

ECON 309W: CONTEMPORARY ECONOMIC ISSUES
Department of Economics, Emory University
Spring 2017

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Class Meeting: Every Monday and Wednesday, 1:00p.m.-1:50p.m., MSC N302
Every Friday, 1:00p.m.-1:50p.m., Rich 301

Office Hours: Every Monday, Wednesday, and Friday, 2:00p.m.-3:00p.m., Rich 311A,
or by appointment

General Expectation

The course examines economic issues of the day. Applications will be drawn from different fields, including health, education, labor, sports, politics, business, and law and economics. Students will learn analytical skills of probability, statistics, and econometrics and use them to examine real-world topics such as batting averages, political polls, disease screening, returns to education, health insurance, financial crisis, and warning labels. Using key concepts of data analysis and statistical inference, students will write empirical papers on current economic issues. Data analysis will be undertaken with the statistical software package Stata. Economics 220 is a prerequisite for this course.

Required Materials

- Wheelan, Charles J. *Naked Statistics: Stripping the Dread from the Data* (NS), First Edition, W. W. Norton & Company, 2014.
- An USB storage device.

Recommended: Angrist, Joshua D., and Jörn-Steffen Pischke. *Mastering 'Metrics: The Path from Cause to Effect* (MM), First Edition, Princeton University Press, 2014.

In addition, I encourage you to read (one or more) the *Wall Street Journal*, *The Economist*, *The New York Times*, *Business Week*, *The Washington Post*, and search for database at <http://business.library.emory.edu/research-learning/databases/index.php>.

Computer Materials

Data analysis will be undertaken with the statistical software package Stata. An orientation session on the use of Stata will be arranged early in the session. There are also extensive web-based tutorials as well as on-line help available on the use of Stata. Stata is available on all computers in the Econ computer lab (Rich 301). However, this room has limited hours (9a.m.-5p.m.) and availability on weekdays, and it is closed during weekends. Stata is also available on some computers in Woodruff Library and Cox Hall. If you would like to obtain a copy of Small Stata for personal use, you may order it through the Stata GradPlan (<http://www.stata.com/order/new/edu/gradplans/>). This version is somewhat limited in the number of observations you can use and what you can do. Stata/IC version does not have such limitations. (In some cases, limited manual computation will be required using the results from the Stata output.)

Class Participation, Exams, and Grading Policy

Participation in each class session is essential for you to obtain the full benefit from the course. The class meetings will rely on individual work on computers, discussion, group work, and other activities that require direct physical presence in the classroom. Approximately 10 minutes in the beginning of each class period will be devoted to discussion of current business or public policy developments led by no more than two students. Your participation grade will suffer if you are unable to contribute, or if you are unable to explain how readings from the text or lecture relate to the event, or if you aren't present in class to participate. For each class that you miss 5% of your participation grade will be deducted. You may miss three classes over the semester without penalty. You are not allowed to surf the internet or access your e-mail account during the class. 5% of your participation grade will be deducted for such infraction. Furthermore, tardiness will not be tolerated because it disrupts other students from learning.

Final course grades are based on a weighted average of numerical scores on in-class participation, homework assignments, a paper proposal, final paper, and a comprehensive final exam. The weights are respectively 20, 10, 10, 30 and 30 percent. There will be no make-ups on homework or other assignments and you must take the final. Grades will be assigned on the basis of relative performance, but anyone earning over 90, 80 or 60 percent of the points will be assured respectively of an A, B or C range letter grade.

Homework Assignments and Paper

Homework assignments will use the data supplied with the textbook and the software package Stata. While the software package does most of the necessary computations, interpretation of the results is your responsibility. Assignments must be handed in on time, so solutions can be discussed in class and distributed in a timely manner. The paper component of this course is substantial, with special attention given to the writing as a creative process. The paper should include separate sections for each of the following: Abstract, Introduction, Literature Review, Data Description, Empirical Methods, Results, Conclusion, and References. The paper should be between 15 and 20 pages long including tables and graphs but excluding reference and title pages. The paper will be graded on multiple aspects: writing style, idea, methods/modelling, and analysis. You should start thinking of an idea for your paper right away. The paper proposal (about five pages long) is due on **February 24**. Your proposal needs to include (i) Title, (ii) Brief description of the paper, (iii) Data source and availability, and (iv) Proposed methodology. The finished paper is due on **April 17**.

Miscellaneous

“The honor code is in effect throughout the semester. By taking this course, you affirm that it is a violation of the code to cheat on exams, to plagiarize, to deviate from the teacher's instructions about collaboration on work that is submitted for grades, to give false information to a faculty member, and to undertake any other form of academic misconduct. You agree that the teacher is entitled to move you to another seat during examinations, without explanation. You also affirm that if you witness others violating the code you have a duty to report them to the honor council.”

If you require accommodations for a disability, religious belief, scheduling conflict, or other impairment that might affect your successful completion of this course, you must personally present the request in written (signed and dated) form to me within the first four meetings. Requests for special accommodations made after that will not be considered.

As a final note, I want to wish all of you good luck in this course and I encourage you to see me if you are having difficulty with the course material or need to discuss something with me. You can stop by my office during office hours, or schedule an appointment. I can also be reached through e-mail or voice mail. Please do not hesitate to see me if you have any questions or concerns.

Tentative Course Outline

Keep in mind that although I have given you a course outline, I reserve the right to make what I consider reasonable adjustments to it.

1. What's the point? - NS Ch 1
2. Who was the best baseball player of all time? • "He's got a great personality!" and other true but grossly misleading statements - NS Ch 2-3
3. How does Netflix know what movies I like? - NS Ch 4
4. Don't buy the extended warranty on your \$99 printer • The Monty Hall problem - NS Ch 5-5 $\frac{1}{2}$
5. How overconfident math geeks nearly destroyed the global financial system • "Garbage in, garbage out" - NS Ch 6-7
6. The Lebron James of statistics - NS Ch 8
7. Why my statistics professor thought I might have cheated - NS Ch 9
8. How we know that 64 percent of Americans support the death penalty (with a sampling error ± 3 percent) - NS Ch 10
9. The miracle elixir • The mandatory warning label - NS Ch 11-12
10. Will going to Harvard change your life? - NS Ch 13
11. In Sickness and in Health (Insurance) • The Oregon Trail - MM Ch 1.1-1.2
12. A Tale of Two Colleges • Make Me a Match • Run Me a Regression • Ceteris Paribus? - MM Ch 2.1-2.3

Final Exam: Monday, 3:00p.m. - 5:30p.m., May 1, 2017