

**Public Policy 611: Higher Education and Public Policy**  
**Winter 2012**

Professor Kevin Stange  
kstange@umich.edu

**Course Time:** Tuesday and Thursday 4:00-5:30pm, 1210 Weill Hall

**Office Hours:** by appointment, 5236 Weill Hall

**Overview and goals**

In this course, we will examine the higher education sector through several different lenses.

The two primary goals of the course are to (1) familiarize students with many features of the U.S. higher education landscape and related policies, and (2) provide students with the analytic tools to evaluate higher education policy. Policy aims we will explore include access, persistence, affordability, and accountability. Specific policy areas include financial aid, affirmative action, state and federal support, regulation of the for-profit sector, community college transfer policies, mentoring and coaching initiatives, and many others. Our primary analytic tools will be microeconomic and statistical analysis. We will use the concepts and tools of causal inference extensively.

**Prerequisites**

There are no official prerequisites for this course, but PP555 (Microeconomics) and PP529 (Statistics) are highly recommended. Completion of or simultaneous enrollment in PP639 (Program Evaluation) would also greatly enhance what you will get out of the course.

**Course Requirements**

- *Class participation* (20%): This is a discussion-based course, so you are expected to attend class regularly and to have done the assigned readings prior to class. Come prepared to talk.
- *Policy memo* (20%): Students will write a 3-5 page memo evaluating a particular higher education policy used to influence access or student success (e.g. expanding Pell eligibility, increasing state support for community colleges, implementing a merit-based grant program, etc). You will be expected to summarize the evidence and rationale for and against a particular policy based on the readings done in class, but not on any additional research. You should conclude with a recommendation to a policy-maker. An example will be provided.
- *In-class midterm exam* (25%): An exam approximately halfway through the semester will cover all material discussed and presented in the class up to that point. It will consist of short-answer questions related to the readings and questions related to interpretation of data presented in the exam.
- *Final presentation and paper* (35% Total, 10% for presentation and 25% for paper): There are two options for a final paper, depending on your background. Regardless of which type of paper you do, you will present your analysis in the final days of class. The two options are:
  - A longer (~10 page) analysis of a specific policy in which you summarize the theory and empirical evidence (for and against) on the subject and make a recommendation. This will require you to do some research on your own.
  - An original quantitative analysis of data on a particular higher education policy or subject. If you choose this option you will not be expected to do an extensive review of existing literature on the subject, but instead will focus on conducting the quantitative analysis, presenting the results, and describing the limitations of your analysis.

Regardless of which type of project you do, you will present your analysis to the class at the end of the semester.

**Course materials**

There is one required text:

*Crossing the finish line : completing college at America's public universities* by William G. Bowen, Matthew M. Chingos, and Michael S. McPherson. Princeton Univ Press (2009).

Other readings consist of journal, news, and policy articles that will be available through Ctools.

**Writing Support**

I will be available to speak with you about your papers during office hours (by appointment) throughout the semester. In addition, all students are encouraged to meet with one of the Ford School writing instructors, David Morse and Alex Ralph. They are both excellent resources and is available to talk with students about various aspects of the writing process and to read and comment on rough drafts. David can be contacted at: David Morse; Weil Hall #4219; [morsedl@umich.edu](mailto:morsedl@umich.edu). Alex can be contacted at Alex Ralph; Weil Hall #4212; [ralpha@umich.edu](mailto:ralpha@umich.edu).

**List of topics (subject to adjustments):**

The course is structured in four parts: (1) overview, theory, background, and rationale; (2) access and student success; (3) accountability, performance measurement, and competition; and (4) high-level policy reform.

<u>Week</u>	<u>Dates</u>	<u>Topic</u>	<u>Assignments</u>
1.	1/5	Introduction and overview of class and the higher education sector.	
2.	1/10-1/12	Rationale: human capital vs. signaling, social vs. private returns.	
3.	1/17-1/19	Basics of higher education financing. Background on trends in revenue sources, tuition and student aid.	
4.	1/24-1/26	Access: Financial aid.	
5.	1/31-2/2	Finish financial aid. Start Community colleges	
6.	2/7-2/9	Finish Community colleges. Admissions and affirmative action	
7.	2/14-2/16	Persistence and degree completion	<b>Policy memo due 2/14</b>
8.	2/21-2/23	Review of access and persistence Midterm	<b>In-class midterm 2/23</b>
9.	2/28-3/1	Spring Break: No Class	
10.	3/6-3/8	Learning in college, amenities	
11.	3/13-3/15	Performance measurement and accountability	
12.	3/20-3/22	Rankings, Market competition	<b>Final paper topic due 3/20</b>
13.	3/27-3/29	Workforce needs, rise of the for-profit sector	
14.	4/3-4/5	High-level reform	
15.	4/10-4/12	In-class presentations	<b>Presentation due</b>
16.	4/17	In-class presentations and wrap-up	<b>Final paper due 4/20</b>

**Readings** (subject to revision). The readings consist of three types: (1) rigorous (typically empirical) academic papers; (2) descriptive papers; and (3) news articles meant to simulate discussion. Readings marked with an “\*” are required. They are listed in the order I suggest you read them (if you cannot read them all!). The others are optional, though we will discuss some of them. I erred on the side of including more rather than fewer optional readings, particularly seminal papers, so that you would have them for reference and for your papers. You are only responsible for the required ones and the topics discussed in class. Before each class, I will post several questions to ctools about each reading and some overall, cross-cutting questions that you should come prepared to answer and discuss. Some of these questions will have “right” answers (e.g. “What population does a given paper study?”) while many others will not (“Do you find their identification strategy convincing?”).

**Detailed Schedule and Reading List**  
(\* = required)

**PART I: BACKGROUND, THEORY, RATIONALE**

**Thursday, January 5, Class 1: Introduction to course and overview of the issues**

\* Leonhardt, David. 2011. “Even for Cashiers, College Pays Off” *The New York Times*, June 25, 2011.

\* Surowiecki, James. 2011. “Debt by Degrees.” *The New Yorker*, November 21, 2011.

**Tuesday, January 10, Class 2: Human capital theory and basic trends**

\* Borjas, G. (2005) *Labor Economics* (3<sup>rd</sup> edition). McGraw Hill, Chapter 7 on “Human Capital”. pp 235-249

\*Bound, John and Sarah Turner, 2011. “Dropouts and Diplomas: The Divergence in Collegiate Outcomes.” in *Handbook of the Economics of Education, Volume 4*. Elsevier, 2011.: pages 573-589.

\*Bowen, William, Matthew M. Chingos, and Michael S. McPherson, 2019. *Crossing the finish line: completing college at America's public universities*, Preface and Chapters 1 and 2 (pp xiii – 31)

Claudia Goldin and Lawrence Katz, “The Shaping of Higher Education in the Formative Years in the United States, 1890-1940”, *Journal of Economic Perspectives* (Winter 1999): 37-62

Goldin, Claudia and Lawrence Katz, 2008. *The Race between Education and Technology*. Cambridge, MA: Belknap Press of Harvard University Press (esp Chapter 7)

Andrew Weiss, “Human Capital vs. Signaling Explanations of Wages,” *The Journal of Economic Perspectives*, Vol. 9, 4 (Autumn, 1995): 133-154

Becker, G. S. and B.R. Chiswick (1966) “Education and the Distribution of Earnings” *The American Economic Review*, Vol. 56, No. 1/2, pp. 358-369

Spence, Michael. (1973) "Job Market Signaling," *Quarterly Journal of Economics*, 87(3), pp. 355-374

**Thursday, January 12, Class 3: Returns to higher education (social vs. private)**

\* Primer on causal inference (if you need it): Schneider, B., Carnoy, M., Kilpatrick, J., Schmidt, W. H., & Shavelson, R. J. (2007). *Estimating causal effects using experimental and observational designs*. Washington, DC: American Educational Research Association. Chapter 3 (pp. 38-55)

\*College Board, 2010. *Education Pays 2010: The Benefits of Higher Education for Individuals and Society*. (quickly scan the graphs)

\* Oreopoulos, Philip and Kjell Salvanes, 2011. How large are returns to schooling? Hint: Money isn't everything." *Journal of Economic Perspectives* 25(1): 159-184.

\*Card, David (1995) "Using Geographic Variation in College Proximity to Estimate the Return to Schooling." in *Aspects of Labor Market Behaviour: Essays in Honour of John Vanderkamp*. (eds. L.N. Christofides, E.K. Grant, and R. Swidinsky) Toronto: University of Toronto Press (also NBER WP 4483)

\*Hoekstra, M. (2009) "The Effect of Attending the Flagship State University on Earnings: A Discontinuity-Based Approach" *Review of Economics and Statistics* 91(4): 717-724

Kane, T.J. and C.E. Rouse (1995) "Labor-Market Returns to Two- and Four-Year College" *American Economic Review*, 85(3): 600-614

Card, David (1999) "The Causal Effect of Education on Earnings." In Orley Ashenfelter and David Card, editors, *Handbook of Labor Economics Volume 3A*. Amsterdam: Elsevier, 1999.

Ashenfelter, Orley and Alan Krueger (1994) "Estimates of the Economic Return to Schooling for a New Sample of Twins" *American Economic Review* 84(5): 1157-1173.

Currie, Janet and Enrico Moretti (2002) "Mother's Education and the Intergenerational Transmission of Human Capital: Evidence from College Openings and Longitudinal Data" *Quarterly Journal of Economics* Vol. 118(4):

Jeager, D.A. and M.E. Page (1996) "Degrees Matter: New Evidence on Sheepskin Effects in the Returns to Education" *Review of Economics and Statistics* Vol. 78, No. 4 pp. 733-740

Bedard, Kelly (2001) "Human Capital versus Signaling Models: University Access and High School Dropouts" *Journal of Political Economy*, Vol. 109(4): 749-775

John Bound et. al., "Trade in University Training: Cross-State Variation in the Production and Use of College-Education Labor", *Journal of Econometrics* (July/August 2004): 143-173

Jeffrey Groen, "The Effect of College Location on Migration of College-Educated Labor", *Journal of Econometrics* (July/August 2004): 125-142

Enrico Moretti, 2004. "Estimating the Social Return to Higher Education: Evidence from Longitudinal and Repeated Cross-Section Data", *Journal of Econometrics* (July/August 2004): 175-212

Lochner, Lancer, 2011. "Nonproduction Benefits of Education: Crime, Health, and Good Citizenship." in *Handbook of the Economics of Education, Volume 4*. Elsevier, 2011.

Jepsen, C., Troske, K., and Coomes, P. (2009, Oct.). The labor-market returns for community college degrees, diplomas, and certificates. *University of Kentucky Center for Poverty Research Discussion Paper Series*, DP2009-08. Retrieved [Date] from <http://www.ukcpr.org/Publications/DP2009-08.pdf>.

Brand, Jennie, and Yu Xie. 2010. "Who Benefits Most from College? Evidence for Negative Selection in Heterogeneous Economic Returns to Higher Education." *American Sociological Review* 75:273-302.

## **Tuesday, January 17, Class 4: Basics of Higher Ed Financing**

\*McPherson, M. and M.O. Schapiro (2006) "US Higher Education Finance" *Handbook of the Economics of Education*, Vol. 2 (eds. Eric A. Hanushek and Finis Welch)

\*Delta Cost Project, 2011. *Trends in College Spending 1999-2009: Where Does the Money Come From? Where Does it Go? What Does it Buy?* Delta Cost Project: Washington, DC.

\* Winston, G. (1999) "Subsidies, Hierarchy and Peers: The Awkward Economics of Higher Education" in *Journal of Economic Perspectives* 13(1):13-36

Charles Clotfelter, "The Familiar but Curious Economics of Higher Education", *Journal of Economic Perspectives* (Winter 1999): 3-12

## **PART II: ACCESS AND STUDENT SUCCESS**

### **Thursday, January 19, Class 5: Trends in Access and Affordability; Theory on Why Price/Aid May Influence Enrollment; Evidence of Credit Constraints**

\* Belley, Philippe, and Lance Lochner. 2007. The changing role of family income and ability in determining educational achievement. *Journal of Human Capital* 1, no. 1:37–89. [All except theory section]

\* Kane, T.J. (2006) "Public Intervention in Post-Secondary Education" *Handbook of the Economics of Education*, Vol. 2 (eds. Eric A. Hanushek and Finis Welch) [Section 4]

\* Stinebrickner, Ralph, and Todd Stinebrickner. 2008. "The Effect of Credit Constraints on the College Drop-Out Decision: A Direct Approach Using a New Panel Study." *American Economic Review*, 98(5): 2163–84 [First two pages only]

\* Lovenheim, Michael, 2011. "The Effect of Liquid Housing Wealth on College Enrollment." *Journal of Labor Economics*. [Introduction only]

\* Blumenstyk, Goldie. 2011. "College Spending Trends Show Students Bearing a Growing Share of the Costs." *Chronicle of Higher Education*. September 14, 2011.

The College Board, 2011. *Trends in College Pricing 2011*.

Heckman, J. and P. Carneiro (2002) "The Evidence on Credit Constraints in Post-Secondary Schooling" in *Economic Journal* 112 (October), 989–1018

Cameron and Taber 2004. "Estimation of Educational Borrowing Constraints Using Returns to Schooling" *Journal of Political Economy*. 112(1).

Ellwood, David T. and Kane, Thomas J. (2000) "Who is Getting a College Education? Family Background and the Growing Gaps in Education," in *Securing the Future: Investing in Children from Birth to College*, edited by Sheldon Danziger and Jane Waldfogel, New York: Ford Foundation Series on Asset Building.

Kane, T. (1994) "College Entry by Blacks since 1970: The Role of College Costs, Family Background, and the Returns to Education," *Journal of Political Economy* 102(5): 878-911

### **Tuesday, January 24, Class 6: Financial Aid I: Need and Merit-based Grants, Tax Credits**

\* Hansen (1983). "Impact of Student Financial Aid on Access" in *Proceedings in the Academy of Political Science: A Crisis in Higher Education*. There is lots of good historical background here, which you may find interesting. But you should focus on the analysis, which starts on page 91.

\* Dynarski, Susan (2000). Hope for Whom? Financial Aid for the Middle Class and Its Impact on College Attendance. *National Tax Journal*. Vol 53 no 3 Part 2 (Sept): 629-662.

\*Turner, Nick. (2011). The Effect of Tax-based Student Aid on College Enrollment. *National Tax Journal*. 64 (September 2011): 839-861.

The College Board, 2011. *Trends in Student Aid 2011*.

Bowen, William, Matthew M. Chingos, and Michael S. McPherson, 2009. *Crossing the finish line: completing college at America's public universities*, Chapter 8.

Dynarski, Susan (2003) "Does Aid Matter? Measuring the Effect of Student Aid on College Attendance and Completion" in *American Economic Review* Vol. 93(1): 279-288

Dynarski, S. (2004) "The New Merit Aid" in *College Choices: The Economics of Where to Go, When to Go, and How to Pay for it* (ed. Caroline Hoxby) NBER Conference Report: The University of Chicago Press

Baum, S., McPherson, M., & Steele, P. (Eds). (2008). *The effectiveness of student aid policies: What the research tells us*. New York, NY: The College Board.(various chapters)

Hoxby, Caroline M (1998) "Tax Incentives for Higher Education" in J. Poterba, ed., *Tax Policy and the Economy*" Cambridge, Mass.: MIT Press

Long, B. T. (2004). "The impact of federal tax credits for higher education expenses" in *College Choices: The Economics of Where to Go, When to Go, and How to Pay for it* (ed. Caroline Hoxby) NBER Conference Report: The University of Chicago Press

#### **Thursday, January 26, Class 7: Financial Aid II: Loans, Debt Burden**

\* Avery, Christopher and Sarah Turner, 2012. "Student Loans: Do College Students Borrow Too Much – Or Not Enough?" *Journal of Economic Perspectives*, 26(1): 165-192.

\* Dynarski, S (2003). Loans, Liquidity, and Schooling. unpublished paper.

\* Erica Field, (2009) "Educational Debt Burden and Career Choice: Evidence from a Financial Aid Experiment at NYU Law School", *American Economic Journal Applied Economics*

\* Baum, Sandy and Michael McPherson, "A Straightforward Look at Trends in Student Loans " in *Chronicle of Higher Education* November 14, 2011

Consumer Financial Protection Bureau, 2012. *Private Student Loans*. Report to the Senate Committee on Banking, Housing, and Urban Affairs, the Senate Committee on Health, Education, Labor, and Pensions, the House of Representatives Committee on Financial Services, and the House of Representatives Committee on Education and the Workforce. August 29, 2012.

Scott-Clayton, Judith. 2011. "Student Loan Debt: Who are the 1%?" *New York Times, Economix*. December 2, 2011.

GAO (2011). "Federal Student Loans: Patterns in Tuition, Enrollment, and Federal Stafford Loan Borrowing Up to the 2007/08 Loan Limit Increase" GAO-11-470R (May 25, 2011). (Background on recent changes in borrowing limits)

Jesse Rothstein and Cecilia Rouse, 2011 "Constrained After College: Student Loans and Early Career Occupational Choices", *Journal of Public Economics*.

Solis, Alex (2011). "Credit Access and College Enrollment" Unpublished paper. UC Berkeley. Unpublished paper.

Dunlap, Erin (2011). "What do Stafford Loans Actually Buy You? The Effect of Stafford Loans on Community College Students." Unpublished paper. U Virginia.

Heller, Don (2008) "The Impact of Student Loans on College Access." in Baum, S., McPherson, M., & Steele, P. (Eds). *The effectiveness of student aid policies: What the research tells us*. New York, NY: The College Board.

## **Tuesday, January 31, Class 8: Financial Aid III: Simplification and Reform**

\*Dynarski, S and Judy Scott-Clayton, 2007. College Grants on a Postcard: A Proposal for Simple and Predictable Student Aid. *Hamilton Project discussion paper*. 2007.

\*Eric P. Bettinger, Bridget Terry Long, Philip Oreopoulos, Lisa Sanbonmatsu (2009) "The Role of Simplification and Information in College Decisions: Results from the H&R Block FAFSA Experiment" *NBER Working Paper No. 15361*

\*Baum, Sandy and Michael McPherson, "Pell Grants vs. Tuition Tax Credits" in *Chronicle of Higher Education* October 28, 2011

Baum, Sandy, Kathleen Little, Jennifer Ma, Anne Sturtevant, 2011. *Can Simple be Equitable? Lessons from State Grant Programs*. The College Board.

Dynarski, S and J. Scott-Clayton (2008). "Complexity and Targeting in Federal Student Aid: A Quantitative Analysis. in J. Poterba, ed., *Tax Policy and the Economy*, University of Chicago Press.

Dynarski, S. and J. Scott-Clayton (2006) "The Cost of Complexity in Federal Student Aid: Lessons from Optimal Tax Theory and Behavioral Economics" in *National Tax Journal* Vol. LVIV, No. (2): 319-356

Long, BT. 2008. "Effectiveness of Aid: Lessons for Policy." Unpublished paper. Harvard Graduate School of Education.

Bettinger, Eric. 2011. "Financial Aid: A Blunt Instrument for Increasing Degree Attainment." Unpublished working paper for AEI conference.

Wolfers, Justin, 2011. "Forgive Student Loans? Worst Idea Ever." *New York Times*, September 19, 2011.

## **Thursday, February 2, Class 9: Community Colleges I: Overview**

\*Kane, Thomas J. and Cecilia Elena Rouse. 1999. The Community College: Educating Students at the Margin Between College and Work. *Journal of Economic Perspectives*: 13 (1), 63-84.

\*Rouse, Cecilia, 1995. "Democratization or Diversion? The Effect of Community Colleges on Educational Attainment." *Journal of Business and Economic Statistics*, Volume 13 (2): 217-224.

\*Bowen, William, Matthew M. Chingos, and Michael S. McPherson, 2019. *Crossing the finish line: completing college at America's public universities*, Chapter 7 (pp 134-148)

Cecile Rouse, "Do Two-Year Colleges Increase Overall Educational Attainment? Evidence from the States", *Journal of Policy Analysis and Management* (Fall 1998):593-620

Long, Bridget Terry and Michael Kurlaender, "Do Community Colleges Provide a Viable Pathway to a Baccalaureate Degree?" *Educational Evaluation and Policy Analysis* (2009): 30-53

Michael Hilmer, "Does Community College Attendance Provide a Strategic Path to Higher Quality Education", *Economics of Education Review* (February 1997): 59-68

Gonzalez, A., & Hilmer, M. J. (2006). The role of 2-year colleges in the improving situation of Hispanic postsecondary education. *Economics of Education Review*, 25, 249-257

## **Tuesday, February 7, Class 10: Community Colleges II: Criticisms, Reforms, and Improving Community Colleges**

\*Goldrick-Rab, Sara, 2010. "Challenges and Opportunities for Improving Community College Student Success." *Review of Educational Research* September 2010, Vol. 80, No. 3, pp. 437–469

\*Mills, Kay 2010. *Altered State: How the Virginia Community College System Has Used Achieving the Dream to Improve Student Success.*

\*Dougherty, K. J., Reid, M., & Nienhuser, H. K. (2006). *State policies to achieve the dream in five states: An audit of state policies to aid student access to and success in community colleges in the first five achieving the dream states.* New York: Community College Research Center, Teachers College, Columbia University.

Leigh, D. E., & Gill, A. M. (2003). Do community colleges really divert students from earning bachelor's degrees? *Economics of Education Review*, 22, 23–30.

Dougherty, K. J., & Reid, M. (2007). *Fifty states of achieving the dream: State policies to enhance access to and success in community colleges across the United States.* New York: Community College Research Center, Teachers College, Columbia University.

Roksa, Josipa and Bruce Keith (2008). Credits, Time, and Attainment: Articulation Policies and Success After Transfer. *Educational Evaluation and Policy Analysis* September 2008, Vol. 30, No. 3, pp. 236–254

Anderson, G. M., Sun, J. C., & Alfonso, M. (2006). Effectiveness of statewide articulation agreements on the probability of transfer: A preliminary policy analysis. *Review of Higher Education*, 29, 261–291.

Calcagno, Juan Carlos, Thomas Bailey, Davis Jenkins, Gregory Kienzl, and Timothy Leinbach. 2008. Community college student success: What institutional characteristics make a difference? *Economics of Education Review* 27(6): 632–45.

Stange, K (2012). Ability Sorting and the Returns to College Quality: Evidence from Community Colleges. *Education Finance and Policy* (January 2012).

## **Thursday, February 9, Class 11: Admissions and Affirmative Action**

**Guest: Megan Tompkins-Stange, former admissions officer at Stanford University, Lecturer at Ford School**

\*Gasman, Marybeth & Julie Vultaggio "Perspectives: A "Legacy" of Racial Injustice in American Higher Education" *Diverse Issues in Higher Education* January 22, 2008

\*Gratz v. Bollinger. Supreme Court decision. Only read the "syllabus" (summary) which is uploaded to ctools. You can find the full decision here: <http://www.law.cornell.edu/supct/html/02-516.ZS.html>

\*Gutter v. Bollinger. Supreme Court decision. Only read the "syllabus" (summary) which is uploaded to ctools. You can find the full decision here <http://www.law.cornell.edu/supct/html/02-241.ZO.html>

\*Hinrichs, Peter 2010. "The Effects of Affirmative Action Bans on College Enrollment, Educational Attainment, and the Demographic Composition of Universities" forthcoming in *Review of Economics and Statistics*

\*Richard Kahlenberg, 2003. "Economic Affirmative Action in College Admissions: A Progressive Alternative to Racial Preferences and Class Rank Admissions Plans" *The Century Foundation Issue Brief Series.*

### Empirical estimates of the effects of affirmative action (and bans)

Card, D. and A. Krueger (2005) "Would the Elimination of Affirmative Action Affect Highly Qualified Minority Applicants? Evidence from California and Texas" *Industrial & Labor Relations Review* 58(3): 416-434



J. Rothstein and A.H. Yoon (2008) "Affirmative action in Law school admissions: what do racial preferences do?" *University of Chicago Law Review* 75 (2) pp. 649–714.

Backes, Ben. 2012. Do Affirmative Action Bans Lower Minority College Enrollment and Attainment? Evidence From Statewide Bans. *Journal of Human Resources*, forthcoming.

Weisskopf, Thomas E. (2001) "Consequences of Affirmative Action in US Higher Education: A Review of Recent Empirical Studies" *Economic and Political Weekly*, Vol. 36, No. 51, pp. 4719-4734

Howell, Jessica. 2010. "Assessing the Impact of Eliminating Affirmative Action in Higher Education." *Journal of Labor Economics*, 28(1): 113-166.

#### Overview of trends in admissions and some of the issues

John Bound, Brad Hershbein and Bridget Terry Long, "Playing the Admissions Game: Student Responses to Increasing College Competition", *Journal of Economic Perspectives* 23 (Fall 2009)

Bowen, William, Matthew M. Chingos, and Michael S. McPherson, 2019. *Crossing the finish line: completing college at America's public universities*, Chapter 6 (pp 112-133) – discussion of predictive power of GPA vs. SAT

#### Recent developments

Dillon, Sam. 2011. "US Urges Creativity by Colleges to Gain Diversity" *New York Times*, December 2, 2011.

Peter Schmidt, 2012. New Hampshire Ends Affirmative-Action Preferences at Colleges. *Chronicle of Higher Education*. January 4, 2012

#### Deep background

Golden Daniel, 2006. *The Price of Admission: How America's Ruling Class Buys Its Way Into Elite Colleges*

Bowen, William and Derek Bok, 2000. *The Shape of the River: Long-Term Consequences of Considering Race in College and University Admissions*. Princeton University Press.( Chapters 1, 2 and 3)

Mitchell L. Stevens, 2007. *Creating a Class: College Admissions and the Education of Elites*. Harvard University Press. (various chapters)

### **Tuesday, February 14, Class 12: Trends in Completion and Explanations**

\*Bound, J., Lovenheim, M.F., and S. Turner (2010) "Why Have College Completion Rates Declined? An Analysis of Changing Student Preparation and Collegiate Resources" *American Economic Journal: Applied Economics* 2: 129–157

\* Martorell, Francisco and Isaac McFarlin, 2009. "Help or Hindrance." *Review of Economics and Statistics*.

\* Bowen, William, Matthew M. Chingos, and Michael S. McPherson, 2019. *Crossing the finish line: completing college at America's public universities*, Chapter 3 (pp 32-56)

Hodara and Jaggars, 2012. "Why is it so hard to fix our system of remediation?" (this is just a short blog post).

Turner, Sarah. 2004. "Going to College and Finishing College: Explaining Different Educational Outcomes." In Caroline Hoxby, editor, *College Choices: The Economics of Where to Go, When to Go, and How to Pay for It*. University of Chicago Press, 2004.

Bound, John and Sarah Turner, 2011. "Dropouts and Diplomas: The Divergence in Collegiate Outcomes." in *Handbook of the Economics of Education, Volume 4*. Elsevier, 2011.

Stange, K. 2012 “The option value of college enrollment.” *American Economic Journal: Applied Economics*.

Ralph Stinebrickner and Todd R. Stinebrickner, 2008. “The Causal Effect of Studying on Academic Performance,” *B. E. Journal of Economic Analysis and Policy* 8, no. 1 (2008).

B. Sacerdote. (2001) “Peer Effects with Random Assignment: Results for Dartmouth Roommates,” *Quarterly Journal of Economics*, Vol. 116.2 (May), pp. 681-704.

#### **Thursday, February 16, Class 13: Policies to Improve Persistence and Completion**

\* Angrist, Joshua, Daniel Lang, and Phil Oreopolous, 2009. “Incentives and Services for College Achievement: Evidence from a Randomized Trial,” *American Economic Journal* Vol. 1, No. 1, 2009, pp. 136-163.

\*Bettinger, Eric and Rachel Baker, 2011. “The Effects of Student Coaching in College: An Evaluation of a Randomized Experiment in Student Mentoring” unpublished working paper.

\*Scrivener, Susan and Erin Coghlan, 2011. “Opening Doors to Student Success: A Synthesis of Findings from an Evaluation at Six Community Colleges.” MDRC Policy Brief, March 2011.

#### **Tuesday, February 21, Class 14: Review of access and persistence**

No new readings

#### **Thursday, February 23, Class 15: In-class midterm exam**

#### **February 28- March 3, Spring Break**

### **PART III: ACCOUNTABILITY, PERFORMANCE MEASUREMENT, AND COMPETITION**

#### **Tuesday, March 6, Class 16: Criticisms about learning in college**

\*Richard Arum, Josipa Roksa, and Esther Cho. “Improving Undergraduate Learning: Findings and Policy Recommendations from the SSRC-CLA Longitudinal Project”

\*Babcock, Phillip and Mindy Marks, 2010. *Leisure College, USA: The Decline in Student Study Time* (with Mindy Marks) 2010, American Enterprise Institute for Public Policy Research, *Education Outlook*, 2010, No. 7.

\*Jacob, Brian, Brian McCall, and Kevin Stange, 2011. “The Consumption Value of Higher Education: Implications for Colleges” Unpublished paper. University of Michigan. Just read the intro.

Austin, Alex, 2011. “In 'Academically Adrift,' Data Don't Back Up Sweeping Claim.” *Chronicle of Higher Education*, February 14, 2011.

Arum, Richard and Josipa Roksa, 2011. “Your So-Called Education” *New York Times* May 14, 2011.

Arum, Richard and Josipa Roksa, 2011. *Academically Adrift: Limited Learning on College Campuses*. University of Chicago Press: Chicago, IL.

Babcock, Phillip and Mindy Marks, 2011. *The Falling Time Cost of College: Evidence from Half a Century of Time Use Data*, *Review of Economics and Statistics*, Vol. 93, No. 2, Pages 468-478. [More technical version:]

#### **Thursday, March 8, Class 17: College Sports and Other Consumption Amenities**

**Guest Speaker: Seth Wickersham, Sr Writer, *ESPN The Magazine***

\*Clotfelter, Charles T., 2011. *Big-Time Sports in American Universities*. Cambridge University Press: New York, New York.(various selections)

\* Wickersham, Seth – Several articles from ESPN The Magazine: “Internal Affairs”, “Is Gordon Gee Serious?”, “Fortress of Aptitude.”

\*Scott-Clayton, Judy, 2012. “Do Big-Time Sports Mean Big-Time Support for Universities?” The New York Times, January 27, 2012.

\*Pappano, Laura, 2012. “How Big-Time Sports Ate College Life” The New York Times, January 20, 2012

Lindo, Jason, Isaac Swensen, and Glen Waddel, 2012. ”Are Big-Time Sports a Threat to Student Achievement?” *American Economic Journal: Applied Economics*, 4(4): 254-274.

Pope, Devin G. and Jaren C. Pope. 2009. “The Impact of College Sports Success on the Quantity and Quality of Student Applications.” *Southern Economic Journal* (2009) 75(3), 750-780

### **Tuesday, March 13, Class 18: Performance Measurement and Accountability**

\*Carey, Kevin, 2012. “Obama vs. Colleges: It’s about Time” The New Republic, January 28, 2012

\*Jesse, David. 2011. “State Aid to Universities Soon Could Hinge on Performance Goals” Detroit Free Press. Nov 20, 2011. Chart attached as a separate document.

\* Kelchen, Robert and Douglas Harris, 2011. “Pulling Rank: The Potential of Value-Added to Address the Failures of US News and Other Popular College Rankings.” Unpublished working paper, University of Wisconsin.

\*Musick, Marc, 2011 Analysis of Efficiency and Graduation Rates at The University of Texas at Austin and Other Public Research Universities in the United States

Calcagno, J., Bailey, T., Jenkins, D., Kienzl, G., & Leinbach, D. T. (2006). Is student right-to-know all you should know? An analysis of community college graduation rates. *Research in Higher Education*, 47(5), 491–519.

\* Johnson, William and Sarah Turner, 2009. “Faculty without Students: Resource Allocation in Higher Education.” *Journal of Economic Perspectives*. 23(2): 169-189.

### **Thursday, March 15, Class 19: Project Discussion**

Today we will discuss your projects. You will present your proposed project (research question, possible data sources, identification strategy) and we will have a few minutes to discuss each one as a class.

### **Tuesday, March 20, Class 20: Rankings**

\*James Monks and Ronald Ehrenberg, “The Impact of USNWR College Rankings on Admissions Outcomes and Pricing Decisions at Selective Private Institutions”, *National Bureau of Economic Research Working Paper No.7227* (1999) ) (shorter version published in *Change Magazine* Nov/Dec 1999)

\*Amanda Griffith and Kevin Rask, “The Influence of USNWR Collegiate Rankings on the Matriculation of High-Ability Students: 1995-2004”, *Economics of Education Review* (April 2007): 244-255

\*National Association for College Admission Counseling, 2011. *Report of the NACAC Ad Hoc Committee on US News and World Report Rankings*. September 23, 2011.

\*Kiley, Kevin, 2011. “Thanks but no, thanks.” *Inside Higher Ed*. September 26, 2011.

\*Perez-Pena, Richard and Daniel Slotnik, 2012. “Gaming the College Rankings” *New York Times*, January 31, 2012.

### **Thursday, March 22, Class 21: Market Structure and Competition**

\*Hoxby, C.M. (2009) "The Changing Selectivity of American Colleges" in *Journal of Economic Perspectives* 23(4): 95-118

\*Hoxby, Caroline, 1997. How the Changing Market Structure of U.S. Higher Education Explains College Tuition. NBER Working Paper 6323.

Salop, S.C. and L.J. White (1991) "Policy Watch Antitrust Goes to College" in *Journal of Economic Perspectives* 5(3): 193-202

Rothschild, Michael, and White, Lawrence J. "The University in the Marketplace: Some Insights and Some Puzzles." In *Studies of Supply and Demand in Higher Education*, (edited by Charles Clotfelter and Michael Rothschild). Chicago: Univ. Chicago Press (for NBER), 1993.

Cellini, Stephanie Riegg, 2009. Crowded Colleges and College Crowd-Out: The Impact of Public Subsidies on the Two-Year College Market. *American Economic Journal: Economic Policy*.

Epple, Dennis, Richard Romano, and Holger Sieg, 2006. Admission, Tuition, and Financial Aid Policies in the Market for Higher Education." *Econometrica* 74(4): 885-928.

Epple, Dennis, Richard Romano, and Holger Sieg, 2003. Peer Effects, Financial Aid and Selection of Students into Colleges and Universities: An Empirical Analysis." *Journal of Applied Econometrics* 18: 501-525.

Courant, Paul, Michael McPherson, and Alexandra Resch, 2006. "The Public Role in Higher Education." *National Tax Journal* LVIV (2): 291-318.

## **Tuesday, March 27, Class 22: Rise of the For-Profit Sector**

**Guest Speaker: Bob Shireman, former Deputy Undersecretary of Education in Obama Administration, Executive Director, California Competes**

\*Deming, David, Claudia Goldin and Larry Katz "The For-Profit Postsecondary School Sector: Nimble Critters or Agile Predators?" *Journal of Economic Perspectives*

\* Sandy Baum & Kathleen Payea, 2011. "Trends in For-Profit Postsecondary Education: Enrollment, Prices, Student Aid and Outcomes"

Cellini, Stephanie and Claudia Goldin, 2011. "Comprehensive View of For-Profit Postsecondary Education and the Role of Title IV in Tuition-Setting" working paper.

Lang, Kevin and Russell Weinstein, 2012. "Evaluating Student Outcomes at For-profit Colleges." *NBER Working Paper 18201*. June 2012.

Turner, Nicholas, 2012. "Do Students Profit from For-profit Education? Estimating the Returns to Postsecondary Education with Tax Data." Unpublished working paper.

Cellini, Stephanie (2010). "Financial Aid and For-Profit Colleges: Does Aid Encourage Entry?" *Journal of Policy Analysis and Management* 29 (Summer), pp. 526-52.

Turner, Sarah E. (2006). "For-Profit Colleges in the Context of the Market for Higher Education." Chapter 3 of D. W. Breneman, B. Pusser, and S. E. Turner, eds., *Earnings from Learning: The Rise of For-Profit Universities*. Albany: State University of New York Press.

## **Thursday, March 29, Class 23 Higher Education and Workforce Needs**

\*Carnevale, Anthony P., Nicole Smith, & Jeff Strohl. 2010. *Help Wanted: Projections of Jobs and Education Requirements Through 2018*. Washington, DC: Georgetown University. This is the executive summary of a much larger series of reports available here: <http://cew.georgetown.edu/jobs2018/>

\*Reamer, Andrew. 2010. *Putting America to Work: The Essential Role of Federal Labor Market Statistics*. Washington, DC: The Brookings Institution. Read the 10-page policy brief. I have also posted the full report, which I don't suggest you read. However, take a look at the table that starts on page 50 of the full report.

\*Altstadt, David, 2011. *Aligning Community Colleges to their Local Labor Markets The Emerging role of Online Job Ads for Providing Real-Time Intelligence About Occupations and Skills in Demand*

\*Magali Beffy, Denis Fougère, Arnaud Maurel, 2011. "Choosing the Field of Study in Post-Secondary Education: Do Expected Earnings Matter?" forthcoming in *Review of Economics and Statistics*.

Goodman, Peter. 2010. "After Training, Still Scrambling for Employment." *The New York Times*. July 18.

Jacobs, Jim. 2011. "Hard Lessons Learned from the Economic Recession." *Community College Times*. February 7. Available at: <http://www.communitycollegetimes.com/Pages/Workforce-Development/Hard-lessons-learned-from-the-recession.aspx>

#### **PART IV: COLLEGE FOR ALL AND HIGH-LEVEL REFORM**

##### **Tuesday, April 3, Class 24: High-level Reform and the Spellings Commission**

\* Spellings Commission, 2006. "A Test of Leadership: Charting the Future of U.S. Higher Education" A Report of the Commission Appointed by Secretary of Education Margaret Spellings

\*Heller, Don 2009. "The Context of Higher Education Reform in the United States" *Higher Education Management and Policy*

Field, Kelly 2011. "Spellings Panel Spurred Progress in Some Key Areas but Failed to Remake American Higher Education." *The Chronicle of Higher Education*. Sept 18, 2011.

Zemsky, Robert 2011. "The Unwitting Damage Done by the Spellings Commission." *The Chronicle of Higher Education*. Sept 18, 2011.

Kahlenberg, Richard. 2011. 'The College-for-all-Debate'. *Chronicle of Higher Education* June 2011.

Menand, Louis, 2011. "Why We Have College" *New Yorker* June 6, 2011.

Bowen, William, Matthew M. Chingos, and Michael S. McPherson, 2019. *Crossing the finish line: completing college at America's public universities*, Chapter 12 (pp 223-238)

Pathways to Prosperity Project, 2011. *Pathways to Prosperity: Meeting the Challenge of Preparing Young Americans for the 21<sup>st</sup> Century*. Harvard Graduate School of Education.

##### **Thursday, April 5, Class 25: One-on-one meetings to discuss papers and presentations**

##### **Tuesday, April 10, Class 26: In-class presentations**

##### **Thursday, April 12, Class 27: In-class presentations**

##### **Tuesday, April 17, Class 28: In-class presentations and wrap-up**

##### **Friday, April 20, Final Paper Due**

## **TOPICS NOT COVERED**

There are many other important topics related to public policy and higher education, that we will not have time to cover in depth. These would make excellent topics for papers:

- Returns to college quality
- International comparisons
- Structural issues: how the system is/should be structured
- Major choice and field of study; the underrepresentation of women and minorities in STEM fields
- Research & development; economic spillovers of research universities
- Graduate and professional education
- Labor markets for faculty
- The political economy of higher education
- Advising and coaching in high school
- College pricing (what determines it, impact on students)