Rutgers University
Department of Economics
Education Economics (Econ. 438)
Syllabus - Fall 2026

Instructor: Arashk Afshar
Email: aa2129@**economics.rutgers**.edu
Office Hours: after class or by appointment

Class Hours: Tuesday, Thursday 3:50 pm - 5:10 pm
Classroom: Murray Hall - Room 213 (MU-213)

Exams:

Midterm - October 20^{th}, (3:50 - 5:10 pm)	**Final - December** 21^{st} (4:00 - 6:00 pm)

Prerequisites:

- Intermediate Microeconomics Analysis (Econ. 320)
- Econometrics (Econ. 322)

Course Description:

This course examines education through the lens of economics: how societies invest in people, what that investment is for, and whether education policies actually work. We begin with a philosophical question—what is a *just* distribution of educational opportunity?—using Rawls, Dworkin, and Sen to build a framework, then test it against economic theory and real causal evidence, from human capital and signaling to landmark studies on class size, school finance, school choice, and the returns to college. This is course built around a substantial research project in which you analyze a real policy and defend your own judgment about it.

Course Objectives:

By the end of the course, you will be able to judge education policy against clear normative frameworks (Rawls, Dworkin, Sen), use the core economic models of education (human capital, signaling, and the production function), tell credible causal evidence from confounded evidence, and analyze a real policy end to end—its aims, mechanism, evidence, and trade-offs—and defend a reasoned verdict on it, in writing and out loud.

PLEASE NOTE

- Laptops and cell phones may not be used at any time, for any purpose, during lectures or exams.

Required Text & Readings:

- Lovenheim, M., and S. Turner. *Economics of Education.* Worth Publishers, 1st ed., 2019. ISBN 978-1-319-28220-2. (Referred to below as **L&T**.)
- Additional readings—journal articles and short philosophy excerpts—are available through the Rutgers University Libraries; links will be posted on Canvas. *You are not expected to purchase these; access them through the library.*

Method of Evaluation:
Course grades will be determined as follows:

Midterm Exam	25%
Final Exam	25%
Engagement	10%
Project & Presentation	40%

Remark:

- **Exams:** In this course, you will have two exams, both of which are closed-book and closed-notes. Please note that there will be no extensions to this time; any delay in arriving at class will reduce the time available for the exam.
  Make-up exams will only be offered if you can provide valid medical documentation or evidence of an emergency, signed by a physician or the Dean's office. In such cases, you must notify me as far in advance as possible, or within 24 hours after the missed exam. If you do not inform me within this timeframe, you will receive a grade of zero for the missed exam.

- **Engagement:** Over the semester, each student is expected to take part in two short in-class conversations about the course material (roughly 2–3 minutes each). Credit is awarded for genuine engagement, whether or not your answer is correct—the goal is to think out loud and take part, not to be right. Absences are not penalized; students who miss a session will have other opportunities. Students who choose not to take part in either conversation forfeit the full engagement grade.

- **Project:** For your project, you will propose and explore a question related to a specific governmental policy and its impact on education. You must focus on a recent policy implemented between January 2016 and December 2024. The chosen policy should be specific and demonstrate your insight into education analysis. The following are **not acceptable**: *broad federal omnibus acts such as the CARES Act, the American Rescue Plan Act, and the Infrastructure Investment and Jobs Act (IIJA)*—the policy you choose must be specifically directed at education, and narrow enough to analyze.

  - **Phase 1 — Proposal (10 points).** Identify a specific policy and prepare a recorded proposal presentation (about 6 minutes) with a short written prospectus. You must establish why the policy matters, what it aims to do, how it is meant to work, and that a credible body of causal evidence on it exists. Your proposal must be approved before you proceed.

  - **Phase 2 — Final (30 points).** Once your proposal is approved, you will conduct independent research, locating and evaluating the evidence that addresses your question. You will then create a recorded presentation (about 10–12 minutes) and write a policy brief of **1800–2400 words**. This phase is worth 30 points: **presentation 25**, **written paper 5**.

    ∗ Please keep in mind that the project's **primary focus is the presentation**: you will present exactly what you have written, and you must be able to answer questions about it without assistance. (A detailed project handout and grading rubric will be provided separately.)

  Project Timeline:

  - Proposal Due: **October 2**
  - Final Project Submission: **no later than December 4** (you are encouraged to submit earlier once your work is complete)

- **Use of AI:** You may use AI tools as an active assistant in preparing your work outside of class. All submitted work must be your own, and you must be able to explain and defend every part of it without assistance. AI and other devices may not be used in the classroom, where the emphasis is on live, active engagement. Specific guidelines will be discussed in class.

Course Schedule (Lecture Outline)

Date	Topic	Reading
Part I — Foundations: The Objective Function		
Sep 1	Introduction: course, expectations, project launch	L&T Ch. 1 (background)
Sep 3	Education markets and the role of government	L&T Ch. 2
Sep 10	Rawls: what is a just distribution of opportunity?	
	Rawls, J. (1999). A Theory of justice (Rev. ed.) (§§11–14)	
or	Sandel, M. (2008). Justice: What's the Right Thing to Do? Ch.6	
	Sandel, M. Lecture 15 & 16: What's A Fair Start?	
Sep 15	Dworkin: choice versus circumstance	
	Kymlicka, W. (1990). Contemporary political philosophy : an introduction pp. 75–87	
Sep 17	Sen: capabilities and the aims of education	
	Sen, A. (1997), *World Development* 25(12): 1959–1961.	
Part II — Theory and Tools		
Sep 22	Evidence and causation	L&T Ch. 2.3, 3.1
Sep 24	Randomized and nonexperimental methods	L&T Ch. 3.2–3.3
Sep 29	The human capital model	L&T Ch. 4
Oct 1	Signaling I: education as a signal	L&T Ch. 5.1–5.2
Oct 6	Signaling II: equilibrium and evidence	L&T Ch. 5.3–5.6
Oct 8	Returns and production: the identification problem	L&T Ch. 6.1, 7.1
Oct 13	The production function: policy and estimation	L&T Ch. 7.2–7.3
Part III — Evidence: Five Studies in Depth		
Oct 15	Class size: Project STAR (I)	Krueger (1999); L&T Ch. 9
Oct 20	**MIDTERM EXAM** (Parts I & II)	—
Oct 22	Class size: Project STAR (II)	Krueger (1999)
	Krueger, A. B. (1999),*QJE* 114(2): 497–532.	
Oct 27	School finance and equity (I)	Jackson et al.(2016); L&T Ch. 8
Oct 29	School finance and equity (II)	Jackson et al.(2016)
	Jackson, C. K., Johnson, R. C., & Persico, C. (2016), *QJE* 131(1): 157–218.	
Nov 3	School choice and vouchers (I)	Abdulkadiroğlu et al. (2018); L&T Ch. 10
Nov 5	School choice and vouchers (II)	Abdulkadiroğlu et al. (2018)
	Abdulkadiroğlu, A., Pathak, P. A., & Walters, C. R. (2018), *AEJ: Applied* 10(1): 175–206.	
Nov 10	Class size revisited: a different method (I)	Angrist & Lavy (1999)
Nov 12	Class size revisited: a different method (II)	Angrist & Lavy (1999)
	Angrist, J. D., & Lavy, V. (1999), *QJE* 114(2): 533–575.	
Nov 17	The returns to college selectivity (I)	Dale & Krueger (2002)
Nov 19	The returns to college selectivity (II)	Dale & Krueger (2002)
	Dale, S. B., & Krueger, A. B. (2002), *QJE* 117(4): 1491–1527.	
	Teacher labor markets	L&T Ch. 12
Thanksgiving Break — No Class (Nov 26–29)		
Part IV — Synthesis and Higher Education		
Dec 1	Synthesis: the frameworks meet the evidence	—
Dec 3	Higher education I: access and financial aid	L&T Ch. 14.1–14.2
Dec 4	**FINAL PROJECT Due**	—
Dec 8	Higher education II: aid, debt, and completion	L&T Ch. 14.3–14.4; Dynarski (2003)
	Dynarski, S. M. (2003), *AER* 93(1): 279–288.	
Dec 10	Higher education III: the market for higher education	L&T Ch. 13

Disclaimer: I reserve the right to add or subtract topics as the course develops. Not all topics will be covered in the same detail. Time constraints may cause some topics to be omitted. Unless otherwise notified,

students are responsible for all the topics noted in the lecture outline.

University Policies & Student Resources:

This course adheres to all University policies. Brief statements and official links follow; consult the linked pages for full detail. *(Instructor: verify all links before publishing.)*

- **Academic Integrity.** All work is governed by the Rutgers Academic Integrity Policy: https://nbacademicintegrity.rutgers.edu/students. In this course, the use of AI tools is governed by the "Use of AI" statement above rather than a blanket prohibition. When in doubt, ask.
- **Disability Accommodations.** Students seeking accommodations should register with the Office of Disability Services and share their letter with me as early as possible: https://ods.rutgers.edu/.
- **Mental Health & Wellness.** If you are struggling, please reach out. Counseling, ADAP & Psychiatric Services (CAPS) offers free, confidential support: Student Health Services.
- **Religious Observance.** Students who must miss a class session *or the midterm exam* for religious observance will not be penalized and will be given a fair opportunity to make up missed work; please notify me in advance. See: Absences for Religious Obligations.
- **Title IX & Sexual Misconduct.** Resources and reporting options are available through the Office of Student Affairs Compliance & Title IX: https://nbtitleix.rutgers.edu/. For a *confidential* advocate, contact VPVA at 848-932-1181. Like most faculty, I must and will report disclosures of sexual misconduct.

Key journal readings (full citations; access via the library):

i. Sen, A. (1997). Human capital and human capability. *World Development* 25(12): 1959–1961. https://doi.org/10.1016/S0305-750X(97)10014-6

ii. Krueger, A. B. (1999). Experimental Estimates of Education Production Functions. *QJE* 114(2): 497–532. https://doi.org/10.1162/003355399556052

iii. Jackson, C. K., Johnson, R. C., & Persico, C. (2016). The effects of school spending on educational and economic outcomes: Evidence from school finance reforms. *QJE* 131(1): 157–218. https://doi.org/10.1093/qje/qjv036

iv. Abdulkadiroğlu, A., Pathak, P. A., & Walters, C. R. (2018). Free to choose: Can school choice reduce student achievement? *AEJ: Applied* 10(1): 175–206. https://doi.org/10.1257/app.20160634

v. Angrist, J. D., & Lavy, V. (1999). Using Maimonides' Rule to Estimate the Effect of Class Size on Scholastic Achievement.*QJE* 114(2): 533–575. https://doi.org/10.1162/003355399556061

vi. Dale, S. B., & Krueger, A. B. (2002). Estimating the Payoff to Attending a More Selective College: An Application of Selection on Observables and Unobservables. *QJE* 117(4): 1491–1527. https://doi.org/10.1162/003355302320935089

vii. Dynarski, S. M. (2003). Does aid matter?: Measuring the effect of student aid on college attendance and completion. *AER* 93(1): 279–288. https://doi.org/10.1257/000282803321455287