

**Public Policy 611: Higher Education and Public Policy
Fall 2015**

Professor Kevin Stange
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Course Time: Monday and Wednesday 2:30 – 4pm, 1230 Weill Hall

Office Hours: by appointment, 5130 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 and is also strongly recommended.

Course Requirements

- *Class participation* (20%): This is a discussion-based course, so you are expected to attend class regularly, to have done the assigned readings prior to class, and come prepared to discuss. Unexcused absences will count against your participation grade. As part of the participation grade, each student will be responsible for finding a higher education policy or topic mentioned in the news, posting a link to it on ctools with a few short comments, and briefly mentioning it at the beginning of class. Everyone will need to do this at least once during the semester. The student in charge will briefly summarize the policy or issue and tell us what they think about it. For instance, “I saw an article in the *New York Times* this morning that describes how Florida is holding the tuition for engineering students low while letting it increase for other majors. I think this is a good idea because But it could have the unintended consequence of
- *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)*: In groups of two, you will craft an original quantitative analysis of data on a particular higher education policy or subject. 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. I will work with you to refine your research question, find data, and interpret what you are finding. If you have a strong aversion to quantitative analysis, you may instead do a longer (~10 page) analysis of a specific policy in which you summarize the theory and empirical evidence (for and against) the subject and make a recommendation. This will require you to do some research on your own. 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 policy memos and 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: Beth Chimera (bchimera@umich.edu), David Morse (morsedl@umich.edu), and Alex Ralph (ralpha@umich.edu). They are excellent resources and are available to talk with students about various aspects of the writing process and to read and comment on rough drafts.

Accommodations

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.

List of topics (subject to adjustments):

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

<u>Week</u>	<u>Dates</u>	<u>Topic</u>	<u>Assignments</u>
Part I: Background, theory, and rationale			
1.	9/9	Introduction and overview.	
2.	9/14-9/16	Human capital theory vs. signaling. Rationale: social vs. private returns.	
Part II: Access and student success			
3.	9/21-9/23	Trends in access & affordability; credit constraints. Financial aid (grants, tax credits).	
4.	9/28-9/30	Financial aid (loans & debt) & reform.	
5.	10/5-10/7	Community colleges. Admissions and affirmative action.	
6.	10/12-10/14	Trends in completion, remediation. Policies to improve persistence and completion.	Policy memo due Monday 10/12
7.	10/19-10/21	Fall break and review of access and persistence	
8.	10/26-10/28	Midterm.	In-class midterm Monday 10/26
Part III: Criticisms, accountability, and competition			
		Rising prices.	
9.	11/2-11/4	Learning and college sports.	
10.	11/9-11/11	Rankings and performance funding. In-class paper discussions.	Initial paper topic due Mon 11/9
11.	11/16-11/18	Market competition.	Final paper topic due Fri 11/18
Part IV: Higher ed in transition and high-level policy reform			

For-profit sector.

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|-----|-------------|--|--------------------------------------|
| 12. | 11/23-11/25 | On-line education. New pricing models. | |
| 13. | 11/30-12/2 | One-on-one meetings to discuss papers.
High-level reform. | |
| 14. | 12/7-12/9 | In-class presentations | Presentation due |
| 15. | 12/14 | Wrap-up | Final paper due Fri
12/18 |

Readings (subject to revision). The readings consist of four types: (1) rigorous (typically empirical) academic papers; (2) descriptive papers; (3) policy reports; and (4) 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 guiding questions about the readings to the Forum tool on ctools. I list a few questions that you should come prepared to answer and discuss about the readings and a few more general ones. You don't need to write up or turn anything in (but you may find this helpful to do); just be prepared to speak. Also make sure to bring the readings (hard copy or electronic) to class, as we will reference them. As for reading strategy, for the more technical papers a good strategy is to read the abstract, intro, results, conclusions, tables/figures first and see how many of the questions you can answer. Then go back and try to understand it a little bit better. 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

Wednesday September 9, 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.

*"The world is going to university." *The Economist*. March 28, 2015

Monday September 14, Class 2: Human capital theory and basic trends

* Borjas, G. (2005) *Labor Economics* (3rd edition). McGraw Hill, Chapter 7 on “Human Capital”. pp 235-249, 260-264.

*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, 2009. *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

Wednesday September 16, Class 3: Returns to higher education

* 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 skim 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

*Zimmerman, Seth (2014). “The Returns to College Admission for Academically Marginal Students,” *Journal of Labor Economics* Vol. 32, No. 4, October 2014 (Try to interpret Figures 4, 5, and 8)

Clark, Damon and Paco Martorell, “The Signaling Value of a High School Diploma,” *Journal of Political Economy*, Vol 122 (2, April 2014): 282-318

Hastings, J, C. Neilson, and S Zimmerman (2013). “Are Some Degrees Worth More than others? Evidence from college admission cutoffs in Chile” NBER WP No 19241 July 2013.

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.

PART II: ACCESS AND STUDENT SUCCESS

Monday September 21, Class 4: Trends in Access and Affordability; Theory on Why Price/Aid May Influence Enrollment; Evidence of Credit Constraints

Required readings

* 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*. [Abstract and Introduction only]

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

Background context readings

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.

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)

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

Others

Hilger, Nathaniel, 2014. "Parental Credit Constraints and College Attendance: Evidence from Timing of Fathers' Layoffs" unpublished working paper, Brown University.

Bailey and Dynarski book chapter

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

Wednesday September 23, Class 5: 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.

OR

*Bulman, G and C Hoxby, 2015. "The Returns to the Federal Tax Credits for Higher Education". NBER WP No 2083 3 (January 2015)

Optional background materials

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 and Judith Scott-Clayton, 2013. "Financial Aid Policy: Lessons from Research" NBER Working Paper 18710. January 2013.

Others

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

Monday September 28, Class 6: 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.

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

* Several short NYT articles by Sue Dynarski

Background

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)

Others

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

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.

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

Wednesday September 30, Class 7: 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*

* Op-eds about FAFSA simplification in NYT

To skim

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, Susan and Daniel Kreisman, 2013. Loans for Educational Opportunity: Making Borrowing Work for Today's Students." Hamilton Project Discussion Paper 2013-05.

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

Long, Bridget Terry Long 2008. "Effectiveness of Aid: Lessons for Policy"

Dynarski, Susan and Judy Scott-Clayton, 2013. Financial Aid Policy: Lessons From Research." NBER WP 18710..

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.

Monday October 5, Class 8: Community Colleges

*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, 2009. *Crossing the finish line: completing college at America's public universities* , Chapter 7 (pp 134-148)

Other papers on democratization and/or diversion effects.

Smith, J and K. Stange, 2015. "A New Measure of College Quality to Study the Effects of College Sector and Peers on Degree Attainment." Unpublished working paper.

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.

Cecile Rouse, 1998 “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

Overview of challenges and opportunities.

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

Profile of states' community college policies and Achieving the Dream

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., & Nienhusser, 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.

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.

Papers that attempt to estimate the causal effect of state-level articulation policies

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.

Papers that attempt to estimate the institutional characteristics that impact success

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).

Wednesday October 7, Class 9: Admissions and Affirmative Action

*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*

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

*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.

*Hoxby, Caroline and Sarah Turner, 2013. Informing Students about Their College Options: A Proposal for Broadening the Expanding College Opportunities Project. Hamilton Project Discussion Paper 2013-03.

For background:

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>

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 work on student information problems and application behavior

Hoxby, Caroline and Christopher Avery, 2012. “The missing one-offs: The hidden supply of high-achieving, low-income students.” NBER Working Paper 18586, December 2012.

Hoxby, Caroline and Sarah Turner, 2014. Expanding College Opportunities for High-Achieving, Low Income Students.” SIEPR Discussion paper 12-014.

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)

Monday October 12, Class 10: Trends in Completion and Explanations, Remediation

*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.

Wednesday October 14, Class 11: 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.

Optional and background readings

Engle, Jennifer and Vincent Tinto, 2008. *Moving Beyond Access: College Success For Low- Income, First-Generation Students*. The Pell Institute for the Study of Opportunity in Higher Education. Not required, but useful very background.

Cynthia Miller, Melissa Binder, Vanessa Harris, and Kate Krause, 2011. *Staying on Track: Early Findings from a Performance-Based Scholarship Program at the University of New Mexico*. MDRC, August 2011.

Scott-Clayton, Judith. 2011. "On Money and Motivation: A Quasi-Experimental Analysis of Financial Incentives for College Achievement." *Journal of Human Resources* 46(3): 614–646.

Goldrick-Rab, Sara, Douglas Harris, Robert Kelchen, and James Benson. 2012. Conditional Cash Transfers and College Persistence: Experimental Effects of a Randomized Need-based Grant Program. University of Wisconsin. Unpublished working paper.

Patel, Reshma, Lashawn Richburg-Hayes, Elijah de la Campa, and Timothy Rudd, 2013 Performance-Based Scholarships: What Have We Learned? INTERIM FINDINGS FROM THE PBS DEMONSTRATION, MDRC

Lashawn Richburg-Hayes, Thomas Brock, Allen LeBlanc, Christina Paxson, Cecilia Elena Rouse, and Lisa Barrow, Rewarding Persistence: Effects of a Performance-Based Scholarship Program for Low-Income Parents (New York: MDRC, 2009).

Susan Scrivener, Dan Bloom, Allen LeBlanc, Christina Paxson, Cecilia Elena Rouse, and Colleen Sommo, with Jenny Au, Jedediah J. Teres, and Susan Yeh, A Good Start: Two-Year Effects of a Freshmen Learning Community Program at Kingsborough Community College (New York: MDRC, 2008).

Susan Scrivener, Colleen Sommo, and Herbert Collado, Getting Back on Track: Effects of a Community College Program for Probationary Students (New York: MDRC, 2009).

Monday October 19, NO CLASS (Fall Study Break)

Wednesday, October 21, Class 12: Review of access and persistence

No new readings

Monday October 26, Class 13: In-class midterm exam

PART III: CRITICISMS, ACCOUNTABILITY, AND COMPETITION

Wednesday October 28, Class 14: Criticism 1 – Rapidly Increasing Price

* Nelson, Libby "Our Greedy Colleges: Why Financial Aid Might Make College More Expensive" VOX <http://www.vox.com/policy-and-politics/2015/8/12/9130157/financial-aid-tuition-bennett-hypothesis>

* Rizzo, Michael and Ronald Ehrenberg, 2004. "Resident and Nonresident Tuition and Enrollment at Flagship State Universities." In C. Hoxby (editor), *College Choices: The Economics of Where to Go, When to Go, and How to Pay For It*. University of Chicago Press, 2004.

* Need a paper on "Baumol Cost Disease"

*Kim and Stange, 2015. "Pricing and University Autonomy: The Case of Tuition Deregulation in Texas, forthcoming in *RSF Journal*.

"Mix and Match: Both Provision and Funding of Higher Education is Shifting Towards the Private Sector" *The Economist*, March 28, 2015.

Monday November 2, Class 15: Criticism 2 - No Learning

*Richard Arum, Josipa Roksa, and Esther Cho. "Improving Undergraduate Learning: Findings and Policy Recommendations from the SSR-CCLA 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" NBER Working Paper (intro only).

Carey, Kevin "The Economic Price of Colleges' Failures" *New York Times*, September 2, 2014.

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:]

Wednesday November 4, Class 16: College Sports

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

*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

Anderson, Michael, 2012. "The Benefits of College Athletic Success: An Application of the Propensity Score Design with Instrumental Variables." *NBER Working Paper No. 18196*. June 2012.

Desrochers, Donna, 2013. "Academic Spending Versus Athletic Spending: Who Wins?" *Delta Cost Project Issue Brief* January 2013.

Monday November 9, Class 17: Performance Measurement, Accountability, and Rankings

*Whitehouse, 2013. FACT SHEET on the President's Plan to Make College More Affordable: A Better Bargain for the Middle Class. (August 2013)

*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.

*Cuhna, Jesse and Trey Miller, 2014. "Measuring Value-Added in Higher Education: Possibilities and Limitations in the Use of Administrative Data" *Economics of Education Review*, Volume 42, October 2014, Pages 64-77
OR

Bulman, G and C. Hoxby, 2015. "Computing the Value-Added of American Postsecondary Institutions" unpublished working paper.

*Carey, Kevin, 2012. "Obama vs. Colleges: It's about Time" *The New Republic*, January 28, 2012

*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)

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

Other short articles on the failure of the Obama proposal to create college ratings

May add or replace few recent articles on performance-based funding

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

Alternatives to USNWR Rankings

Leonhardt, David. "Top Colleges That Enroll Rich, Middle Class and Poor" *NYT*, Sept 2014

Miller, Ben. "America's Worst Colleges. *Washington Monthly*. September/October 2014

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.

Avery, Glickman, Hoxby, and Metrick, 2013. "A Revealed Preference Ranking of US Colleges and Universities" *Quarterly Journal of Economics* (2013): 425-467.

National Conference of State Legislatures (NCSL), *PERFORMANCE-BASED FUNDING FOR HIGHER EDUCATION*, May 2014.

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

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.

Wednesday November 11, Class 18: In-class 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.

Monday November 16, Class 19: Market Structure and Competition

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

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

* 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

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.

START PART IV: HIGHER EDUCATION IN TRANSITION AND HIGH-LEVEL REFORM

Wednesday November 18, Class 20: Rise of the For-Profit Sector

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

* U.S. Government Accountability Office. 2010. "For-Profit Colleges: Undercover Testing Finds Colleges Encouraged Fraud and Engaged in Deceptive and Questionable Marketing Practices." GAO-10-948T, August 4.

*Gainful employment regulations along with the for-profits' response

Gilpin, G. J. Saunders, and C. Stoddard, 2015. "Why has for-profit colleges' share of higher education expanded so rapidly? Estimating the responsiveness to labor market changes." *Economics of Education Review* 45(2015); 53-63.

Darolia, Rajeev, Cory Koedel, Paco Martorell, Katie Wilson and Francisco Perez-Arce (forthcoming). Do Employers Prefer Workers Who Attend For-Profit Colleges? Evidence from a Field Experiment. *Journal of Policy Analysis and Management*

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.

Monday November 23, Class 21: On-line Education and MOOCs

*Xu, Di and Shanna Smith Jaggars, 2013. “The impact of online learning on students’ course outcomes: Evidence from a large community and technical college.” *Economics of Education Review*, 37(2013): 46-57.

*Figlio, David N., Mark Rush, and Lu Yin. Is it Live or is it Internet? Experimental Estimates of the Effects of Online Instruction on Student Learning. *Journal of Labor Economics*, 2013, 31(4), pp 763-784.

*Streich, Francie, 2014. Chapter 1 and 2. “Estimating the Impact of Online Education on Labor-Market Outcomes” and “Online and Hybrid Instruction and Student Success: Evidence from Community-College Students in Two States” from *Three Essays on the Economics of Education*, unpublished dissertation, University of Michigan. This is really long. Just try to skim chapters one and two.

*Bowen, William, Matthew Chingos, Kelly Lack, and Thomas Nygren, 2013. “Online Learning in Higher Education” *Education Next* 13 (2) (Spring 2013)

*Hoxby, Caroline, 2014. “The Economics of Online Postsecondary Education: MOOCs, Nonselective Education, and Highly Selective Education” NBER Working Paper 19816

Wednesday November 25, Class 22: New Pricing Models

*Ronald G. Ehrenberg, 2012. “American Higher Education in Transition” *Journal of Economic Perspectives*—Volume 26, Number 1—Winter 2012—Pages 193–216

*Stange, Kevin. 2014. “Differential Pricing in Undergraduate Education: Effects on Degree Production by Field”, *Journal of Policy Analysis and Management*, *forthcoming*.

*Should Colleges Charge Engineers More than English Majors? – The Atlantic

*Florida May Reduce Tuition for Select Majors – The New York Times

*College Costs: Would Tuition Discounts Get More Students to Major in Science? – Time

Monday November 30, NO CLASS: One-on-one meetings to discuss papers and presentations

Wednesday, December 2, Class 23: 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 21st Century*. Harvard Graduate School of Education.

Monday, December 7, Class 24: In-class presentations

Wednesday, December 9, Class 25: In-class presentations

Monday, December 14, Class 26: Wrap-up

Friday December 18, 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
- University leadership and governance issues