ECONOMICS 495
EVALUATION OF SOCIAL PROGRAMS
COURSE OUTLINE

Department of Economics
University of Michigan
Winter 2016
Version of March 4, 2016

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Office hours: MW 1:30-2:30 and by appointment
Course meetings: MW 2:30-4:00 – 1508 East Quad

Prerequisites

The prerequisites for this course are a good grade in Economics 401 and completion of Economics 451 or 453 or Statistics 426. Completion of, or simultaneous enrolment in, Economics 452 or 454 is also required.

Course Goals

1. Learn the basics of the economics and econometrics of program evaluation;

2. Learn the basics of how the evaluation industry functions and how evaluations affect and are affected by policy;

3. Critically review the evaluation literature on three programs or policies in class via written comments, formal discussant presentations, and general class discussions of published evaluation research with the aim of showing how the process of knowledge creation through research does or does not lead to clear conclusions regarding program effects;

4. Learn how to write a serious analytical literature survey (rather than just an annotated bibliography) or an original research paper through lectures, interaction during office hours, the writing of a complete draft, the revision of the draft in response to written comments and the composition of a formal written response to comments.

Course Format

This course is intended to be a seminar, with active participation by everyone. The class format will be about 30 percent lecture and about 70 percent discussion of papers. There will be lectures at the start of the course to provide a context for the course and to introduce the basic questions
addressed and methods used in economic research on the evaluation of social and educational programs. The second part of the course consists of brief formal discussions of published evaluations by students followed by lightly guided class discussion.

**Course grade**

The course grade will depend on the following, where the fraction of the grade associated with each component of the course is listed at the start of the line:

- 0.10 Problem sets
- 0.10 Attendance and participation on paper days (lowest two days are dropped)
- 0.15 Summaries and comments on presented papers (lowest two are dropped)
- 0.10 Formal discussions
- 0.20 Draft research paper
- 0.35 Final version of research paper

**Lectures**

The lecture topics are as follows:

- How to Select a Paper Topic
- Evaluation Institutions
- Evaluation Methods – Introduction
- Evaluation Methods – Experiments
- Evaluation Methods – Regression and Matching
- Evaluation Methods – Instrumental Variables
- Evaluation Methods – Regression Discontinuity
- Evaluation Methods – BA and DID
- How to Read and Discuss a Paper

**Course paper**

*Substance*

Each student is required to write a course paper. For most students, the course paper will be an analytic survey of the literature evaluating a particular program or policy. By analytic I mean that the paper should evaluate and synthesize the literature as a means of reaching some conclusions about the sign and size of the effects (if any) of the program under consideration. The paper should not be an annotated bibliography, which is to say that it should not simply describe a list of related papers without synthesis or critical reading. Quality judgments must be made and justified and an overall conclusion must be reached, however tentative.

Students with an interest in writing an original research paper on an evaluation topic rather than an analytical literature survey should contact me very early in the semester. An original research paper could take several forms. In the most ambitious version of this type of paper, you would
design and implement your own treatment, collect data on participants and outcomes, and perform an evaluation. Or you could collect data on a treatment not yet studied in the literature and analyze it. Or you could replicate and extend an existing published evaluation study by collecting additional data (e.g. for more recent time periods) and repeating the analysis, or you could apply new methods not used in the published study or you could examine subgroups of interest not studied in the original analysis and so on.

_Paper proposal_

A course paper proposal is due on or before the start of class on **January 25**. You may turn it in earlier if you like. The paper proposal should be turned in electronically (i.e. by email to Prof. Smith).

In the case of literature surveys, the proposal should include a description of the proposed paper of up to one page in length. The proposal must include a clear and precise description of the program or treatment whose evaluation is to be considered, as well as a clear statement of the outcome variable or variables (e.g., earnings, fertility, mental health, etc.) of interest. The proposal must also include at least four citations to papers that will be included in the survey. The citations should be to actual evaluations, not to surveys of evaluations or to policy discussions that talk about evaluations. The evaluations may be working papers (e.g. from the NBER, IZA or World Bank working paper series), papers published in academic journals, or government reports. If a paper is published, you should list the published version in preference to the working paper version unless there is a good reason to do otherwise (e.g. the editor made the authors drop important bits from the published version to save space).

For an original research paper, the proposal must clearly specify the research question of interest, the data you will employ to analyse it (and how you will obtain those data in time to complete the paper for this course) and the types of analyses that you will perform. You must also include at least one citation to a published paper on the same topic or convince me that there are no published papers on the topic.

_Complete draft_

A complete draft of the course paper is due at 3 PM on Friday, **March 11**. This draft will be returned with comments shortly thereafter. The paper should be submitted by email as a PDF file.

_Final version_

A final version of the course paper is due at 3 PM on Tuesday, **April 19**.

Along with the final version of the paper you should submit a _separate document_ indicating how, if at all, you responded to each of the substantive comments on your draft. If you did not respond to a particular comment, you must explain your decision. Be sure to include the comments you are responding to so your response can be read as a “stand alone” document. This document will
be read carefully along with your paper and will play a role in determining your grade on the final paper.

**Details**

Papers may be up to 28 pages in length, where the page total does not include the title page or the references but does include any tables. For those doing original research, a data appendix also does not count toward the 28 pages.

Papers should be single-sided, double spaced, use a 12 point font, and have standard margins.

The late paper penalty is 10 points per 24 hours or fraction thereof. This penalty applies to both the draft paper and the final paper. All papers should be submitted by email as PDF files.

I will provide examples of literature surveys of the sort that I have in mind on Canvas. I will also post a document entitled “Detailed Instructions for Papers” to Canvas that will provide additional guidance.

**Formal discussant remarks**

Students will each formally discuss a small number of papers. There will be two formal discussants per paper. The formal discussant remarks should resemble those at academic conferences. Discussant remarks should last no more than 15 minutes per discussant. Following the formal discussant remarks there will be a (guided as lightly as possible) discussion of the paper.

It is advisable to start preparing your formal discussant remarks well in advance, in case you have questions about the economics or econometrics in the paper you are assigned to discuss. Practicing your formal discussant remarks is also a good idea. You can also send your draft slides to Prof. Smith for comments. It is best to do this at least 24 hours in advance, if not two or three days in advance.

**Write-ups for each presented paper**

Unless you are a formal discussant for a paper, you should prepare a document of not more than two pages in length about each paper that is presented in class. It must contain the following: (1) a one or two paragraph summary of the paper and (2) at least three comments or questions about the paper.

The write-ups serve three functions. First, they provide an incentive to read the papers presented in the class. Second, they provide an opportunity to think in advance about things to say about the paper in class. Third, they provide an opportunity to practice critical thinking and reading. These write-ups are due at the start of each class. As the lowest two write-up grades will be dropped in calculating the final grade, no late write-ups will be accepted. Students who know in advance that they will miss class can turn in the write-up via email before the start of class.
Like the papers, the write-ups should be single sided, double-spaced, use a 12 point font, and have standard margins. Only hard copies need be turned in.

In grading the write-ups, I will assign greater weight to the comments and questions than to the summary.

**Problem sets**

There will be two problem sets designed to give you real experience with various econometric evaluation estimators applied to real data. They are quite similar in format to the problem sets from my version of Economics 452.

**Attendance and participation**

For a seminar-style class, attendance and participation loom large in learning. One part of your grade will reflect your attendance at the presentations and the value that you add to the class discussion that follows each presentation. Value in this context has aspects of quality as well as quantity. Making one good comment is better than making several less useful ones.

Attendance and participation count only on presentation days, not on lecture days. Absences count as a zero but the lowest two daily grades are dropped from the calculation.

**Email and Canvas**

Information about the course will be distributed by email and using Canvas. If you are not receiving email about the course, you need to make sure that I have your correct email address. I am not responsible for your failure to receive course emails.

**Social media**

I am happy to connect with you on LinkedIn after the class is over and grades have been assigned. I generally do not friend students on Facebook.

**Discussing a grade**

This course follows economics departmental policy on graded assignments. You can find that policy here: [http://www.lsa.umich.edu/econ/undergraduatestudy/policiesandprocedures](http://www.lsa.umich.edu/econ/undergraduatestudy/policiesandprocedures)

**Students with disabilities**

“If you believe you need an accommodation for a disability, please let me know at your earliest convenience. Some aspects of this course may be modified to facilitate your participation and progress. As soon as you make me aware of your needs, we can work with the Office of Services
for Students with Disabilities to help us determine appropriate accommodations. I will treat any information you provide as private and confidential."

More on the department policy is here: [http://www.lsa.umich.edu/econ/undergraduatestudy/policiesandprocedures](http://www.lsa.umich.edu/econ/undergraduatestudy/policiesandprocedures)

More on the university policy is here: [http://ssd.umich.edu/](http://ssd.umich.edu/)

**Student Mental Health and Wellbeing**

University of Michigan is committed to advancing the mental health and wellbeing of its students. If you or someone you know is feeling overwhelmed, depressed, and/or in need of support, services are available. For help, contact Counseling and Psychological Services (CAPS) at (734) 764-8312 and [https://caps.umich.edu/](https://caps.umich.edu/) during and after hours, on weekends and holidays, or through its counselors physically located in schools on both North and Central Campus. You may also consult University Health Service (UHS) at (734) 764-8320 and [https://www.uhs.umich.edu/mentalhealthsvcs](https://www.uhs.umich.edu/mentalhealthsvcs), or for alcohol or drug concerns, see [www.uhs.umich.edu/aodresources](http://www.uhs.umich.edu/aodresources). For a listing of other mental health resources available on and off campus, visit: [http://umich.edu/~mhealth/](http://umich.edu/~mhealth/).

**Academic misconduct**

A discussion of plagiarism can be found here:

[http://www.lib.umich.edu/academic-integrity/understanding-plagiarism-and-academic-integrity](http://www.lib.umich.edu/academic-integrity/understanding-plagiarism-and-academic-integrity)

That page links to a statement from the UM English department here:

[http://www.lsa.umich.edu/english/undergraduate/advising/plagNote.asp](http://www.lsa.umich.edu/english/undergraduate/advising/plagNote.asp)

On that page you can read the following:

"3. Cites, with quotation marks, portions of another author's work, but uses more of that work without quotation marks and without attribution. This instance is the most common kind of plagiarism I've been seeing. A student essay quotes, say, four or five words from a World Wide Web page (or an essay in a printed collection) on W. B. Yeats and cites them. That same essay contains other sentences that lift material directly from the Web page, but the student does not surround that quoted material with quotation marks nor does s/he give the citation at the end of his/her sentence. Note that if you're taking material from a source and rehashing it slightly, but not giving a citation for that rephrased material, you're still plagiarizing the work you're representing as your own, since the ideas, the argument derive in fact from another's writing. If you cite and surround with quotation marks only some of the words you've taken from a source, you also commit plagiarism, since you're taking words from another without fully acknowledging the extent of your borrowing."

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If you have questions about how to avoid plagiarizing, please ask before you turn in the written work.

I have absolutely no tolerance for plagiarism. If you plagiarize in your course paper or in the paper summaries for this class and I detect it you will receive a failing grade for the course as well as any other more general punishments the university allows. You will also lose my respect.

The course complies with the economics departmental policy on academic misconduct, which you can find here: [http://www.lsa.umich.edu/econ/undergraduatestudy/policiesandprocedures](http://www.lsa.umich.edu/econ/undergraduatestudy/policiesandprocedures)

The university provides additional information on academic misconduct here: [http://www.lsa.umich.edu/academicintegrity/](http://www.lsa.umich.edu/academicintegrity/)

**Textbook and background readings**

The official texts for this course are:


The Morgan and Winship book is at a slightly higher technical level. Both books are aimed at audiences broader than just economists, and Morgan and Winship are themselves not economists but rather tech-ed-up sociologists.

Two other texts are pretty standard in evaluation courses taught outside of economics. You might find them of interest. They give a broader picture of evaluation than will be apparent from this class, which focuses specifically on estimating policy impacts using large data sets and econometric methods. The authors of these books are also non-economists; the world still awaits a good general evaluation text written by economists.


Both need new editions as this literature has moved quite a bit since they were written and published.

Another related book, which is a bit more technical and more strongly oriented to economics, is:


The Angrist and Pischke book is particularly strong on instrumental variables and selection on observed variable identification strategies. It is the least technical of the three textbooks I assign in my graduate applied econometrics course.

The lecture notes from my Economics 452 course, which I will post on Canvas, provide good background on the basics of regression, as does the text from that course, *Econometrics: A Modern Approach* by Jeffrey Wooldridge. Any edition will do as the material does not change much over time. An alternative, somewhat less formal text that I also recommend is *Basic Econometrics* by Damodar Gujarati. Again, any edition will do. I will also post selected lecture notes from my graduate applied econometrics course, Economics 675.

For the evaluation literature, I recommend the following readings. I will post them on Canvas. If time is short, I would start with Smith (2004), Moffitt (1991), Moffitt (2005), and Blundell, Dearden and Sianesi (2005).

**Low tech**


**Medium tech**


*High tech*


*An interesting exchange*


*Humor (with a point)*


**Papers for presentation: D.A.R.E.**

*Background reading*


Faggiano, Fabrizio, Silvia Minozzi, Elisabetta Versino, and Daria Buscemi. 2014. “Universal School-Based Prevention for Illicit Drug Use.” *Cochrane Database of Systematic Reviews*, Issue 12, Article CD003020.

**Papers for class discussion**


**Papers for presentation: School enrollment in developing countries**

**Background reading**


Papers for class discussion


Papers for presentations: Merit-based college scholarships

Background reading


Papers for class discussion


Course schedule

1/6  No meeting

1/11  Lecture: How to Select a Paper Topic
1/13  Lecture: Evaluation Institutions

1/18  No meeting – MLK Day
1/20  Lecture: Evaluation Methods - Introduction

1/25  Lecture: Evaluation Methods – Experiments
      Paper proposal due at start of class
1/26  Lecture: Evaluation Methods - Regression and Matching

2/1   Lecture: Evaluation Methods – Regression and Matching (cont’d)
2/3   Lecture: Evaluation Methods – Instrumental Variables

2/8   Lecture: Evaluation Methods – Regression Discontinuity
2/10  Lecture: Evaluation Methods – Before-after and Difference-in-Differences

2/15  Lecture: Evaluation Methods – Before-after and Difference-in-Differences (cont’d)
2/17  No meeting

2/22  Lecture: How to read and discuss a paper
2/25  D.A.R.E.: Rosenbaum et al. (1994) [no discussants]

2/29  No meeting – winter break
3/2   No meeting – winter break

3/11  Draft paper due at 3 PM


3/21  Enrollment: Deininger (2003) [Cai, Zhao]
3/23  Enrollment: Filmore and Schady (2008) [Jones, Yao]

3/28  Enrollment: Dumitrescu et al. (2011) [Aloisi, Do]
3/30  Enrollment: Kazianga et al. (2013) [Yu, A., Zhao]

4/6   Scholarships: Cornwell et al. (2006) [Cai, Yao]
4/11 Scholarships: Scott-Clayton (2011) [Jones, Ren]
4/13 Scholarships: Goldrick-Rab et al. (2015) [Do, Zhao]
4/18 Scholarships: Bartik et al. (2015) [Apaza, Yao]
4/19 Final paper due at 3 PM