markets
 - K-12 education policy
 - Higher education
4. Evaluate the economics of education research literature
 - Know the seminal papers in the field, and how they shaped the discipline
 - Know the current "cutting edge" papers and how they are pushing the frontiers of knowledge.

- Demonstrate an understanding of the quantitative methods and research tools that empirical education economists use to conduct research, including
- Cross sectional and panel data models
- Methods to account for selection bias
- The importance of obtaining causal effects.

Course Grading

Final grades will be calculated according to this weighting:

Homework	10%
Class Participation	5%
Quizzes	15%
Midterm	20%
Final	30%
Term Paper	20%

Grading for the semester will be done as follows: First, a total score for the semester will be calculated using the weights from above. Second, a distribution of grades will be determined based on a subjective evaluation by the instructor that determines grade cutoffs for each letter grade. Course grades will be regularly posted on Learning Suite.

Homework

There will be homework assignments. Each assignment may be done in groups of up to three individuals. The lowest homework assignment grade will be dropped.

Class Participation

To receive full credit for class participation you must complete the midcourse evaluation and end of course evaluation. You are expected to come to class and participate in the discussion of the concepts.

Quizzes

There will be 6 quizzes throughout the semester. The lowest quiz scores will be dropped. There will also be smaller, reading quizzes throughout the semester.

Midterm and Final There will be a midterm and a final exam. These will be take home exams. You cannot solicit human help of any kind (no talking to anyone, no electronic communication, no posting on a forum, etc). They will be open everything (but other humans).

Term Paper

The term paper will be a discussion of an educational policy/issue of your choice. This will be approximately 10 pages. In this paper you will describe an educational policy, the relevant economics models, and a discussion of the literature. As an example, a term paper could be on the subject "Should the United States provide free college to all stu-

dents?" A more detailed description of the paper can be seen on my website. This can be completed in groups of up to 3.

Laptops/Electronics

You may not use laptops, tablets, or any other electronic devices during class. I do make exceptions for students with disabilities, if you are in need of an exception please talk to me. There is good research to support this decision. If you would like to read more about the rationale for this policy see

- Sue Dynarski summarizing current research in the [New York Times](#)
- RCT run at West Point Carter, Greenberg, Walker (2017) "[The impact of computer usage on academic performance: Evidence from a randomized trial at the United States Military Academy,](#)" Economics of Education Review
- Patterson and Patterson (2017) "[Computers and Productivity: Evidence from Laptop Use in the College Classroom](#)" Economics of Education Review

Honor Code Standards

In keeping with the principles of the BYU Honor Code, students are expected to be honest in all of their academic work. Academic honesty means, most fundamentally, that any work you present as your own must in fact be your own work and not that of another. Violations of this principle may result in a failing grade in the course and additional disciplinary action by the university.

Students are also expected to adhere to the Dress and Grooming Standards. Adherence demonstrates respect for yourself and others and ensures an effective learning and working environment. It is the university's expectation that each student will abide by all Honor Code standards. Please call the Honor Code Office at 422-2847 if you have questions about those standards.

Preventing & Reporting Sexual Misconduct

In accordance with Title IX of the Education Amendments of 1972, Brigham Young University prohibits unlawful sex discrimination against any participant in its education programs or activities. The university also prohibits sexual harassment—including sexual violence—committed by or against students, university employees, and visitors to campus. As outlined in university policy, sexual harassment, dating violence, domestic violence, sexual assault, and stalking are considered forms of "Sexual Misconduct" prohibited by the university.

University policy requires all university employees in a teaching, managerial, or supervisory role to report all incidents of Sexual Misconduct that come to their attention in any way, including but not limited to face-to-face conversations, a written class assignment or paper, class discussion, email, text, or social media post. Incidents of Sexual Misconduct should be reported to the Title IX Coordinator at t9coordinator@byu.edu or (801) 422-8692. Reports may also be submitted through EthicsPoint at <https://titleix.byu.edu/report> or 1-888-238-1062 (24-hours a day).

BYU offers confidential resources for those affected by Sexual Misconduct, including the university's Victim Advocate, as well as a number of non-confidential resources and services that may be helpful. Additional information about Title IX, the university's Sexual Misconduct Policy, reporting requirements, and resources can be found at <http://titleix.byu.edu> or by contacting the university's Title IX Coordinator.

Students with Disabilities

If you have a disability that may affect your performance in this course, you should get in touch with the office of Services for Students with Disabilities (1520 WSC). This office can evaluate your disability and assist the professor in arranging for reasonable accommodations.

FHSS Diversity and Inclusion Syllabus Statement

In the College of Family, Home, and Social Sciences, our classroom participation and behavior are guided by our mission statement¹, the BYU honor code², and principles of Christian discipleship³. It is imperative that we value and respect every person as a child of Heavenly Parents who has divine worth. Consequently, we need to take steps to listen to, learn from, and love one another by striving to consider thoughtfully the opinions of others and use language that is polite, considerate, and courteous even when we strongly disagree. It is essential to create an educational environment that ensures "the gift of personal dignity for every child of God"⁴. This includes embracing one another compassionately and "eliminat[ing] any prejudice, including racism, sexism, and nationalism⁵... regardless of age, personal circumstances, gender, sexual orientation, or other unique challenges."⁶ It is vital to delight in individuality and welcome diverse perspectives and experiences as we "work tirelessly to build bridges of understanding rather than creating walls of segregation."⁷ To accomplish these goals we seek unity in higher principles of equity, charity, collaboration, and inclusiveness in order to build an environment in which all students, faculty, and staff can participate in, contribute to, and benefit equally from the academic community.

Inappropriate Use of Course Materials All course materials (e.g., outlines, handouts, syllabi, exams, quizzes, PowerPoint presentations, lectures, audio and video recordings, etc.) are proprietary. Students are prohibited from posting or selling any such course

¹"provide an education that helps students become informed citizens and thoughtful leaders who make the communities and families in which we live more just, equitable, and happy."

²"[we live] in accordance with the principles of the gospel of Jesus Christ and strive to maintain the highest standards in [our] personal conduct regarding honor, integrity, morality, and consideration of others."

³"The Creator of us all calls on each of us to abandon attitudes of prejudice against any group of God's children." President Russell M. Nelson, News Release, 2020; [link](#); [link](#) "he inviteth them all to come unto him and partake of his goodness; and he denieth none that come unto him, black and white, bond and free, male and female; and he remembereth the heathen; and all are alike unto God, both Jew and Gentile." (2 Nephi 26:33)

⁴Elder Jeffrey R. Holland, "A Perfect Brightness of Hope", April, 2020

⁵Elder M. Russell Ballard, "The Trek Continues", October, 2017

⁶President Russell M. Nelson, "The Love and Laws of God", September, 2019

⁷President Russell M. Nelson, "The Love and Laws of God", September, 2019

materials without the express written permission of the professor teaching this course. To do so is a violation of the Brigham Young University Honor Code.

Course Outline

			Topic	PS/Quiz
Aug	M	29	Intro	
	W	31	Human Capital Model	
Sep	W	7	Human Capital/Returns to Education	
	M	12	Signaling	
	W	14	Signaling 2	PS1 Q1
	M	19	Education Production Function	
	W	21	Teacher Value Added	PS2 Q2
	M	26	School Spending	
	W	28	No Class	
Oct	M	3	Peer Effects	
	W	5	Peer Effects 2	PS3 Q3
	M	10	No Class–Midterm	
Midterm Due Beginning of Class Wednesday Oct 13				
	W	12	Tiebout Model	
	M	17	School Competition	
	W	19	Charter Schools	
	M	24	Accountability	
	W	26	Teacher Labor Markets	
	M	31	Higher Education Grants	PS4, Q4
Nov	W	2	Higher Education Loans	
	M	7	Behavioral Higher Education	PS5, Q5
	W	9	College Quality	
	M	14	College Quality 2	
	W	16	Preschool	Paper Rough Draft
	M	21	K12 in Developing Contexts	PS6, Q6
	W	28	Higher Ed in Developing Contexts	
	W	30	Present Papers	
Dec	M	5	Present Papers	
	Final Drafts of Papers Due Beginning of Class Wednesday Dec 7			
	W	7	Final Thoughts	

Take Home Final Due Dec 16

Reading List

- Returns to Education

Zimmerman, S. D. (2014). The returns to college admission for academically marginal students. *Journal of Labor Economics*, 32(4), 711-754.

- Signalling

Arteaga, C. (2018). The effect of human capital on earnings: Evidence from a reform at Colombia's top university. *Journal of Public Economics*, 157, 212-225.

- Education Production Function

Schanzenbach, D. W. (2006). What have researchers learned from Project STAR?. *Brookings papers on education policy*, (9), 205-228.

- Teacher Value Added

Koedel, C., Mihaly, K., Rockoff, J. E. (2015). Value-added modeling: A review. *Economics of Education Review*, 47, 180-195.

- School Spending

Jackson, C. K., Johnson, R. C., Persico, C. (2016). The effects of school spending on educational and economic outcomes: Evidence from school finance reforms. *The Quarterly Journal of Economics*, 131(1), 157-218.

- Peer Effects

Carrell, S. E., Fullerton, R. L., West, J. E. (2009). Does your cohort matter? Measuring peer effects in college achievement. *Journal of Labor Economics*, 27(3), 439-464.

- Charter Schools

Cohodes, S. R., Parham, K. S. (2021). Charter Schools' Effectiveness, Mechanisms, and Competitive Influence.

- Accountability

Rockoff, J., Turner, L. J. (2010). Short-run impacts of accountability on school quality. *American Economic Journal: Economic Policy*, 2(4), 119-47.

- Higher Education Grants

Denning, J. T., Marx, B. M., Turner, L. J. (2019). ProPelled: The effects of grants on graduation, earnings, and welfare. *American Economic Journal: Applied Economics*, 11(3), 193-224.

- Higher Education Loans

Black, S. E., Denning, J. T., Dettling, L. J., Goodman, S., Turner, L. J. (2020). Taking it to the limit: Effects of increased student loan availability on attainment, earnings, and financial well-being (No. w27658). National Bureau of Economic Research.

- Behavioral Education

Haggag, K., Patterson, R. W., Pope, N. G., Feudo, A. (2021). Attribution bias in major decisions: Evidence from the United States Military Academy. *Journal of Public Economics*, 200, 104445.

- College Quality

Cohodes, S. R., Goodman, J. S. (2014). Merit aid, college quality, and college completion: Massachusetts' Adams scholarship as an in-kind subsidy. *American Economic Journal: Applied Economics*, 6(4), 251-85.

- Preschool

Cascio, E. U., Schanzenbach, D. W. (2014). Proposal 1: Expanding preschool access for disadvantaged children. *Policies to address poverty in America*, 19.