

Part 3 (Jonas Vlachos): Human Capital and the Economics of Education-spring 2025

In this list, readings judged to be especially important and/or recent contributions to the respective topics are starred (*). Readings marked as (RR) are reasonable choices for referee reports while (SP) may be presented in class. In case you have another paper that you want to present or referee you can ask and get in cleared. There are also many additional readings and surveys included for the convenience if students with a particular interest. Some of these are mentioned in class, but far from all.

Book: Neal, Derek (2018). *Information, incentives, and education policy*. Harvard University Press.

Lecture 1: Finance and accountability

This lecture covers how school funding affects student outcomes and the pros and cons of using formal accountability measures to improve school performance. The readings also point to methods used when measuring school value added and measurement issues education. Due to the overlap with the literature on teacher value added, these will not be covered in class but are important when doing your own research.

* Neal (2018), Chapters 1.1-1.4, 1.9, Chapter 2 (not 2.12 but do read 2.13).

* Jackson, K., R. Johnson, and C. Persico (2016). The effects of school spending on educational and economic outcomes: Evidence from school finance reforms. *Quarterly Journal of Economics*, 157-218. doi:10.1093/qje/qjv036.

* Johnson, R. C., & Jackson, C. K. (2019). Reducing inequality through dynamic complementarity: Evidence from Head Start and public school spending. *American Economic Journal: Economic Policy*, 11(4), 310-349.

* Deming, D., S. Cohodes, J. Jennings, and C. Jencks (2016). School accountability, postsecondary attainment, and earnings. *Review of Economics and Statistics*, 98:5, 848-862.

* Angrist, J., P. Hull, C. Walters (2023). Methods for Measuring School Effectiveness, Chapter 1 in editor(s): Eric A. Hanushek, Stephen Machin, Ludger Woessmann, *Handbook of the Economics of Education*, Elsevier, Volume 7, <https://doi.org/10.1016/bs.hesedu.2023.03.001>

(SP) Gilrane, M., H. Macartney, and R. McMillan (2018). Education reform in general equilibrium. NBER WP 24191.

(RR) Macartney et al (2018), "Teacher Performance and Accountability Incentives" NBER WP 24747, <https://www.nber.org/papers/w24747>

Biasi, B. (2023). School finance equalization increases intergenerational mobility. *Journal of Labor Economics*, 41(1), 1-38.

Dizon-Ross, R. (2020). How does school accountability affect teachers?: Evidence from New York City. *Journal of Human Resources*, 55(1), 76-118.

Heissel, J. and H. Ladd (2017). School turnaround in North Carolina: A regression discontinuity approach. *Economics of Education Review*: <https://doi.org/10.1016/j.econedurev.2017.08.001>

Jackson, K (2018), "What do test scores miss? The importance of teacher effects on non-test score outcomes", *Journal of Political Economy*, 126:5, 2072-2107.

Lafortune, J., Rothstein, J., & Schanzenbach, D. W. (2018). School finance reform and the distribution of student achievement. *American Economic Journal: Applied Economics*, 10(2), 1-26.

Macartney, H. (2016), "The dynamic effects of educational accountability", *Journal of Labor Economics*, 34(1): 1-28.

Reback, R., J. Rockoff and H. Schwartz (2014). Under Pressure: Job Security, Resource Allocation, and Productivity in Schools under No Child Left Behind. *American Economic Journal: Economic Policy*, 6:3, 207-241

SURVEY: Figlio, D. and S Loeb (2011). School accountability. Chapter 8 in *Handbook of the Economics of Education*, volume 3.

SURVEY: Deming, D. and Figlio, D (2016). Accountability in US Education. *Journal of Economic Perspectives*, 30:6, 33-56.

SURVEY: Jacob, B. and J. Rothstein (2016). The measurement student ability in modern assessment systems. *Journal of Economic Perspectives*, 30:3, 85-108.

SURVEY: Sievertsen, H. (2023). Assessment in Education. In *Oxford Research Encyclopedia of Economics and Finance*. Link:

https://www.hhsievertsen.net/content/material/accepted/2023_assessments_accepted.pdf

METASTUDY: Jackson, C. K., & Mackevicius, C. L. (2024). What Impacts Can We Expect from School Spending Policy? Evidence from Evaluations in the United States. *American Economic Journal: Applied Economics*, 16(1).

Lecture 2: The market for education

Introducing competition in primary and secondary education through public school choice or private provision by charter schools or school vouchers is increasingly common throughout the world. The idea is of course that competitive forces will improve performance in a cost-effective way. However, the market for education is in many ways special and it is far from obvious how competition will play out. The lecture covers theoretical and empirical perspectives on these issues.

* Neal chapter 5 (Chapter 4 on charter schools can be read but with less intensity. Chapter 4.5 is useful to understand lottery approaches).

* Abdulkadiroglu A, Pathak P.A., J. Schellenberg, C. Walters (2020). "Do Parents Value School Effectiveness?" *American Economic Review* 110(5), 2020.

* MacLeod, W. B., & Urquiola, M. (2019). Is education consumption or investment? Implications for school competition. *Annual Review of Economics*, 11(1), 563-589.

* Campos, C., & Kearns, C. (2024). The Impact of Public School Choice: Evidence from Los Angeles's Zones of Choice. *The Quarterly Journal of Economics*, 139(2), 1051-1093.

* Ainsworth, R., Dehejia, R., Pop-Eleches, C., & Urquiola, M. (2023). Why do Households Leave School Value Added on the Table? The Roles of Information and Preferences. *American Economic Review*, 113(4), 1049-1082.

* Irmert, N., Bietenbeck, J., Mattisson, L., & Weinhardt, F. (2024). Autonomous Schools, Achievement, and Segregation. *IZA Discussion Papers* 17462.

* Harris, D. N. (2024). How Free Market Logic Fails in Schooling—And What It Means for the Role of Government. *Educational Researcher*, 53(2), 111-122.

(SP) Bau, N. (2022). Estimating an equilibrium model of horizontal competition in education. *Journal of Political Economy*, 130(7), 1717-1764.

(SP) Crema, Angela. (2024). "School competition, classroom formation, and academic quality."
https://drive.google.com/file/d/1kzQe863WwuQ5XlwE_ZSOOAlyQXxTR6vw/view

(RR) Corradini, Viola (2024). Information and Access in School Choice Systems: Evidence from New York City. Link:
<https://drive.google.com/file/d/1QdH31DkS1CD38Wi3c1yS0WJBzlgz41r/view?usp=sharing>

Beuermann, D. W., Jackson, C. K., Navarro-Sola, L., & Pardo, F. (2023). What is a good school, and can parents tell? Evidence on the multidimensionality of school output. *The Review of Economic Studies*, 90(1), 65-101.

Böhlmark, A. and M. Lindahl (2015). Independent Schools and Long-Run Educational Outcomes: Evidence from Sweden's Large Scale Voucher Reform. *Economica*, 82, 508-551.

Böhlmark, A., M. Lindahl, and H. Holmlund (2016). School Choice and Segregation, *Journal of Population Economics*, 29, 1155-1190.

Burgess, S., E. Greaves, A. Vignoles, and D. Wilson (2015), What Parents Want. School Preferences and School Choice. *Economic Journal*, 125, 1262-1289.

Corcoran, S. P., Jennings, J. L., Cohodes, S. R., & Sattin-Bajaj, C. (2018). Leveling the playing field for high school choice: Results from a field experiment of informational interventions. National Bureau of Economic Research WP 24471

Figlio, D. N., Hart, C. M., & Karbownik, K. (2023). Effects of maturing private school choice programs on public school students. *American Economic Journal: Economic Policy*, 15(4), 255-294.

Figlio, D. N., Hart, C., & Karbownik, K. (2024). Competitive effects of charter schools. NBER WP 32120.

Gilraine, M., Petronijevic, U., & Singleton, J. D. (2021). Horizontal Differentiation and the Policy Effect of Charter Schools. *American Economic Journal: Economic Policy*, 13(3), 239-276.

Gilraine, M., Petronijevic, U., & Singleton, J. D. (2023). School Choice, Competition, and Aggregate School Quality. National Bureau of Economic Research WP 31328.

Hastings, J., Kane, T. J., & Staiger, D. O. (2009). Heterogeneous preferences and the efficacy of public school choice. NBER working paper 2145.

Hoxby, C. (2003), "School Choice and School Productivity. Could School Choice Be a Tide that Lifts All Boats?" in *The Economics of School Choice* NBER. <http://www.nber.org/chapters/c10091>.

MacLeod, W.B. och M. Urquiola (2015). Reputation and School Competition, *American Economic Review*, 105(11), 3471-3488.

Rothstein, J. M. (2006). Good principals or good peers? Parental valuation of school characteristics, Tiebout equilibrium, and the incentive effects of competition among jurisdictions. *American Economic Review*, 96(4), 1333-1350.

Ruijs and Oosterbeek (2019), "School Choice in Amsterdam: Which Schools are Chosen When School Choice is Free?", *Education Finance and Policy*, 14:1, 1-30.

Tobin, Z. (2024). How do public schools respond to competition? Evidence from a charter school expansion. *Economics of Education Review*, 99, 102519.

Vlachos, J. and B. Tyrefors-Hinnerich (2017), "The Impact of Voucher Schools on Upper-Secondary Student Achievement. Swedish Evidence using External and Internal Test Evaluations", *Labour Economics*, 47, 1-14.

SURVEY: Cohodes, S. R., & Parham, K. S. (2021). Charter schools' effectiveness, mechanisms, and competitive influence. NBER WP 28477.

SURVEY: Charbier, J., S. Cohodes, and P. Oreopoulos (2016). What can we learn from charter school lotteries? *Journal of Economic Perspectives*, 30:3, 57-84.

SURVEY: Epple, D., R. Romano, and R. Zimmer (2016). Charter schools: A survey of research on their characteristics and effectiveness. Chapter 3 in *Handbook of the Economics of Education*, volume 5.

SURVEY: Epple, D., R. Romano, and M. Urquiola (2017). School vouchers: A survey of the economics literature. *Journal of Economic Literature*, 55:2, 441-492.

SURVEY: Urquiola, M. (2016). Competition among schools: Traditional public and private schools. Chapter 4 in *Handbook of the Economics of Education*, volume 5.

Lecture 3: School choice mechanisms

School choice means that places in schools have to be assigned without the use of prices. Since students have preferences over schools and schools give priorities to students based on their background or location, this is a matching problem. The lecture cover some central issued related to school choice mechanism and discusses them in relation to some recent empirical evidence.

* Neal, chapter 3.

* Abdulkadiroglu A, Sönmez T (2003). School Choice: A Mechanism Design Approach. *American Economic Review* 93, No. 3, pp. 729-747.

* Abdulkadiroglu, A. and Andersson, T. (2023). School choice. In Hanushek, Machin, and Woessmann, editors, *Handbook of the Economics of Education*, volume VI, chapter 3, pages 135–185. Elsevier, Amsterdam. <https://doi.org/10.1016/bs.hesedu.2022.11.001>

* Fack, Gabrielle, Julien Grenet, and Yinghua He (2019). Beyond truth-telling: Preference estimation with centralized school choice and college admissions. *American Economic Review* 109.4: 1486-1529.

* Terrier, Camille, Parag A. Pathak, and Kevin Ren (2024). From Immediate Acceptance to Deferred Acceptance: Effects on School Admissions and Achievement in England. Updated version of NBER WP 29600 (forthcoming in *American Economic Journal: Applied Economics*): <https://www.dropbox.com/scl/fi/wxxg9n20r6nfxyn7imgi/DRAFT.pdf?rlkey=6whm1s8i5ahhapzpg2vsqts1s&dl=0>

* De Haan, M., Gautier, P. A., Oosterbeek, H., & Van der Klaauw, B. (2023). The performance of school assignment mechanisms in practice. *Journal of Political Economy*, 131(2), 388-455.

(RR) Luflade, M. (2019), “The value of information in centralized school choice systems”. Link: https://drive.google.com/file/d/1IKxiuzuCrIvQuTuIO3cj9GH_sDvRmLoo/view

(RR) Idoux, C (2023), “Integrating New York City Schools: The Role of Admission Criteria and Family Preferences”, Link: https://www.dropbox.com/s/b8t7qfuc5r3geub/Integrating_NYC_schools_WP.pdf?dl=0

(RR) Ketel, N., Oosterbeek, H., Sóvágó, S., & Klaauw, B. (2025). The (un)importance of school assignment. Link: <https://oosterbeek.economists.nl/papers/2025/02/03/unimportance.html>

(SP) Avery, C., & Pathak, P. A. (2021). The Distributional Consequences of Public School Choice. *American Economic Review*, 111(1), 129-152.

(SP) Kapor, A. J., Neilson, C. A., & Zimmerman, S. D. (2020). Heterogeneous beliefs and school choice mechanisms. *American Economic Review*, 110(5), 1274-1315.

Andersson, Tommy, Dany Kessel, Nils Lager, Elisabet Olme and Simon Reese (2024), “Beyond Truth-telling: A Replication Study on School Choice”. Link: https://swopec.hhs.se/lunewp/abs/lunewp2024_001.htm

Part 3 Lecture 4: School management and teacher related policies

Schools are managed by principals who have make important decisions regarding the recruitment and assignment of teachers, as well as general management problems. The lecture covers topics related to these issues with a special focus on teacher related policies.

* Fryer Jr, R. G. (2018). The “pupil” factory: Specialization and the production of human capital in schools. *American Economic Review*, 108(3), 616-656.

* Fryer, R. (2017). Management and Student Achievement: Evidence from a Randomized Field Experiment. Available here: <https://scholar.harvard.edu/fryer/publications/management-and-student-achievement-evidence-randomized-field-experiment>

* Leaver, C., Ozier, O., Serneels, P., & Zeitlin, A. (2021). Recruitment, effort, and retention effects of performance contracts for civil servants: Experimental evidence from Rwandan primary schools. *American Economic review*, 111(7), 2213-2246.

* Papay, J. P., Taylor, E. S., Tyler, J. H., & Laski, M. E. (2020). Learning job skills from colleagues at work: Evidence from a field experiment using teacher performance data. *American Economic Journal: Economic Policy*, 12(1), 359-388.

* Taylor, Eric (2024). Teacher evaluation and training, Chapter 2 in editor(s): Eric A. Hanushek, Stephen Machin, Ludger Woessmann, *Handbook of the Economics of Education*, Elsevier, Volume 7, <https://doi.org/10.1016/bs.hesedu.2023.03.002>

* Neal, chapter 6

(SP) Petek, N., & Pope, N. G. (2023). The multidimensional impact of teachers on students. *Journal of Political Economy*, 131(4), 1057-1107.

(SP) Biasi, B. (2021). The labor market for teachers under different pay schemes. *American Economic Journal: Economic Policy*, 13(3), 63-102.

(RR) Jackson, C. K. (2023). When Does School Autonomy Improve Student Outcomes? Link: <https://edworkingpapers.com/sites/default/files/ai23-808.pdf>

(RR) Brown, C., & Andrabi, T. (2023). Inducing Positive Sorting through Performance Pay: Experimental Evidence from Pakistani Schools: https://christinalbrown.github.io/Christina_Brown_JMP_Teacher_Sorting.pdf

Besley, T. and M. Ghatak (2005), "Competition and incentives with motivated agents", *American Economic Review*, 95:3, 616-636.

Bloom, N., R. Lemos, R. Sadun, J. Van Reenen (2015). Does Management Matter in Schools? *Economic Journal*, 125, 647-674.

Cicala, S., Fryer, R. G., & Spenkuch, J. L. (2018). Self-selection and comparative advantage in social interactions. *Journal of the European Economic Association*, 16(4), 983-1020.

Dee, T. S., Dobbie, W., Jacob, B. A., & Rockoff, J. (2019). The causes and consequences of test score manipulation: Evidence from the New York regents examinations. *American Economic Journal: Applied Economics*, 11(3), 382-423.

Dinerstein, M., & Oppen, I. M. (2022). Screening with Multitasking: Theory and Empirical Evidence from Teacher Tenure Reform. National Bureau of Economic Research WP 30310.

Fryer, R. (2014). Injecting charter school best-practices into traditional public schools: Evidence from field experiments. *Quarterly Journal of Economics*, 131:2, 1355-1407.

Jackson, C. K., & Bruegmann, E. (2009). Teaching students and teaching each other: The importance of peer learning for teachers. *American Economic Journal: Applied Economics*, 1(4), 85-108.

Jacob, B. A., & Lefgren, L. (2008). Can principals identify effective teachers? Evidence on subjective performance evaluation in education. *Journal of Labor Economics*, 26(1), 101-136.

Rothstein, J. (2015). Teacher quality policy when supply matters. *American Economic Review*, 105(1), 100-130.

Staiger, D. O., & Rockoff, J. E. (2010). Searching for effective teachers with imperfect information. *Journal of Economic Perspectives*, 24(3), 97-118.

SURVEY: Besley, T., & Ghatak, M. (2018). Prosocial motivation and incentives. *Annual Review of Economics*, 10, 411-438.

SURVEY: Fryer, R. (2017). Fryer Jr, R. G. (2017). The production of human capital in developed countries: Evidence from 196 randomized field experiments. In *Handbook of economic field experiments* (Vol. 2, pp. 95-322). North-Holland.

SURVEY: Neal, D (2011). The Design of Performance Pay in Education. Chapter 6 in *Handbook of the Economics of Education*, volume 4.

SURVEY: Woessmann, Ludger (2016). The importance of school systems: Evidence from international differences in student achievement. *Journal of Economic Perspectives*, 30:3, 3-32.