Economics of Education – Econ 483

Spring 2018

Instructor
Prof. Guillaume Vandenbroucke
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Time and Location
TTh. 4:00PM–5:30PM
Seigle Hall, Room 204

Objective of the class
In this class we will study the economic determinants and implications of education. We will study both facts and theories. The questions that we will seek to answers are: Why are educated individual on average richer than less educated individuals? Why are not all individual equally educated? Why is average 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 will mostly study facts. Then, we will draw on basic economic theory to build models of education that can help us understand the data.

Office hours
Tuesday and Thursday, 3:30PM–4:00PM, Seigle 315E

Evaluation
Your grade for the course will be determined on the basis of one midterm (30 percent), presentations and reports (40 percent), and a final exam (30 percent). Grading will be based on absolute achievement, not on a curve.
Midterm date: March 6 2018, in class
Final date: May 9 2018 6:00PM–8:00PM
Outline of topics discussed in class

1. Introduction

2. Facts

   (a) The basics of IPUMS (Integrated Public Use Microdata Series)
      i. What are the data and the variables available
      ii. Frequency tabulations
      iii. Computation of means
      iv. Regression analysis

   (b) Education over time, by race, gender, marital status, etc...

   (c) Income and education

   (d) Education in the rest of the world (Barro and Lee)

3. Models

   (a) Review of present value calculations and optimization

   (b) A simple, discrete choice model of schooling choices
      i. Earnings statistics and selection effects

   (c) A model of schooling and labor supply

   (d) Training on the job

   (e) Signaling

   (f) Choosing your child’s education

   (g) Taxes and subsidies

4. The macroeconomics of education

   (a) The Solow model with human capital

   (b) Development accounting