

The Economics of Education

Contact Information

I spend most of my time in 245 O'Shaughnessy Hall. You can reach me by telephone at 631-6335, and by email at jwarlick@nd.edu. You can view the course syllabus, outline, and reading schedule on my web page, <http://www.nd.edu/~jwarlick>. I will announce office hours once the semester has begun.

Course Description

This course examines education in America from an economic perspective. We will rely heavily on economic theory and the tools of statistical inference to probe current issues with the understanding that economics has a unique perspective on and role in the design and evaluation of U.S. education policies.

We begin with the decisions of individuals and families to invest in education investigating the both the private and social benefits of their investments. We then investigate how tuition rates and public policies effect opportunities for the education investments in higher education and analyze proposed reforms of these policies. Next we turn our attention to our public elementary and secondary school systems, the source of education for most Americans, which have come under constant attack for failing our children miserably since the publication of *A Nation at Risk* in 1983. After reviewing current operations and the need for reform, we employ a production framework to identify those inputs most significant to student achievement. We then proceed to an analysis of various reforms to raise the quality of public education including vouchers, charter schools, contracting, and performance-based standards. Finally we examine policies to alter the way we fund K-12 public schools.

Course Materials

A textbook has not been written for the economics of education. Consequently, to accomplish our goals we will read relevant articles published in scholarly journals and books. Because they are targeted at academics and policy makers, you may find them difficult to comprehend. You should anticipate hard work.

This should not deter you, however. Our primary goal is to understand ideas, or as Mortimer Adler says in "How to Read a Book," we will be reading for *enlightenment*, not for facts *per se* or technique. You most probably will not understand all that we read, but I hope you with espouse with me the goal of lifting ". . . yourself up from a state of understanding less to a state of understanding more." (Adler, 199) To do so you must read actively, asking yourself questions about the assigned reading, making notes, marking the margins, and underlining passages on the page.

Adler gives us three questions to ask while reading:

1. What is the whole reading (understood to mean book, article, or collection of articles) about and how are its parts related to that whole?
2. What, in detail, does the reading say and what does the author mean by what he says?
3. Is it true and what of it?

He then sets forth four rules to answer the first question:

1. Classify the reading according to the kind of article or book it is and the kind of subject matter it has.
2. Summarize the whole reading as briefly and possible in your own words.

3. Try to see its major parts in their order and relation to one another.
4. Define the problem or problems the author is trying to solve.

To answer the second question regarding the interpretation of the article's content, Adler suggests that we:

1. Come to terms with the author by interpreting his basic words;
2. Discover the sentences that state his major propositions;
3. Find the argument by which he tries to support these propositions; and
4. Determine which of his problems the author solves and which he did not solve.

Given that you are new students in this field, it may be very difficult to answer the first part of the third question, is it true? We may have better luck with an alternative: is it convincing? Under either case, we should try to decipher the implications of the findings under the assumption that they are true. How then is our understanding of the problems affected by these findings?

Course Format

Student led discussions and background papers. Two additional goals of this course are to develop the ability to read economic discourse critically and to organize one's thoughts and to present a succinct oral summary of difficult and sometimes disparate evidence. These goals can best be accomplished if I share the responsibility of conducting the class with you. Accordingly, each student will be responsible with a small team of other students for leading the class discussion. The dates and topics will be determined by drawing lots. As discussion leader, the team is required to distribute to class a **succinct summary paper** that attempts to answer Adler's three questions. These papers will serve as the basis for class discussion.

I suggest that you use the following format for these papers.

- The first paragraph should describe the issues chosen by the author(s) and briefly summarize his or her conclusions.
- The second paragraph should explain how these issues are related to the greater issue defining each section (Investing in Education, Producing Education and so on).
- In the next page or two, you should summarize the findings (arguments) taking care to describe the most convincing evidence provided in support of the findings (arguments).
- Follow with a description of the weaknesses in the argument or empirical work if you can identify any.
- Assuming that you conclude that the work or argument is valid, the remainder of the paper should attempt to answer Adler's question, So what of it? What are the implications of the findings?
- If your assignment contains multiple readings come to conflicting conclusions, you should try to synthesize their arguments and reconcile their results if possible.

Papers are due at the day before the class session during which the assigned readings are to be discussed. You should circulate them by email. I will provide a class roster. Any papers that are late are automatically reduced by a full letter grade. There will be no exceptions.

Template requirement. The remaining students are expected to be able to join the discussion. They should read the assigned material closely and complete the summary template that I will distribute. The templates must be typed.

Study groups. You will note on the course outline that on most days I have assigned multiple materials. Once the class membership is fixed, I will assign you to study groups. Within your study group, you may divide the material among you and share the responsibility for completing the templates. Each student should have a complete set as the templates may be used during the final exam.

Grading the templates. I will collect one set of the templates from each study group at the beginning of each period. The templates account for 15 percent of your course grade cumulatively. They will be graded on a satisfactory/unsatisfactory basis. You will receive an A for this component of your grade so long as the following conditions are met.

1. Your study group submits all assigned templates.
2. I judge all the templates to be satisfactory.

Each missing or unsatisfactory template will reduce the grade for this component by one step (from an A to an A- for example).

3. You have fulfilled your responsibility to the group.

I will determine this by asking students to complete a confidential evaluation of the effort of their group's members. The penalty imposed on your grade will reflect the severity of your neglect.

Class Participation. I hope that we will spend a majority of the semester discussing the assigned materials and your reactions to them. The quality of our class discussions is dependent on every student's preparation and participation. Prepare for the discussion by completing the templates. Not everyone will get to speak at length every day, but by the end of the semester you should be able to reflect on your participation with satisfaction

Mortimer Adler has something to say about how to participate in discussion as well as about reading.¹ I hope his advice as it appears below is any enjoyable review for you.

First Adler argues that ". . . real discussion consists of two or more persons talking to one another, each asking questions, each answering, making remarks and counter-remarks." (205) Thus ". . . real conversations, live conversation is a two-way affair in which all parties to it are equally active." (206) When real conversation takes place, ". . . each person who takes part in it learns by asking and by answering, [and] each party to the discussion is both a teacher and a learner." (207) Let us make it our goal to learn through discussion in which each of us assumes the responsibility of teacher and learner. Remember also that the purpose of our discussions is to lift us from a position of understanding less to one of understanding more. Some days we may conclude that more is defined by very small denominations. Do not be discouraged. Your ability to think critically will be enhanced even on such days.

Adler contends that a conversation becomes a good discussion when three requirements are met. First the subject matter must permit genuine discussion. Adler submits that ideas are discussible but facts are not. Indeed, he maintains that ". . . to introduce facts into a

¹ "How to Talk," Ch. 22 in *How to think about the great ideas*, from *The great books of Western civilization*, edited by Max Weismann. Chicago: Open Court; [S.I.]: Distributed by Publishers Group West, c.2000, pp. 204-213,

discussion is to kill the discussion." (207) You and I share responsibility for the subject matter. I have chosen the readings, but often I have chosen more material than it will be possible to introduce during the discussion. Particularly when you are leading the discussion, you must decide what points in the readings can bear the weight of profitable discussion. Keep in mind Adler's warning that facts kill a discussion.

The second prerequisite for good discussion is a proper motive. That motive should be to learn, to clarify ideas, ". . . not just to pass the time in idle chitchat or small talk." (208) Our goal should be to get to the truth, not to win the argument. We should guard against personal aggression and contentiousness. We should treat one another with the courtesy we give to guests in our homes.

Adler's third and most important prerequisite is "to talk to the other person, not just at them. This means that listening is an important, an essential part of discussion. In fact, . . . listening is more important, even as it is more difficult, than talking." (208)

Satisfying the three prerequisites--discussible ideas, proper motive, and listening to one another--creates fertile ground for, but does not insure, profitable discussion. Thus Adler sets forth rules governing personal conduct during discussions. (209-212) He refers to a first set of five rules as *intellectual* rules governing the use of your mind. They are:

4. Be relevant--find out what the issue is and stick to it.
5. Don't take things for granted. State your own assumptions and encourage other to state theirs.
6. Avoid arguing fallaciously. Don't cite authority as if they were conclusions. Don't agree or disagree with the other person until you understand what that person has said.
7. If you do disagree, state your disagreement specifically and give reasons why. You can tell people their argument is wrong politely in four ways: "You are *uninformed*, you are *misinformed*, you are mistaken in your reasoning, and you don't carry your reasoning out far enough."

A second set of rules is intended to govern your emotions in the course of an argument. They are:

1. Keep your emotions out of the argument.
2. Catch yourself or the other person getting angry. The signs of anger include shouting, repeating and overemphasizing the point by repeating it again and again, or pounding on the table, using sarcasm, teasing, and getting a laugh on the other fellow.
3. If you can't control you emotions, beware that they can lead you to say things you don't mean or stubbornly refuse to admit things you really do see.
4. Adhering to these rules does not prohibit displaying your enthusiasm for the discussion nor your sense of humor. Bear in mind that although discussion can be difficult, it can also be rewarding and occasionally fun.

Grading class participation. My evaluation of your participation in class includes the papers your study group composes and distributes, and your leadership of the discussion on the appointed days. Together these account for 40 percent of the final class grade. In determining your grade, I will evaluate how well you have followed Adler's requirements and rules and whether your participation has furthered your own and the class's learning. I will assign a letter grade that will be converted into a numerical value in the calculation of your final course grade. I will share my evaluation with you at mid-term so that you will have a chance to adjust your participation.

Projects

I have designed two homework projects to encourage you to become acquainted with education systems in your home state and county. You will need to use Census data and other resources available on the Internet to complete these assignments. Each assignment must be typed and stored in a three ring binder that I will refer to as your portfolio. On the dates designated on the reading/assignment schedule, you will submit the portfolio for my inspection and grading. I will grade each project for content and presentation. Each project accounts for 15 percent of your final course grade.

Final Exam

I will give a final exam in class on the day assigned by the registrar. This exam accounts for 15 percent of your grade.

Calculation of Course Grade

The various course requirements will be given the following weights in the final course grade.

- Templates 15%
- Class Participation 40%
- 1st Project 15%
- 2nd project 15%
- Final exam 15%

I will assign a letter grade to each paper and to your class participation. These letter grades will be converted in to their numerical equivalents according to University policy as follows.

A	4.00	B	3.00	C	2.00	F	0.00
A-	3.67	B-	2.67	C-	1.67		
B+	3.33	C+	2.33	D	1.00		

Your final course grade will be the weighted average of you grades on these exercises. Letter grades will correspond to the following ranges of weighted averages as follows.

3.75 - 4.00	A	2.75 - 3.24	B	1.75 - 2.24	C	below 0.75	F
3.50 - 3.74	A-	2.50 - 2.74	B-	1.50 - 1.74	C-		
3.25 - 3.49	B+	2.25 - 2.49	C+	0.75 - 1.49	D		

Application of the Honor Code

I expect each of us to abide by the University Honor Code for undergraduates. You must contribute your fair share when working with your discussion team or study group. Each team will submit one paper for all of its members. Plagiarism is a violation of the honor code.

Attendance Policy

Attendance is not required but is strongly encouraged. You will be responsible for leading the class discussion on one or more days and you will be graded on your leadership. Students who do not fulfill their responsibility will be penalized in this portion of their course grade.

Office (245 O'Shaughnessy) and Hours

Tuesdays, 3:30-5:00 p.m., and by appointment. You are welcome to drop in., but because I am frequently in meetings, it is better, but not necessary, to call ahead (631-6335) to make sure that I am in.

Required Materials

I have assigned required readings from four books that are on sale at the Notre Dame Bookstore:

Eric Hanushek, *Making Schools Work*. Washington, D.C. Brookings Institution Press, 1994.

Thomas J. Kane, *The Price of Admission*. Washington, D.C. Brookings Institution Press, 1999.

Helen Ladd, *Holding Schools Accountable*. Washington, D.C.: Brookings Institution, 1996.

These books are also available for two-hour and overnight loan from the Reserve Reading Room in the Hesburgh Library.

Almost the materials in the course outline are available either on the Internet, on electronic reserve, or in the Reserve Room in the Hesburgh Library. I will distribute copies of those that are not in class. Directions for accessing each reading are also on the course outline.