Econ 166: Economic Theory and Evidence
Hamilton College
Spring, 2020

SYLLABUS

TIME & LOCATION

Mondays, Wednesdays, & Fridays 11:00-11:50 AM (Section 3) and 12:00-12:50 PM (Section 4)

INSTRUCTOR

Mo Alloush

mismaila@hamilton.edu or *malloush*@hamilton.edu

Office Location: KJ-218
Office Hours: Wednesdays 2-4 PM; Thursdays 3-5 PM

If you cannot make it during these times, email me and we can schedule an appointment.

ADDITIONAL ASSISTANCE

Jenn Fleming, *Student Teaching Assistant*, Office Hours: Monday & Thursday 8-9 pm (KJ 205)
Luis Mijares, *Empirical Research Specialist,* Office Hours: Monday-Thursday afternoons

COURSE DESCRIPTION

Course Objectives: Introduce students to empirical methods in economics in the context of studying the causes and consequences of inequality. By the end of the course, students will gain experience identifying assumptions in economic models and seeking evidence for economic theory. Students will be able to formulate statistical tests of assumptions and interpret the results in the broader context of economic models and policy. The course will expose students to the breadth of topics covered by economists.

Prerequisites: The course formally requires that you have had an introductory course in microeconomics (Econ 100).

Textbook: The required textbook for this course is **Discovering Statistics and Data** by James Hawkes. I will also assign readings (and video lectures) from free online sources that you can access through blackboard.

If you are interested in learning more about introductory economics, you are encouraged (but **not required**[1]) to read one (or more!) of the following books:

   Economics Rules (Dani Rodrick) – Highly recommended!
   Micromotives and Macrobehaviors (Schilling)
   Reinventing the Bazaar (John McMillan)

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[1] These will not be tested: I chose to list these books because they helped shape my understanding of economics; I want this list to be a resource for you if you are interested in reading more on these topics.

COURSE FORMAT

A weekly course outline begins on Page 5. Learning any material well requires active engagement. I would like you to view me as a facilitator of your learning process: In class, I will explain new concepts, discuss important points, and add context to the assigned material. Importantly, I want you to view the class as an ongoing informed and engaged discussion with me and your classmates.

Familiarize yourself with the information in the assigned readings prior to class. Engagement with the material during class will reinforce your learning. If something is unclear or you need additional help, please ask, in lecture, discussion section, or my office hours.

This course is a 14-week semester-long course yet it will move at an accelerated pace. It is important to keep up with the readings and materials. The assignments, quizzes, labs, participation grade, midterms, and final are all designed to incentivize and reinforce your learning.

Hand Raise & Phone Check: In-class engagement is critical to learning. I will frequently ask questions and encourage students to answer them. Active discussion will be a normal part of classroom lectures. If you'd like to participate in class, you can do so by: (1) raising your hand or (2) checking your phone.

Blackboard Website: You will access course materials, reading and other information and complete bi-weekly quizzes via the course Blackboard website at https://blackboard.hamilton.edu. It is your responsibility to visit the site often. I will use Blackboard to record your grades in the class. It is your responsibility to verify that these scores are properly recorded.

Grading: Your grade in this course will be based on total points earned and weighted as follows:

Attendance, Engagement, and Participation	10%
Homework	10%
Labs	15%
Midterm Exams (2)	35%
Comprehensive Final Exam	30%

Participation: I expect you **to attend all classes**. When in class, I expect you do contribute to the discussion, answer my questions, and ask informed ones. My goal for you is to become truly engaged in this material, and I will give you credit for steps you take to demonstrate your engagement. The most important factors in determining your engagement grade (in decreasing order) will be the quality of 1) Attendance and participation through Poll Everywhere 2) your participation in scheduled discussions after lab assignments, and 3) your participation during a normal class. I will also give you credit for other outside-of-class demonstrations of engagement in course material that you make at your own initiative.

Homework: You will complete online homework assignments on the textbook website. The main purpose of these homework assignments is to help you practice applications of important concepts. You will note that there are two kinds of online assignments: Lessons and Web Tests. Your homework grade will be a weighted average of the two (30% on Lessons + 70% on Web Tests). You will earn a grade of 100% on the Lessons if you get 80% of the questions correct and a 0% on the Lessons if you get less than 80% of the questions correct. To encourage your learning, there are unlimited attempts allowed for each Lesson. So, with sufficient time allocated to these Lessons, everybody in the class should be able to earn a 100%. In contrast, answers to Web Tests are submitted once and grades are determined based on the number of correct answers.

The purpose of these homework assignments is to help you learn the material. Unlike test questions, many of the homework questions will be straightforward and require the application of only one

concept at a time. Exam questions will require you to apply multiple concepts in a single problem, making them inherently more difficult. To help you prepare for exams, each of the Web Tests will include a few more challenging questions that will be more similar to exam questions.

You may discuss work on any of these problems with your classmates, but please be aware that simply copying the work of others without understanding will not prepare you for the exams.

Labs: Over the course of the semester, you will complete several lab assignments that ask you to apply statistics concepts you have learned to study a question of interest to economists. In the beginning of the semester, you will use Excel to complete these assignments. Assignments at the end of the semester will be completed using statistical software. Step-by-step instructions for using the software will be provided, but assume some basic familiarity with Excel. An extra class session will be provided for those who do not have familiarity with Excel.

The labs require you to perform your own calculations. It is not acceptable to use computer output generated by somebody else as part of an answer to a question on a lab report.

COURSE POLICIES

Late Work: Over the course of the semester, you will turn in several assignments (homework and labs). Each student is allowed _**one**_ two-day grace period to be used over the course of the semester when circumstances make it difficult to turn in an assignment on time. Turn in the coupon at the end of the syllabus to the late assignment to take advantage of this privilege. This will allow you to turn in one assignment as late as 48 hours after the assignment is due without penalty. _**Once you have exercised this option, you will receive no credit for late assignments. This option cannot be exercised on exams.**_

Staying in Touch: Please check your e-mail frequently. Over the course of the semester, I will frequently send you e-mails about course material and assignments. In addition, course assignments are posted on the course's Blackboard page. Should you miss a class **for any reason**, you are responsible for checking this page for any new assignments posted and turning in that assignment on the scheduled due date.

Preliminary Course Outline: This course has multiple objectives that are not all covered in a single text. The textbook will be used as a resource for statistics topics. Supplemental resources will be useful for learning economic models and about the causes and consequences of inequality.

Regrade Policy: All requests must be submitted within one week of receiving the grade back in the form of your original work and a written explanation of why you believe your assignment/exam should be regraded. If you submit a regrade request, **your whole exam/problem set will be subject to regrade.**

COURSE MISCELLANEOUS

Code of Academic Conduct: Students are expected to understand and abide by the Hamilton College Honor Code (https://www.hamilton.edu/student-handbook/studentconduct/honor-code). Any violations of this Code will be treated seriously and reported to the Director of Community Standards.

You are expected to do your **own academic work**: failing to do so is **scholastic dishonesty**. Scholastic dishonesty includes cheating on examinations or assignments; copying assignments from old answer keys; engaging in unauthorized collaboration on academic work; plagiarizing; taking, acquiring, or using test materials without faculty permission; falsifying records to dishonestly obtain grades; fabricating or falsifying data or data analysis results.

If you have additional questions, please ask me. I can respond to your specific questions regarding what would constitute scholastic dishonesty in the context of this class.

How to Email your Professors: Most of you are in your first year here at Hamilton. Emailing your professors can seem daunting and you don't always know how to address them. Follow this link to see a nice how-to guide prepared by a professor at Wellesley College:

http://web.wellesley.edu/SocialComputing/Netiquette/netiquetteprofessor.html

Disabilities: Hamilton College will make reasonable accommodations for students with properly documented disabilities. If you have a learning disability or a physical disability that requires accommodation, please meet with me during the first two weeks of class. All discussions will remain confidential. You will need to contact Allen Harrison in the Dean of Students Office (Elihu Root House; ext 4021) who coordinate services for students with disabilities.

Mental Health & Stress Management: As a student you may experience a range of issues that can cause barriers to learning. This includes strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance and may reduce your ability to participate in daily activities. The source of symptoms might be strictly related to your course work; if so, please speak with me.

It is important to know that Hamilton College has services that are available to assist you. You can learn more about the broad range of confidential psychological care services available on campus via the Hamilton College Counseling Center: https://www.hamilton.edu/offices/counselingcenter. The College provides mental health services to support the academic success of students. Confidential and free psychological services are available to help you manage personal challenges that may threaten your well-being.

In the event that I suspect you need additional support, I will express my concerns and the reasons for them to you, and remind you of resources that might be helpful to you. It is not my intention to know the details of what might be bothering you, but simply to let you know I am concerned and that help, if needed, is available.

Getting help is a smart, often difficult, and always courageous thing to do.

Courtesy: As a courtesy to your fellow students and me, be respectful. Be on time for class. If you arrive late or leave early, please do so quietly. Do not use your cell phones, tablets, or laptops during lecture other than for class purposes. You may not take pictures of my notes or otherwise take recordings during class—I expect and encourage you to write down your own notes.

Hamilton College is a diverse community comprised of individuals having many perspectives and identities. In order to create an inclusive and intellectually vibrant community, we must understand and value individual differences and common ground. The Hamilton College Guiding Principles (https://www.hamilton.edu/student-handbook/studentconduct) reflect the ideals I seek to uphold in this class.

COURSE SCHEDULE

This sketch of topics, readings and assignments may change slightly as we proceed. Readings are from the Hawkes textbook unless otherwise specified. Readings not in the textbook are available on the course website.

Week Starting	Topics	Resources
01/22	*Introduction*	Hawkes, Chapter 1
Module 1: The Macroeconomy and the Labor Market Questions we will ask: - How does monetary and fiscal policy affect the labor market? - Does the impact of macroeconomic policy vary by demographic group? - How does income inequality change over time and across countries?		
01/27	*Descriptive Statistics* *AD/AS* *Confirmation Bias*	Hawkes, Chapter 2 - 3 Khan Academy: AD/AS Tappen, Van Der Leer, & Mckay
02/03	*Descriptive Statistics* *Measures of Inequality*	Hawkes Chapter 4 Khan Academy: Mean, Median, & Mode Khan Academy: Measures of Spread
02/10	*Descriptive Statistics* *Phillips Curve*	Hawkes, Chapter 5.1-5.2 Khan Academy: Phillips Curve
Module 2: Building a Statistical Framework to Explore Systematic Patterns Questions we will ask: - How do we know if an empirical observation is the result of an idiosyncratic occurrence or a systematic pattern? - To what extent do the decisions made by others affect the economic environment in which individuals make their own decisions?		
02/17	*Probability*	Hawkes Chapter 6.1-6.2
02/24	*Probability* *Poverty & Inequality* *Labor Markets*	Hawkes 6.3, 6.5 Opportunity Atlas Chetty & Hendren
03/02	***Exam 1 on 03/02*** *Probability* *Externalities* *Environmental Justice*	 Hawkes, 7.1 - 7.3 Khan Academy: Negative Externalities CORE Econ 12.5
03/09	***Required Attendance at Mankiw & Romer Talk. Thursday March 12 at 7:00 PM*** *Continuous Probability Distributions* *Sampling Distributions*	 Hawkes 8.1-8.4 Hawkes 9.1-9.3
03/30	*Sampling Distributions* *Gerrymandering*	Hawkes 9.4 Astor and Lai https://nyti.ms/2DQjcvG
04/06	*Interval Estimation* *Access to Healthcare*	Hawkes 10.1-10.3 Gorenstein 2017

Week Starting	Topics	Resources
Module 3: <u>Putting it All Together: Testing Economic Models</u>		
Questions we will ask: • To what extent do our models explain economic outcomes we observe? • Can we find evidence for the assumptions of the models?		
04/13	***Exam 2 on 04/14*** *Hypothesis Testing* *International Trade*	Hawkes, Chapter 11.1 , 11.2, 11.4, 11.6 Khan Academy: Comparative Advantage Core Econ 18.4, 18.5, 18.6
04/20	*Hypothesis Testing* ***Policy Evaluation/Taxes***	Hawkes, Chapter 12.1 CORE Econ, Chapter 7.9 CORE Econ, Chapter 22.1 Lee 2017
04/27	Hypothesis Testing	Hawkes, Chapter 12.3
05/04	Hypothesis Testing Discrimination	Luo 2009 https://nyti.ms/2kah1ZI