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☞ Harvard University • Economics 980b Junior Seminar ☛

EDUCATION IN THE ECONOMY

Spring 2024 • Monday 12:45 to 2:45pm

Prof. Claudia Goldin and Prof. Lawrence F. Katz • TF: Ms. Fiona Chen

See website for office hours and e-mail addresses.

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## Syllabus and Readings

### Goals of the Course:

- To explore—empirically, historically, comparatively, and theoretically—the changing significance and meaning of education in the economy from personal development to the entire nation’s economic strength.
- To involve students in the creative process of researching, writing, and presenting original research using primary sources (large-scale data sets).
- To discuss and understand policy relevant issues concerning *Education in the Economy*, including those concerning COVID-19, AI, and the role of the university.

### Readings:

All readings are hyperlinked. If a link does not work, bring it to the attention of one of the teaching staff. Many of the readings are also in the folder *Ec980b/Files/Course\_Readings*

### Course Requirements:

1. Create a [Research Paper](#) (there is no page requirement but 25 pages total is a good length) that builds on one of the course topics or a related subject. The project will enable you to use an important large data set with STATA (or R). You will be guided in the process by writing a Proposal, then a Prospectus, a Draft, and by making a presentation the last week of class during your "[15 Minutes of Fame](#)." The teaching staff will work closely with each of you to provide direction. Guidance about all parts of the Research Paper can be found [here](#).
2. Brief assignments: Write and post comments (about two pages) on four of the five starred (★) readings. Comments must be posted by 3pm EST the Sunday before class to Assignments. Advice on writing the comments can be found [here](#).
3. Post (at least) two *Topical Articles* (with pithy comments) to the *Discussion* page of the Ec980b website during the semester and provide comments on (at least) two posted by other students in the class. An article on the site will provide an example. Note that the article does not have to be on the topic for that week.

### Grades:

Your grade will be 60-70% research paper, 30-40% summaries and class discussion.

### Course Organization:

The course is organized as a lecture and discussion seminar.

## Syllabus and Readings

Note: Readings are listed alphabetically by author, not by order of presentation.

### Jan. 22 1. Education and the economy

(a) Education and earnings: Human capital and rising inequality

(b) Education and the public sector: Government's role

- Autor, David, Claudia Goldin and Lawrence F. Katz. (2020). "[Extending the Race between Education and Technology](#)," *AEA P&P* 110, pp. 347-51.
- Deming, David. "[Four Facts about Human Capital](#)," *Journal of Economic Perspectives* 36 (Summer 2022), only pp. 75-86.
- Friedman, Milton. (1962). "[The Role of Government in Education](#)," In M. Friedman, *Capitalism and Freedom*, pp. 85-107.
- Goldin, Claudia and Lawrence F. Katz. (2008). *The Race between Education and Technology* (Belknap Press), [Part I: chap. 1](#) (pp. 11-43). (Note: PDF contains chap. 1, footnotes and book references)

Optional: For a review of human capital see Ehrenberg and Smith. (2012). *Modern Labor Economics: Theory and Public Policy* 11/e (Pearson), [chap. 9](#), pp. 278-87.

### Jan. 29 2. Returns to education

(a) The pecuniary returns to education and getting around ability bias and selection issues

(b) Empirical methodology: The program evaluation problem

- Angrist, Joshua D. and Jörn-Steffen Pischke. (2009). *Mostly Harmless Econometrics* (Princeton Press), [chaps. 2 and 3.2](#) See also Pages for a [video](#) of this material.
- Barrow, Lisa and Ofer Malamud. (2015). "[Is College a Worthwhile Investment?](#)" *Annual Review of Economics* 7, pp. 519-55.
- ★ • Zimmerman, Seth. (2014). "[The Returns to College Admission for Academically Marginal Students](#)," *Journal of Labor Economics* 32 (Oct.), pp. 711-43.

### Feb. 5 3. Broadening the human capital paradigm

(a) Human capital over the life-cycle

(b) Social returns to education

- ★ • Cascio, Elizabeth. (2023). "[Does Universal Preschool Hit the Target? Program Access and Preschool Impacts](#)," *Journal of Human Resources* 58 (Jan.), pp. 1-42.
- Currie, Janet. (2001). "[Early Childhood Intervention Programs](#)," *Journal of Economic Perspectives* 15 (Spring), pp. 213-38.
- Deming, David. "[Four Facts about Human Capital](#)," *Journal of Economic Perspectives* 36 (Summer 2022), only pp. 86-96.
- Oreopoulos, Philip and Kjell G. Salvanes. (2011). "[Priceless: The Nonpecuniary Benefits of Schooling](#)," *Journal of Economic Perspectives* 25 (Winter), pp. 159-84

### Feb. 12 4. Historical roots and comparative facts

(a) Two of the three great transformations in US education

(b) The virtues of US education: Then and now

(c) International comparisons: What tests really show

- Goldin, Claudia and Lawrence F. Katz. (2008). *The Race between Education and Technology* (Belknap Press), Part II: Chap. 6, "[America's Graduation from High School](#)," pp. 194-246. Optional: Part II: [Chap. 4, 5](#) (Note: The PDF contains all of Part II). Please read [Chap. 4](#) for class discussion.
- Kaestle, Carl (1983) *Pillars of the Republic*, [Chap. 4: Social Change and Education in the American Northeast, 1830 to 1860](#), pp. 62-74. Also [Google Books](#).
- Woessmann, Ludger. (2016) "[The Importance of School Systems: Evidence from International Differences in Student Achievement](#)," *Journal of Economic Perspectives* 30(3), pp. 3-32.

Feb. 15 [Proposal](#) Due: Post to Canvas by 9pm. Note: This is a Thursday.

version of 12-Feb-24 -2-

**Feb. 19** *President's Day. No class.*

**Feb. 26** **5. Current educational inequality dilemmas**

- (a) Racial and ethnic inequalities: Achievement gaps and school resources
- (b) Socio-economic status and intergenerational mobility
- (c) Neighborhoods, segregation, and achievement gaps
- Chetty, Raj, Nathan Hendren, and Lawrence F. Katz. (2016). "[The Effects of Exposure of Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment](#)." *American Economic Review* 106 (4), pp. 855-902. [Executive Summary](#).
- ★ • Ang, Desmond. (2021). "[The Effects of Police Violence on Inner-City Students](#)," *Quarterly Journal of Economics* 136 (February), pp. 115-68.
- Reardon, Sean F. et al. (2022). "[Is Separate Still Unequal? New Evidence on School Segregation and Racial Achievement Gaps](#)." CEPA Working Paper No. 19-06.

**Mar. 4** **6. Improving public sector education**

- (a) Resources: Education production function and class size
- (b) Choice: Vouchers and charter schools
- Chabrier, Julia, Sarah Cohodes, and Philip Oreopoulos. (2016). "[What Can We Learn from Charter School Lotteries?](#)" *Journal of Economic Perspectives* 30(3), pp. 57-84.
- Jackson, C. Kirabo, Cora Wigger, and Hexu Xiong. (2020.) "[The Costs of Cutting School Spending](#)," *Education Next* 20(4) Fall.
- ★ • Jackson, C. Kirabo, Rucker C. Johnson, and Claudia Persico. (2015). "[Boosting Educational Attainment and Adult Earnings](#)," *Education Next* 15(4), pp. 69-76.
- Leonhardt, David. (2010). "[The Case for \\$320,000 Kindergarten Teachers](#)," *New York Times* July 27. [Based on Chetty et al. "[How does Your Kindergarten Classroom Affect Your Earnings? Evidence from Project STAR](#)," *QJE* 126 (Nov.), pp. 1593-660].

**Mar. 7** [Prospectus](#) Due: Post to Canvas by 9pm. Note: This is a Thursday.

**Mar.11** *Spring Break. No class*

**Mar.18** **7. Teachers and teaching**

- (a) Measuring teacher quality
- (b) Getting and keeping the right teachers
- Chetty, Raj, John N. Friedman, and Jonah E. Rockoff. (2014). "[Measuring the Impacts of Teachers II: Teacher Value Added and Student Outcomes in Adulthood](#)," *American Economic Review* 104(9), pp. 2633-679.
- Jackson, C. Kirabo. (2019). "[The Full Measure of a Teacher](#)," *Education Next* 19 (Winter), pp. 63-68.
- Kraft, Matthew and Melissa Lyon. (2022). "[The Rise and Fall of the Teaching Profession: Prestige, Interest, Preparation, and Satisfaction over the Last Half Century](#)." Ed Working Paper No. 22-679, Annenberg, Brown University.
- Staiger, Douglas O., and Jonah E. Rockoff. (2010). "[Searching for Effective Teachers with Imperfect Information](#)," *Journal of Economic Perspectives*, 24 (Summer), pp. 97-118.

**Mar.25** **8. Covid-19, Remote learning, and education technology**

- (a) Remote and hybrid instruction during the pandemic
- (b) Responses to pandemic learning losses: high-dosage tutoring
- Goldhaber, Dan, Thomas J. Kane, Andrew McEachin, Emily Morton, Tyler Patterson, and Douglas O. Staiger. (2023). "[The Educational Consequences of Remote and Hybrid Instruction during the Pandemic](#)," *AER: Insights* 5(3), pp. 377-92.
- Jack, Rebecca, Clare Halloran, James Okun, and Emily Oster. (2023) "[Pandemic Schooling Mode and Student Test Scores: Evidence from U.S. School Districts](#)," *AER: Insights* 5(2), pp. 173-90.
- J-PAL. (2019) "[Will Technology Transform Education for the Better?](#)" J-PAL Evidence Review, Jan.
- J-PAL. (2022) "[Tutoring to Accelerate Learning](#)." J-PAL Evidence to Policy Case Study, Jan.

**Apr. 1 9. Higher education long-term trends**

- (a) The third great transformation of education
- (b) Shaping of higher education and origins of coeducation
- Goldin, Claudia, and Lawrence F. Katz. (2008). *The Race between Education and Technology* (Belknap Press), [Part II: chap. 7](#), pp. 247-84.
- Hoxby, Caroline. (2009). "[The Changing Selectivity of American Colleges](#)," *Journal of Economic Perspectives* 23 (Fall), pp. 95-118.
- Leonhardt, David. (2017). "[America's Great Working Class Colleges](#)," *New York Times* (January 18); [Executive Summary](#) of Chetty, et al., "Income Segregation and Intergenerational Mobility across Colleges in the US," *QJE* (2020). Optional: Background papers, slides, and data can be accessed [here](#).
- Chetty, Raj, David Deming, and John Friedman (2023). "Diversifying Society's Leaders? The Determinants and Causal Effects of Admission to Highly Selective Private Colleges," NBER WP No. 31492, [Non-Technical Summary](#), July. Optional: Full paper and slides [here](#).

**Apr. 8 10. College costs and student debt**

- (a) Barriers to college entry and completion: College readiness, costs, and information
- (b) Student debt, student aid, college costs
- (c) For-profit higher education: Spectacular rise, sudden decline. Now what?
- Catherine, Sylvain, and Constantine Yannelis. (2023). "[The Distributional Effects of Student Loan Forgiveness](#)," *Journal of Financial Economics*, 147 (2), 297-316, February.
- Deming, David, Claudia Goldin, and Lawrence F. Katz. (2012). "[The For-Profit Postsecondary School Sector: Nimble Critters or Agile Predators?](#)" *Journal of Economic Perspectives* (Winter), pp. 139-64.
- Dynarski, Susan. (2022). "[Why I Changed My Mind on Student Debt Forgiveness](#)," *New York Times*, August 30, 2021.
- Levine, Phillip. (2023) "[How Much Should College Cost Students?](#)" *Brookings Commentary* (Sept. 6).
- Marx, Benjamin and Leslie Turner. (2019). "[The Benefits of Borrowing](#)," *Education Next* 19 (Winter), pp. 71-76.

**Apr. 11** [Draft of the Research Paper](#) Due: Post to Canvas by 9pm. Note: This is a Thursday.

**Apr. 15 11. Enhancing college access**

- (a) Behavioral barriers to educational performance
- (b) Affirmative action done various ways
- (c) Nudges and information to expand educational opportunity
- Bleemer, Zachary. (2020). "[Proposition 209 and Affirmative Action at the University of California](#)," UC-CHP Policy Brief 2020.4 (August).
- Bleemer, Zachary. (2020). "[What is the Value of a UC Degree for Disadvantaged Students? An Evaluation of the 2001-2011 UC Eligibility in the Local Context Policy](#)," Executive Summary.
- ★ • Dynarski, Susan, C.J. Libassi, Katherine Micheltore, and Stephanie Owen. (2021). "[Closing the Gap: The Effect of a Targeted Tuition-Free Promise](#)," *American Economic Review* 111(6), pp. 1721-56.
- Dynarski, Susan. (2015). "[Helping the Poor in Education: The Power of a Simple Nudge](#)," *New York Times Upshot*. Jan. 17, 2015. "[Fafsa Follies: To Gain a Student, Eliminate a Form](#)," *New York Times Upshot*. Aug. 21, 2015.

**Apr. 22 12. "Your 15 Minutes of Fame"** Student Presentations in class.

**Apr. 23 More of "Your 15 Minutes of Fame"** An additional session.

**May 10 Fr.** [Final Paper](#) due post to Canvas by 9pm. Note: This is an absolutely strict deadline; plan accordingly. You have 2.5 weeks to finish your paper after your presentation.

*Note: All readings (except those marked optional) must be done before class.*

*version of 12-Feb-24 -4-*