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Econ 496/895

Economics of Education Seminar

Course Focus:

This course systematically examines Bryan Caplan's *The Case Against Education* from cover to cover. Along the way, students will learn the fundamentals of the economics of education, with a focus on education's private and social returns, ability bias, and signaling. The course also covers selected topics in educational psychology, the sociology of education, education research, and the philosophy of education, especially Transfer of Learning, credential inflation, and merit goods.

This is a mixed undergraduate and graduate class. While there will be shared lectures and classroom discussion, graduate students will be given more demanding homework assignments and more challenging exams.

Prerequisites:

I assume that you have taken Introductory Economics and know how to calculate Present Discounted Value. Labor Economics will be helpful but not required.

Texts:

Bryan Caplan. 2018. *The Case Against Education*. Princeton, NJ: Princeton University Press.

Grading and Exams:

There will be one midterm and a final exam. The midterm counts 30%; the final exam is 35%; homework counts 20%; and seminar participation counts 15%. Students who rarely participate should expect to receive a D for the participation portion of their grade. These weights are fixed - improvement on the final will not retroactively raise your grade on the midterm.

Homework:

There will be four homework assignments during the semester. Depending upon how good a job you do, your homework will receive a check-plus (4 points), a check (3 points), or a check-minus (2 points) if you turn it in; otherwise you receive 0 points. Late homework loses one point. *Late homework is no longer accepted after I pass out my suggested answers for a given assignment.*

Office Hours

The best way to contact me is by email at bcaplan@gmu.edu. Many questions and requests can be satisfied by going to my homepage at <http://www.bcaplan.com>. My office is 11 Carow Hall; my office number is 3-2324. My official office hours are MW 1:30-3:00, but you can also schedule an appointment or just drop by and see if I'm available.

Tentative Schedule:

My proposed schedule for the semester follows. If it proves too ambitious, I will try to *simply say less about each topic* rather than cut the topics for the final weeks.

Week 1: The Magic of Education

- Basic facts about education
- Human capital purism vs. signaling
- What does education signal?
- Objections to signaling
- Puzzles for human capital purism

Readings:

Introduction, Chapter 1

Weeks 2-3: The Puzzle Is Real: The Ubiquity of Useless Education

- Content of the curriculum
- Measured learning
- Transfer of Learning
- Effect of education on IQ
- Discipline, socialization, and contacts

Readings:

Chapter 2

Weeks 4-5: The Puzzle Is Real: The Handsome Rewards of Useless Education

- Ability bias vs. human capital vs. signaling
- Correcting for ability bias
- Wheat vs. chaff
- Credentialism and regulation
- Underrating the education premium?

Readings:

Chapter 3

Weeks 6-7: The Signs of Signaling: In Case You're Still Not Convinced

- The sheepskin effect
- Malemployment and credential inflation
- Speed of employer learning
- Education premium: personal versus national
- What about test scores?

Readings:

Chapter 4

MIDTERM

Week 8-9: Who Cares If It's Signaling? The Selfish Return to Education

- Primer on selfish returns
- Brainstorming selfish benefits and costs
- Student typology
- Summary of benefits and costs
- Completion probability
- Returns by student type
- Returns by major and school quality
- Returns by gender and marital status
- Practical guidance for prudent students

Readings:

Chapter 5

Weeks 10-11: We Care If It's Signaling: The Social Return to Education

- Primer on social returns
- Brainstorming social benefits and costs
- Purely social benefits
- The case of crime
- Returns with Cautious vs. Reasonable signaling
- Searching for social returns

Readings:

Chapter 6

Week 12: The White Elephant in the Room: We Need Lots Less Education

- The best pro-education arguments
- Measuring government's role in education
- Cutting education: why, where, how
- Raising completion rates
- Signaling and social justice
- Online education
- The politics of Social Desirability Bias

Readings:

Chapter 7

Week 13: 1>0: We Need More Vocational Education

- Selfish return to vocational education
- Social return to vocational education
- The case for child labor
- Misvocational education

Readings:

Chapter 8

Week 14: Nourishing Mother: Is Education Good for the Soul?

- Education as merit good
- Education for social change
- High culture and political correctness
- Modernity versus traditionalism
- Broadening horizons

Readings:

Chapters 9-10, Conclusion