In this class we study the economic determinants and implications of education. We study both facts and theories. The questions that we seek to answers are: Why are educated individual on average richer than less educated individuals? Why are not all individual equally educated? How and why is the average level of education changing across countries, gender, races, and over time...? What does education really provides? Are more educated individuals given a better chance at earning a living, or is it the opposite, i.e. individuals that are better at making a living simply choose to be more educated? In the first part of the class, we mostly study facts. We make extensive use of Census data freely available online. We review the basics of regression analysis and use this technique to answer some of the empirical questions above. Then, we draw on basic economic theory to build models of education that can help us understand the data.
Evaluation

Your grade for the course is determined on the basis of a midterm exam (30 percent), a project presentation + report (40 percent), and a final exam (30 percent). Grading is based on absolute achievement, not on a curve. The presentation and report shall be done by groups of 2-3 persons. ALL students in the group receive the SAME grade for their presentation and report. The report should be a summary of points made during the presentation. It should not exceed 6 pages, should be double-spaced, stapled, and turned-in at the beginning of a group's presentation. The formation of groups and the order of presentations will be discussed in class.

1. The midterm, the presentation and the final are mandatory for all students. Failing to take the midterm and/or the final exam implies a grade of 0, unless a valid (as per university policies) reason is given. If a valid reason is given there will be either a make-up exam, or a re-organization of weights between the other exams/evaluation.

2. If you feel ill on the day of an exam or on the day of the presentation, please do not attend the exam and then ask later for a make-up. Instead, see a doctor and obtain a note to bring to me or your TA.

3. There is no extra credit for work done beside the midterm, final and presentation.

4. The grade schedule is as follows: A+ (95%-100%), A (90-95), A− (85-90), B+ (80-85), B (75-80), B− (70-75), C+ (65-70), C (60-65), D (50-60), F (0-50).

Deadlines

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Time &amp; Location</th>
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</thead>
<tbody>
<tr>
<td>Project groups finalized</td>
<td>Oct. 9, 2019</td>
<td>In class</td>
</tr>
<tr>
<td>Project topics finalized</td>
<td>Oct. 23, 2019</td>
<td>In class</td>
</tr>
<tr>
<td>Midterm Exam</td>
<td>Oct. 23, 2018</td>
<td>In class</td>
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<tr>
<td>Final Exam</td>
<td>Dec. 13, 2019</td>
<td>6:00PM–8:00PM</td>
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<tr>
<td>Project presentation</td>
<td>TBA</td>
<td>In class</td>
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</tbody>
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Outline of topics discussed in class

1. Introduction

2. Facts

   (a) Techniques

   i. Using Census data via IPUMS (Integrated Public Use Microdata Series)

   ii. Review of regression analysis

   (b) Education over time, by race, gender, marital status, etc...
(c) Income and education
(d) Education in the rest of the world

3. Models

(a) Review of present value calculations and optimization
(b) A simple, discrete choice model of schooling choices
   i. The college premium: Earnings statistics and selection effects & the return to education
   ii. Unemployment
   iii. College loans & government subsidized loans
   iv. Life expectancy
(c) A model of schooling and labor supply
(d) Training on the job
(e) Signaling
(f) Choosing your child’s education
   i. The quality-quantity tradeoff

4. The macroeconomics of education

(a) The Solow model
(b) The Solow model with human capital
(c) Development accounting