

**Hamilton College**  
**Spring 2020**  
**Economics of Higher Education**  
**Economics 415**

**Instructor:** Stephen Wu  
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**Office:** KJ 206  
**Office Hours:** Mon 1-3pm, Wed 1-3pm

**Course Description and Goals:**

This course will study issues in the economics of higher education. Topics will include the financing of higher education, determinants of tuition costs, trends in admissions policies, determinants of academic success at college, and economic returns to higher education. A primary goal of this course is to apply economic concepts to current issues in higher education policy. This course will engage you with several of the educational goals that Hamilton promotes, particularly **intellectual curiosity and flexibility** (examining issues in depth from a variety of perspectives, and having the courage to revise beliefs and outlooks in light of new evidence), **analytic discernment** (analyzing information, arguments, ideas, and views quantitatively), **disciplinary practice** (engaging in the focused and sustained practice of economic analysis), **creativity** (imagining and developing original ideas to solve problems resourcefully), **communication and expression** (class discussions, oral presentation, and writing a policy paper), and **ethical, informed and engaged citizenship** (developing an awareness of the challenges and responsibilities of local, national and global citizenship).

**Course Expectations:**

I expect students to come to all class meetings and to be on time. There is no textbook for the class; readings will be comprised of academic journal articles and parts of three books (all posted on Blackboard). I may also supplement these readings with current news stories and policy briefs. Please have the assigned reading finished **prior** to the class period that we will be discussing it. Failure to have readings done by that class period will make discussion less beneficial to you, and to the class as a whole. You will have one midterm exam, one final exam, one paper, and several empirical lab assignments. Each of you will also be responsible for giving an oral presentation on one of the articles and to provide feedback on other student presentations. I will give more details about the paper, presentation, and lab assignments as we go through the semester. I am also asking you to attend a discussion and panel on **Thursday March 12** by Gregory Mankiw (Harvard) and Christina Romer (UC-Berkeley), two former chairs of the Council of Economic Advisors. There will be a discussion with our class between 4-5pm and there will be a public lecture/panel at 7pm. Finally, I am recommending you attend a panel discussion on affirmative action on **Wednesday January 29 at 7pm**.

**Resources:**

You are required to visit the Oral Communication Center *at least* two days prior to your presentation. The feedback you receive will be helpful in improving your presentation. You are also required to visit the Writing Center *at least* two days in advance of turning in your policy paper. You must provide documentation of your visit to the Oral Communication Center to receive credit for your presentation and documentation of your Writing Center appointment to receive credit for your paper. I recommend that you set up these appointments well in advance because the centers can get very busy in the middle and latter part of the semester.

**Students with Disabilities:**

Hamilton College will make reasonable accommodations for students with properly documented disabilities. If you are eligible to receive an accommodation(s) and would like to make a formal request for this course, please discuss it with me during the first two weeks of class. You will need to provide Allen Harrison, Associate Dean of Students (Elihu Root House; ext. 4021) with appropriate documentation of your disability. All discussions will remain confidential.

**Presentation:** 2/13-4/23 (sign-ups will be through a Doodle poll)

**Paper:** Due Monday 5/5 (via e-mail)

**Midterm Exam:** Thursday 3/5 (in class)

**Final Exam:** Thursday 5/14 (7-10pm)

## Course Outline: (Articles in bold are ones for student presentations)

### Introduction to General Issues in Higher Education

1/21: Introduction; Clotfelter (1999)

1/23: Framing the Issues in the Economics of Higher Education: Winston (1999)

### Tuition and Financing of Higher Education

1/28: The Cost of College: Ehrenberg (2002) "Tuition Rising" (Chapters 1-3)

1/30: *Guest speaker: Karen Leach, VP for Finance at Hamilton College*

2/4: Understanding Tuition: Winston (2003)

2/6: Financial Aid Policies: Dynarski (2003)

2/11: Student Loans and Financial Aid: Avery and Turner (2012), Castleman and Page (2016)

2/13: Alumni Giving: **Holmes (2009)**, Clotfelter (2003)

### College Admissions

2/18: Trends in Admission, Selectivity, and Admission Policies: **Hoxby (2009)**

2/20: Competitive Admissions: **Bound, Hershbein and Long (2009)**

2/25: Optional SATs: **Robinson and Monks (2005)**, Conlin, Dickert-Conlin, and Chapman (2013)

2/27: Early Admissions: "The Early Admissions Game" (Intro, Chapter 1)

3/3: *Guest speaker: Monica Inzer, VP for Enrollment Management at Hamilton College*

### 3/5: Midterm Exam

3/10: Affirmative Action: **Fryer and Loury (2005)**, Regents of California vs. Bakke (1978)

3/12: SFFA vs. Harvard: Keane et al. (2018); Card et al. (2018)

3/12: *Mankiw and Romer visit (4pm discussion with class, 7pm public lecture/panel)*

### College Athletics

3/31: Athletics and Outcomes: Shulman and Bowen (2001) "The Game of Life" (Chapters 1,2,7,12)

4/2: Paying College Athletes: **Sanderson and Siegfried (2015)**; Nocera (2011); Zimbalist (2015)

### Determinants of College Performance

4/7: Pre-Matriculation characteristics: **Betts and Morrell (1999)**

4/9: **Cohn et al. (2004)**; Jensen and Wu (2010)

4/14: Instructor characteristics: **Carrell and West (2010)**

4/16: Peer Effects: **Carrell, Page and West (2010)**; Winston and Zimmerman (2003)

4/21: **Sacerdote (2001)**; Zimmerman (2003)

### Returns to Higher Education

4/23: Returns to Higher Education, Community Colleges: **Kane and Rouse (1999)**

4/28: Returns to Elite Colleges: Dale and Krueger (1998)

### Faculty Issues

4/30: Resource Allocation: Johnson and Turner (2009)

5/5: The Economics of Tenure: McPherson and Schapiro (1999)

5/7: Future of Higher Education: Ehrenberg (2012)

### Grading:

Participation/Feedback	5%
Presentation	15%
Labs	15%
Paper	20%
Midterm Exam	20%
Final Exam	25%