

**Supplemental Appendix for:**  
**Does Lowering Entry Costs to Economics for Underrepresented Students Affect**  
**Outcomes? Preliminary Experimental Evidence**  
**By Jesse Buchsbaum, Michael Greenstone, Olga Rostapshova**

**Appendix A. Survey Incentive Summary**

Table A1 shows a summary of survey incentives across survey years.

TABLE A1— SURVEY INCENTIVE SUMMARY

Incentive Type	2023	2024	2025
Treatment Baseline	\$20	\$20	\$20
Control Baseline	\$25	\$20/\$30	\$20/\$30
Bonus for submitting transcript	\$10	\$10	\$10
Bonus for responding in first week	\$5	\$5	\$5

*Notes:* This table denotes the incentive amounts in each survey. In 2024 and 2025, the control group was randomized so that 50% of the control group received a baseline incentive of \$20 and 50% received a baseline incentive of \$30. Bonuses are provided in addition to the baseline incentive.

**Appendix B. EDE Program Curriculum and Schedule**

The pages below show the curriculum and schedule for the EDE Program in 2023, as an illustration of the program.



Expanding  
Diversity *in*  
Economics  
University of Chicago  
and Brookings

A PROGRAM OF  
**BF** Becker  
Friedman  
Institute

## Week One & Two - Chicago

### UChicago Faculty - Daily Course Instructors

#### MICROECONOMIC INQUIRY

**John List**, Kenneth C. Griffin Distinguished Service Professor, Kenneth C. Griffin Department of Economics and the College, UChicago

**Matthew J. Notowidigdo**, David McDaniel Keller Professor of Economics and Business and Public Policy Fellow, Chicago Booth

**Chad Syverson**, George C. Tiao Distinguished Service Professor, Chicago Booth

#### CAUSAL INFERENCE AND ECONOMICS

**Damon Jones**, Associate Professor, UChicago Harris School of Public Policy

**Alexander Torgovitsky**, Professor of Economics, Kenneth C. Griffin Department of Economics

### EVENTS

### FEATURED GUEST SPEAKER(S)

#### FRIDAY, JUNE 9

Lunch n' Learn: Discussion with UChicago's Provost Baicker  
Development Innovation Lab Reception and Keynote

**Katherine Baicker**, Provost, UChicago

**Rachel Glennerster**, Associate Professor of Economics, Division of Social Sciences, UChicago; **Michael Kremer**, University Professor in Economics, the College, and the Harris School of Public Policy; Director, Development Innovation Lab; Recipient of the 2019 Nobel Prize in Economics

#### SUNDAY, JUNE 11

Lunch n' Learn: "The Future of China's Economy"

**Chang-Tai Hsieh**, Phyllis and Irwin Winkelried Professor of Economics and PCL Faculty Scholar, Chicago Booth

#### MONDAY, JUNE 12

Lunch n' Learn: "Monetary Policy Shocks on Labor"

Inflation, Monetary Policy, and the Global Economic Situation

**Christina Patterson**, Assistant Professor of Economics and Robert King Steel Faculty Fellow, Chicago Booth

**Douglas Diamond**, Merton H. Miller Distinguished Service Professor of Finance, Chicago Booth; Recipient of the 2022 Nobel Prize in Economics; **Rebecca Jarvis**, Chief Business, Technology and Economics Correspondent, ABC News

#### TUESDAY, JUNE 13

Lunch n' Learn: "Housing Insecurity and Housing Vouchers"

"Nudge" Book Talk

**Peter Ganong**, Associate Professor, UChicago's Harris School of Public Policy

**Richard Thaler**, Charles R. Walgreen Distinguished Service Professor of Behavioral Science and Economics, Chicago Booth; Recipient of the 2017 Nobel Prize in Economics

#### WEDNESDAY, JUNE 14

Lunch n' Learn: Moderated Discussion

Energy Policy Institute Reception and Keynote

**Anil Kashyap**, Stevens Distinguished Service Professor of Economics and Finance, Chicago Booth; **John Liew**, Founding Principal, AQR Capital Management; **Tess Vigeland**, Former Host, Marketplace Radio; Host, BFI's The Pie Podcast

**Michael Greenstone**, Milton Friedman Distinguished Service Professor in Economics, UChicago; Director, Becker Friedman Institute

#### THURSDAY, JUNE 15

Lunch n' Learn: How School Choice Affects Student Outcomes

PREDOC Reception with Leadership Alliance

**Christopher Campos**, Assistant Professor of Economics and Biehler Junior Faculty Fellow, Chicago Booth

**Pietro Veronesi**, Deputy Dean for Faculty and Chicago Board of Trade Professor of Finance, Chicago Booth

**EVENTS****FEATURED GUEST SPEAKER(S)****FRIDAY, JUNE 16**

Lunch n' Learn: "Empirical Research on Social Insurance"

**Manasi Deshpande**, Assistant Professor, Kenneth C. Griffin Department of Economics and the College, UChicago

**SATURDAY, JUNE 17**

Northern Trust and Ariel Investments Reception and Discussion

**Michael Greenstone; John Rogers**, Chairman, Co-CEO & Chief Investment Officer, Ariel Investments; and **Jason Tyler**, Executive Vice President and Chief Financial Officer, Northern Trust

**MONDAY, JUNE 19**

Lunch n' Learn: "Income Inequality: What the Research Says"

**Marianne Bertrand**, Chris P. Dialynas Distinguished Service Professor of Economics, Chicago Booth

**TUESDAY, JUNE 20**

Lunch n' Learn: "Advances in Discrimination Research"

**Alex Imas**, Associate Professor of Behavioral Science and Economics and Vasilou Faculty Scholar, Chicago Booth

Field Trip: Federal Reserve Bank of Chicago

**Austan Goolsbee**, President and Chief Executive Officer, Federal Reserve Bank of Chicago; **Anna Paulson**, Executive Vice President and Director of Research, Federal Reserve Bank of Chicago

**WEDNESDAY, JUNE 21**

Lunch n' Learn: "The Importance of Economics in Shaping Society"  
"Inequality in the US vs. Denmark"

**Eduardo Porter**, Opinion Columnist, Bloomberg

**James Heckman**, Henry Schultz Distinguished Service Professor in the Kenneth C. Griffin Department of Economics, UChicago; Director, Center for the Economics of Human Development; Recipient of the 2000 Nobel Prize in Economics

**THURSDAY, JUNE 22**

Lunch n' Learn: "Discrimination in Children's Books"

**Anjali Adukia**, Assistant Professor, UChicago's Harris School of Public Policy

Urban Labs Networking Reception and Keynote

**Jens Ludwig**, Edwin A. and Betty L. Bergman Distinguished Service Professor, UChicago's Harris School of Public Policy; Director, UChicago Crime Lab; Co-Director, Education Lab

## Week Three · Washington, D.C.

### Brookings Faculty

**David Wessel**, Director, Hutchins Center on Fiscal and Monetary Policy, Senior Fellow in Economic Studies, Brookings Institution

**Louise Sheiner**, Policy Director, The Hutchins Center on Fiscal and Monetary Policy; Robert S. Kerr Senior Fellow in Economic Studies, Brookings Institution

EVENTS	FEATURED GUEST SPEAKER(S)
<b>MONDAY, JUNE 26</b>	
“Basics of the Federal Budget and Debt”	<b>Louise Sheiner</b>
Field Trip: Senate Budget Committee at the U.S. Capitol	<b>Tyler Evilsizer</b> , Senior Budget Analyst; <b>Alexandra Gilliland</b> , Climate Policy Advisor; <b>Melissa Kaplan-Pistiner</b> , General Counsel
<b>TUESDAY, JUNE 27</b>	
“Where Does the Federal Government Gets its Money? Taxes”	<b>Day Manoli</b> , Associate Professor, McCourt School of Public Policy, Georgetown University
“What Drives Federal Spending? Healthcare”	<b>Matthew Fiedler</b> , Senior Fellow, USC-Brookings Schaeffer Initiative for Health Policy Economic Studies Program, The Brookings Institution
“What Government Policies Would Combat Climate Change?”	<b>Arik Levinson</b> , On leave from Georgetown, serving as Deputy Assistant Secretary for Climate & Energy Economics, U.S. Department of the Treasury
Lunch n’ Learn: “The Digital Divide”	<b>Nicol Turner-Lee</b> , Director, Center for Technology Innovation and Senior Fellow, Governance Studies, The Brookings Institution
Field Trip: JPMorgan Chase Institute and Policy Center	<b>Chris Wheat</b> , President, JPMorgan Chase Institute; <b>Joyce Chang</b> , Global Chair of Research, JPMorgan Chase Institute; <b>Nan Gibson</b> , Executive Director, JPMorgan Chase Policy Center; <b>James Duguid</b> , Research Lead, JPMorgan Chase Institute; <b>Makada Henry-Nickie</b> , Executive Director, JPMorgan Chase Institute
<b>WEDNESDAY, JUNE 28</b>	
“The Basics of Monetary Policy: What Does the Fed Do?” Part I	<b>Neil Irwin</b> , Chief Economic Correspondent, Axios
“The Basics of Monetary Policy: What Does the Fed Do?” Part II	<b>Seth Carpenter</b> , Chief Global Economist, Morgan Stanley
Lunch n’ Learn: Issues in Monetary Policy	<b>Ben Bernanke</b> , Distinguished Senior Fellow, Hutchins Center on Fiscal & Monetary Policy, Economic Studies Program, The Brookings Institution; Recipient of the 2022 Nobel Prize in Economics
Field Trip: Federal Reserve Board	<b>Lisa Cook</b> , Member of the Board of Governors; <b>Stephanie Aaronson</b> , Senior Associate Director, Research and Statistics Section; <b>Jake Krimmel</b> , Economist, Microeconomics Surveys Section
<b>THURSDAY, JUNE 29</b>	
Field Trip: International Monetary Fund	<b>Christoph Rosenberg</b> , Deputy Director, Communications Department; <b>Sarah Sanya</b> , Assistant to the Director, Asia and Pacific Department; <b>Rui Mano</b> , Deputy Division Chief, Research Department
Field Trip: The World Bank	<b>Oyebola Okunogbe</b> , Economist, World Bank Development Research Group; <b>Deon Filmer</b> , Director, World Bank Development Research Group; <b>Arti Grover</b> , Principal Economist, Country Economist Unit, International Finance Corporation (IFC); <b>David McKenzie</b> , Lead Economist, Development Research Group; <b>Jessica Schnabel</b> , Global Head, Banking on Women, Financial Institutions Group, IFC
<b>FRIDAY, JUNE 30</b>	
Group Presentations: Steering the U.S. Fiscal Ship	

# 2023 EDE Summer Institute Syllabi

## CAUSAL INFERENCE AND ECONOMICS

### INSTRUCTORS:

*Damon Jones*

damonjones@uchicago.edu

*Alexander Torgovitsky*

atorgovitsky@gmail.com

### COURSE NOTES: PLEASE READ EACH PROFESSOR'S NOTE PERTAINING TO THEIR LECTURES

**Prof. Jones:** We will learn about causal inference in a series of interactive lectures. The goal of these sessions will be to get students excited about empirical research: considering theories of how the world works, translating those theories into interesting questions, and finding data that may allow one to answer said questions. For each session, the required readings are listed, which are shorter readings. These should be done in advance of each lecture. For those that desire a deeper understanding or more advanced discussion, there are also optional readings listed along with each session. Students will do some group-based exercises during our meetings, and the instructor will also demonstrate some basic analysis using statistical software. There are two guest visits featuring some of the authors of the studies featured in our readings.

**Prof. Torgovitsky:** The main material will be my slides, which will be distributed before each session. The selected readings and viewings are for supplemental purposes. These are helpful if you feel like you'd like to see something explained in a different way. There's no need to consult them before the lecture, but you might find them helpful afterwards.

### Session 1 • June 13 Afternoon **DAMON JONES**

1. Introductions/Overview of Week 1
2. Discussion: What is Research? What are Research Questions?
  - Group Exercise: Questions that Need Answers (QTNA)
3. Application: Policing and Community Trust (part 1)
  - Discussion: Why Don't You Just Call the Cops?
  - Study: "[Police Violence and Citizen Crime Reporting in the Black Community](#)" (Desmond, Papachristos, and Kirk, 2016)
  - Study: "Do Police Brutality Stories Reduce 911 Calls? Reassessing an Important Criminological Finding" (Zoorob, 2020)
  - Methods Discussion: Pre/Post, Event Study Analysis

### Required Reading:

[Why Don't You Just Call the Cops?](#), by Matthew Desmond and Andrew V. Papachristos

*CONTENT WARNING: This article contains some graphic descriptions of police violence. There are two versions of the article provided in your materials, one with the sentence in question redacted and one without.*

### Optional Reading:

Matthew Desmond, Andrew V. Papachristos, and David S. Kirk. (2016) "[Police Violence and Citizen Crime Reporting in the Black Community](#)." American Sociological Review 81(5): 857-876

*CONTENT WARNING: This article contains even more graphic details of the police violence mentioned in the NYTimes op-ed above.*

Michael Zoorob. (2020). "[Do Police Brutality Stories Reduce 911 Calls? Reassessing an Important Criminological Finding](#)." American Sociological Review. 85(1): 176-183

## Session 2 • June 14 Morning

ALEX TORGOVITSKY

- Univariate probability theory
  - Probability and random variables
  - Distributions
  - Expectation
  - Variance and standard deviation
  - Median and quantiles
- Multivariate probability theory
  - Joint distributions
  - Conditional probability, distributions, and expectation
  - Law of iterated expectation
  - Independence
  - Covariance and correlation

### Supplemental reading:

[Causal Inference: The Mixtape, Chapters 2.1-2.10](#)

[The Effect: An Introduction to Research Design and Causality, Chapters 3 and 4.1-4.3](#)

### Supplemental viewing:

[Khan Academy: Probability Explained](#)

[Khan Academy: Calculating Conditional Probability](#)

[How to Calculate Expected Value](#)

[Law of Iterated Expectation](#)

[Correlation - The Basic Idea Explained](#)

## Session 3 • June 14 Morning

DAMON JONES

1. Application: Policing and Community Trust (part 2)
  - Discussion: Calling the Cops Redux
  - Study: “Police violence reduces civilian cooperation and engagement with law enforcement”(Ang, Bencsik, Bruhn, Derenoncourt, 2021)
  - Methods Discussion: Refining Event Study Analysis
2. Live Demo: Graphing an Event Study
  - Plotting police calls over time in Milwaukee
  - Software: Stata
3. Discussion: How do theories lead to research questions?
  - Example Theory: College Scholarships and Educational Attainment
  - Group Exercise: What’s Next
4. Special Surprise Guest (^o^)/

### Required Reading:

*The Effect*, by Nick Huntington-Klein. [Chapter 1: Designing Research](#), [Chapter 2: Research Questions](#)

### Optional Reading:

Desmond Ang, Panka Bencsik, Jesse Bruhn, and Ellora Derenoncourt. (2021). “[Police violence reduces cooperation and engagement with law enforcement](#).” Working Paper

*The Effect*, by Nick Huntington-Klein, [Chapter 17: Event Studies](#)

## Session 4 • June 15 Morning **DAMON JONES**

1. Mid-Week Check-In
2. Application: College Scholarships and Educational Attainment
  - Discussion: College Scholarships and Feasible Adjustments
  - Study: “The Effects of the Kalamazoo Promise on College Choice” (Andrews, DesJardins, and Ranchhod, 2010)
  - Study: “[Recruiting and Supporting Low-Income, High-Achieving Students at Flagship Universities](#)” (Andrews, Imberman, and Lovenheim, 2020)
  - Methods: Natural Experiments
3. Special Surprise Guest \(\\_o\)/

### Required Reading:

Rodney Andrews. (2013). “[The Promise of Promise Programs.](#)” (Video Presentation, watch from 4:00 to 17:15). AEI panel, Experts Debate Financial Aid. June 24, 2013

Philip Ball. (2021). “[Nobel-winning ‘natural experiments’ approach made economics more robust.](#)” *Nature*. October, 13.

### Optional Reading:

Rodney Andrews. (2014). “[The Promise of Promise Programs.](#)” Reinventing student aid for the 21st century, Harvard Education Press: 55-74.

*The Effect*, by Nick Huntington-Klein. [Chapter 9, Section 3: What the World Can Do for Us](#)

## Session 5 • June 15 Morning **DAMON JONES**

1. In-Class Exercise:
  - Randomization and Counterfactuals
  - Software: Stata
2. Application: Workplace Wellness Programs (part 1)
  - Discussion: How Safeway Is Cutting Health-Care Costs
  - Study: “What Do Workplace wellness Programs Do? Evidence from the Illinois Workplace Wellness Study” (Jones, Molitor, and Reif, 2019)
  - Methods: Randomized Controlled Trials
3. Live Demo: Comparing Group Means
  - Plotting bar charts
  - Software: Stata

### Required Reading:

Steven A. Burd. (2009). “[How Safeway Is Cutting Health-Care Costs: Market-based solutions can reduce the national health-care bill by 40%.](#)” *Wall Street Journal*. June, 12

Ewen Callaway. (2019). “[‘Randomistas’ who used controlled trials to fight poverty win economics Nobel.](#)” *Nature*. October, 14  
Andrew Gelman. (2017).

“[Benefits and limitations of randomized controlled trials.](#)” *Note*. December, 28

### Optional Reading:

Michael Gibson, Anja Sautmann. (2021). “[Introduction to randomized evaluations.](#)” *Abdul Latif Jameel Poverty Action Lab*, April

## Session 6 • June 17 Afternoon

DAMON JONES

1. Application: Workplace Wellness Programs (part 2)
  - Discussion: Workplace Wellness Programs Don't Work Well. Why Some Studies Show Otherwise
  - Study: "What do Workplace Wellness Programs do? Evidence from the Illinois Workplace Wellness Study" (Jones, Molitor, and Reif, 2019)
  - "[Effect of a Workplace Wellness Program on Employee Health and Economic Outcomes: A Randomized Clinical Trial](#)" (Song and Baicker, 2019)
  - Methods: Randomized Controlled Trials
2. Live Demo: Graphing Randomized Controlled Trial Results
  - Comparing distributions of outcomes
  - Software: Stata
3. Group Exercise: My First RCT

### Required Reading:

Aaron E. Carroll. (2018). "[Workplace Wellness Program Don't Work Well. Why Some Studies Show Otherwise.](#)" *The Upshot, The New York Times*. August, 6

Tracey Samuelson. (2018). "[Do corporate wellness programs work?](#)" *Marketplace*, February 16

### Optional Reading:

Damon Jones, David Molitor, and Julian Reif. (2019). "[What do Workplace Wellness Programs do? Evidence from the Illinois Workplace Wellness Study.](#)" *The Quarterly Journal of Economics*. 134(4): 1747-1791

Zirui Song and Katherine Backer. (2019). "[Effect of a Workplace Wellness Program on Employee Health and Economic Outcomes: A Randomized Clinical Trial.](#)" *JAMA*. 312(15):1491-1501

## Session 7 • June 20 Morning

ALEX TORGOVITSKY

- Foundations of statistics
  - Population vs. sample
  - Repeated sampling thought experiment
  - Estimators and their properties
  - Sample means, and binning estimators of conditional expectations
  - The curse of dimensionality

### Supplemental reading:

[Introduction to Econometrics with R, Chapter 2.2](#)

[Introductory Statistics: Sampling Distributions](#)

### Supplemental viewing:

[Introduction to Sampling Distributions](#)

[Statistics: Sample vs. Population Mean](#)

## Session 8 • June 21 Morning **ALEX TORGOVITSKY**

- Linear regression and ordinary least squares (OLS):
  - Bivariate regression and OLS in some detail
  - Multivariate regression and OLS in less detail
  - Specifying multivariate regressions (dummy variables, interactions, etc.)
  - Running regressions in Stata

### Supplemental reading:

[Causal Inference: The Mixtape, Chapters 2.11-2.15](#)

### Supplemental viewing:

[An Introduction to Linear Regression Analysis](#)

[How to calculate linear regression](#)

## Session 9 • June 21 Afternoon **ALEX TORGOVITSKY**

- Statistical inference (in general, but using OLS for concreteness):
  - Statistical properties of ordinary least squares
  - Standard errors
  - Hypothesis testing
  - Confidence intervals
  - Interpreting Stata output

### Supplemental reading:

[Introduction to Econometrics with R, Chapter 3](#)

### Supplemental viewing:

[Khan Academy: Hypothesis testing and p-values](#)

[Khan Academy: Confidence intervals and margin of error](#)

## Session 10 • June 22 Morning **ALEX TORGOVITSKY**

- Revisit empirical applications from Sessions 3-11
  - Review experiment, control, and difference in differences examples
  - Show how each one can be implemented using linear regression
  - Replicate select results in Stata

# MICROECONOMIC INQUIRY

## INSTRUCTORS:

**John List**

jlist@uchicago.edu

**Matthew Notowidigdo**

noto@chicagobooth.edu

**Chad Syverson**

chad.syverson@chicagobooth.edu

## COURSE NOTES: PLEASE READ EACH PROFESSOR'S NOTE PERTAINING TO THEIR LECTURES

**Prof. List:** For those interested in learning some principles of economics, I point you to: Acemoglu, D., Laibson, D., and List, J. *Microeconomics*, 2nd Ed., Pearson Publishing. ISBN-13: 978-0134492049. This is simply a suggestion and is **not required reading**. Podcasts and readings should be listened to and read before class.

**Prof. Notowidigdo:** Please complete all of the pre-readings before each lecture. The “References” at the end of the syllabus lists papers that will be discussed during the lectures and DO NOT need to be read beforehand.

**Prof. Syverson:** Please complete all of the pre-readings before each lecture. “References” at the end of the syllabus lists papers that will be discussed during the lectures and DO NOT need to be read beforehand.

### Session 1 • June 11 Afternoon • “Economic Basics” **JOHN LIST**

#### Pre-Readings

Experiment 1 — Supply and Demand

Podcast 1 — “The Invisible Paw” podcast: [freakonomics.com/podcast/the-invisible-paw/](https://freakonomics.com/podcast/the-invisible-paw/)

Podcast 2 — “Chat between Tim Ferriss and John List” [tim.blog/2022/01/26/john-list/](https://tim.blog/2022/01/26/john-list/)

Reading 1 — *The Why Axis*, Introduction: Getting Beyond Assumptions

Reading 2 — *The Voltage Effect*, Chapter 7: Revolution on the Margins

The Basics have an interesting behavioral basis:

List, John, Devin Pope, Ian Muir, and Greg Sun, “Left-Digit Bias at Lyft: Evidence from a Zillion Observations,” working paper. This is not required reading—I will discuss in class this natural field experiment.

### Session 2 • June 12 Morning • “Experiments in Partnership with Firms” **JOHN LIST**

#### Pre-Readings

Podcast 5 — How to Optimize your Apology: [freakonomics.com/podcast/how-to-optimize-your-apology/](https://freakonomics.com/podcast/how-to-optimize-your-apology/)

Podcast 6 — Why Does Tipping Still Exist [freakonomics.com/podcast/why-does-tipping-still-exist-ep-396/](https://freakonomics.com/podcast/why-does-tipping-still-exist-ep-396/)

Reading 7 — *The Voltage Effect*, Chapter 6

### Session 3 • June 12 Morning • “Testing Economic Theory Using Naturally-Occurring and Experimental Data” **JOHN LIST**

#### Pre-Readings

Podcast 3 — [freakonomics.com/podcast/what-can-uber-teach-us-about-the-gender-pay-gap](https://freakonomics.com/podcast/what-can-uber-teach-us-about-the-gender-pay-gap)

Reading 3 — *The Why Axis*, Chapters 2 and 3

Reading 4 — *The Voltage Effect*, Chapter 9

### Session 4 • June 13 Morning • “Scaling Ideas and Policies” **JOHN LIST**

#### Pre-Readings

Experiment 2 — Game Theory Basics

Podcast 7 — Policymaking is Not a Science (Yet) [freakonomics.com/podcast/policymaking-is-not-a-science-yet-ep-405/](https://freakonomics.com/podcast/policymaking-is-not-a-science-yet-ep-405/)

Podcast 8 — Freakonomics discuss The Voltage Effect [freakonomics.com/podcast/season-11-episode-28/](https://freakonomics.com/podcast/season-11-episode-28/)

Reading 8 — *The Voltage Effect*, Introduction to Chapter 5

## Session 5 • June 13 Morning • “Testing Economic Theory Using Field Experiments”

### JOHN LIST

#### Pre-Readings

Podcast 4 — Does Early Education Come Too Late: [freakonomics.com/podcast/does-early-education-come-way-too-late/](http://freakonomics.com/podcast/does-early-education-come-way-too-late/)

Reading 5 — *The Why Axis*, Chapters 4 and 5

Reading 6 — *The Voltage Effect*, Chapter 8

## Session 6 • June 15 Afternoon • “How Companies Make What They Make”

CHAD SYVERSON

#### Pre-Readings

A bit about my research and looking at how companies do things: [youtube.com/watch?v=xobnQDf2uPI&t=188s](https://youtube.com/watch?v=xobnQDf2uPI&t=188s)

This American Life episode on NUMMI: [thisamericanlife.org/561/nummi-2015](http://thisamericanlife.org/561/nummi-2015) (This story will serve as context for much of what we will talk about this week. You can read the transcript, but it is more fun to listen to the program.)

#### Facts

There are large productivity and performance differences even within narrowly defined markets

#### Theory

Producer behavior—production functions, cost minimization, cost functions

## Session 7 • June 16 Morning • “Companies, Big and Small”

CHAD SYVERSON

#### Pre-Readings

Point #8 in the Chicago Booth Review article on improving public health: [review.chicagobooth.edu/magazine/winter-2013/this-wont-hurt-a-bit](http://review.chicagobooth.edu/magazine/winter-2013/this-wont-hurt-a-bit)

#### Facts

Higher productivity companies are larger and more profitable

#### Theory

Optimal quantity/price ( $MR = MC$ ) under both perfect competition and market power

## Session 8 • June 16 Morning • “Sources of Differences across Companies”

CHAD SYVERSON

#### Pre-Readings

Even “boring” industries have a lot of differences under the surface: [newyorker.com/magazine/2001/02/12/the-emperor-of-ice-2](http://newyorker.com/magazine/2001/02/12/the-emperor-of-ice-2)

#### Facts

Management practices, competition, and team diversity as determinants of productivity differences

#### Theory

Effects of flattening marginal revenue curves; spatial competition example

## Session 9 • June 17 Morning • “Differences and Inequality”

CHAD SYVERSON

#### Pre-Readings

Rent-sharing (or not) in the law industry: [economix.blogs.nytimes.com/2012/07/16/the-toppling-of-top-tier-lawyer-jobs](http://economix.blogs.nytimes.com/2012/07/16/the-toppling-of-top-tier-lawyer-jobs)

An update: [biglawinvestor.com/bimodal-salary-distribution-curve](http://biglawinvestor.com/bimodal-salary-distribution-curve)

#### Facts

Determinants of productivity differences: management practices, competition

#### Theory

Effects of flattening marginal revenue curves, spatial competition example

## Session 10 • June 17 Morning • “Principal-Agent Problems”

CHAD SYVERSON

### Pre-Readings

Freakonomics, Chapter 2

### Facts

Managers and employees don't always want to do what their employers want them to

### Theory

Basic principal-agent model

## Session 11 • June 20 Morning • “Labor Supply, Taxes and Transfer Programs, and Universal Basic Income”

MATT NOTOWIDIGDO

### Pre-Readings

Wikipedia background on negative income tax: [en.wikipedia.org/wiki/Negative\\_income\\_tax](https://en.wikipedia.org/wiki/Negative_income_tax)

Recent Wall Street Journal Article on Biden's proposed tax reform: [wsj.com/articles/the-dumbest-tax-increase-11619384611](https://www.wsj.com/articles/the-dumbest-tax-increase-11619384611)

Very short video from The Atlantic on Universal Basic Income: [theatlantic.com/video/index/567739/universal-basic-income](https://theatlantic.com/video/index/567739/universal-basic-income)

Very short video summary of Noto's Swedish lottery study: [youtube.com/watch?v=95guvfGaye8](https://youtube.com/watch?v=95guvfGaye8)

### Lecture Topics

Static labor supply theory

Basic economics of negative income taxes

Revenue-maximizing tax rates

Universal basic income programs

Work requirements in welfare programs

## Session 12 • June 21 Morning • “Labor Demand, Immigration, and Inequality”

MATT NOTOWIDIGDO

### Pre-Readings

Paul Krugman's “hot dog” parable (1997 Slate article): [web.mit.edu/krugman/www/hotdog.html](http://web.mit.edu/krugman/www/hotdog.html)

New York Times Magazine article (from 2006) on economists who study immigration: [www.nytimes.com/2006/07/09/magazine/the-immigration-equation.html](https://www.nytimes.com/2006/07/09/magazine/the-immigration-equation.html)

Noto's “work of the future” review paper: [povertyactionlab.org/sites/default/files/documents/work-of-the-future-literature-review-4.2.19.pdf](https://povertyactionlab.org/sites/default/files/documents/work-of-the-future-literature-review-4.2.19.pdf)

### Lecture Topics

Labor demand theory

Labor market effects of immigration

Trade, technological change, and the “work of the future”

## Session 13 • June 22 Morning • “Human Capital Theory and the Returns to Education”

**MATT NOTOWIDIGDO**

### Pre-Readings

Overview article on the economic value of education by race and ethnicity (NOTE: Cecilia Rouse is co-author and she is the first Black economist to serve as the Chair of the Council of Economic Advisers) [chicagofed.org/-/media/publications/economic-perspectives/2006/ep-2qtr2006-part2-barrow-rouse-pdf.pdf](https://chicagofed.org/-/media/publications/economic-perspectives/2006/ep-2qtr2006-part2-barrow-rouse-pdf.pdf)

Recent New York Times article about Pursuit training program  
[nytimes.com/2019/03/15/business/pursuit-tech-jobs-training.html](https://nytimes.com/2019/03/15/business/pursuit-tech-jobs-training.html)

### Lecture Topics

Human capital theory, self-selection, and the value of education  
Labor market conditions and schooling choices  
Empirical estimates of the returns to schooling  
Barriers to attending and completing college

## Session 14 • June 23 Morning • “Beyond Labor Supply and Labor Demand: The Economic Consequences of Minimum Wages”

**MATT NOTOWIDIGDO**

### Pre-Readings

Recent New York Times article on the minimum wage and racial inequality:  
[nytimes.com/2020/10/25/opinion/minimum-wage-race-protests.html](https://nytimes.com/2020/10/25/opinion/minimum-wage-race-protests.html)

Recent New York Times article on the effects of minimum wages on productivity:  
[nytimes.com/2020/06/18/business/coronavirus-minimum-wage-increase.html](https://nytimes.com/2020/06/18/business/coronavirus-minimum-wage-increase.html)

### Lecture Topics

Wage floors and rationing  
Employment effects of minimum wages  
  
Who pays for the minimum wage?

## Session 15 • June 23 Morning • “Health Insurance, Adverse Selection, Moral Hazard, and Healthcare Policy”

**MATT NOTOWIDIGDO**

### Pre-Readings

The Vice of Gambling and the Virtue of Insurance” (George Bernard Shaw essay) [dropbox.com/s/wxjrmra0a0f494b/The%20Vice%20of%20Gambling%20and%20the%20Virtue%20of%20Insurance.pdf?dl=0](https://dropbox.com/s/wxjrmra0a0f494b/The%20Vice%20of%20Gambling%20and%20the%20Virtue%20of%20Insurance.pdf?dl=0)

New York Times article (“What does broccoli have to do with health insurance?”)  
[nytimes.com/2012/06/14/business/how-broccoli-became-a-symbol-in-the-health-care-debate.html](https://nytimes.com/2012/06/14/business/how-broccoli-became-a-symbol-in-the-health-care-debate.html)

### Lecture Topics

Decision-making under uncertainty and expected utility theory  
Demand for insurance  
Take-up of subsidized insurance  
Adverse selection in graphs  
Oregon health insurance experiment

## References - Matthew Notowidigdo

Papers that will be discussed during each lecture.

### Session 2

Michael Keane (2011 JEL) [aeaweb.org/articles?id=10.1257/jel.49.4.961](https://aeaweb.org/articles?id=10.1257/jel.49.4.961)

Damon Jones and Ioana Marinescu (AEJ-Policy, forthcoming) [home.uchicago.edu/~jls/Jones\\_Alaska.pdf](https://home.uchicago.edu/~jls/Jones_Alaska.pdf)

David Cesarini, Erik Lindqvist, Matthew J. Notowidigdo, Robert Ostling (2017 AER) [aeaweb.org/articles?id=10.1257/aer.20151589](https://aeaweb.org/articles?id=10.1257/aer.20151589)

Colin Gray, Adam Leive, Elena Prager, Kelsey Pukelis, Mary Zaki (AEJ-Policy, forthcoming) [nber.org/papers/w28877](https://nber.org/papers/w28877)

### Session 3

Christian Dustmann, Uta Schönberg, Jan Stuhler (2017 QJE) [academic.oup.com/qje/article/132/1/435/2724541](https://academic.oup.com/qje/article/132/1/435/2724541)

George Borjas (2013 IZA Journal of Migration) [izajodm.springeropen.com/articles/10.1186/2193-9039-2-22](https://izajodm.springeropen.com/articles/10.1186/2193-9039-2-22)

Patricia Cortes (2008 JPE) [journals.uchicago.edu/doi/full/10.1086/589756](https://journals.uchicago.edu/doi/full/10.1086/589756)

Daron Acemoglu and David Autor (2011 Handbook of Labor Economics) [economics.mit.edu/files/11635](https://economics.mit.edu/files/11635)

### Session 11

Seth Zimmerman (2014 JOLE) <https://www.journals.uchicago.edu/doi/10.1086/676661>

Kerwin Charles, Erik Hurst, Matthew Notowidigdo (2018 AER) [aeaweb.org/articles?id=10.1257/aer.20151604](https://aeaweb.org/articles?id=10.1257/aer.20151604)

Melvin Stephens Jr. and Dou-Yan Yang (2014 AER) [aeaweb.org/articles?id=10.1257/aer.104.6.1777](https://aeaweb.org/articles?id=10.1257/aer.104.6.1777)

Amanda Pallais (2015 JOLE) [scholar.harvard.edu/files/pallais/files/smallDifferences.pdf](https://scholar.harvard.edu/files/pallais/files/smallDifferences.pdf)

Susan Dynarski, CJ Libassi, Katherine Michelmores, Stephanie Owen [aeaweb.org/articles?id=10.1257/aer.20200451](https://aeaweb.org/articles?id=10.1257/aer.20200451)

Elira Kuka, Na'ama Shenhav, Kevin Shih (2020 AEJ-Policy) [aeaweb.org/articles?id=10.1257/pol.20180352](https://aeaweb.org/articles?id=10.1257/pol.20180352)

### Session 12

Arindrajit Dube, T. William Lester, and Michael Reich (2010 RESTAT) [irle.berkeley.edu/files/2010/Minimum-Wage-Effects-Across-State-Borders.pdf](https://irle.berkeley.edu/files/2010/Minimum-Wage-Effects-Across-State-Borders.pdf)

Doruk Cengiz, Arindrajit Dube, Attila Lindner, Ben Zipperer (2019 QJE) [academic.oup.com/qje/article/134/3/1405/5484905](https://academic.oup.com/qje/article/134/3/1405/5484905)

Ellora Derenoncourt and Claire Montialoux (2020 QJE) [academic.oup.com/qje/article/136/1/169/5905427](https://academic.oup.com/qje/article/136/1/169/5905427)

Peter Harasztsi and Attila Lindner (2019 AER) [aeaweb.org/articles?id=10.1257/aer.20171445](https://aeaweb.org/articles?id=10.1257/aer.20171445)

Krista Ruffini (2021 working paper) [drive.google.com/file/d/1d6vYu\\_uN9keb9iiT2R5UJihA\\_61K0Fce/view](https://drive.google.com/file/d/1d6vYu_uN9keb9iiT2R5UJihA_61K0Fce/view)

### Session 15

Carlos Dobkin, Amy Finkelstein, Raymond Kluender, Matthew J. Notowidigdo (2018 AER) [aeaweb.org/articles?id=10.1257/aer.20161038](https://aeaweb.org/articles?id=10.1257/aer.20161038)

Liran Einav and Amy Finkelstein (2011 JEP) [aeaweb.org/articles?id=10.1257/jep.25.1.115](https://aeaweb.org/articles?id=10.1257/jep.25.1.115)

Amy Finkelstein et al. (2012 QJE) [academic.oup.com/qje/article/127/3/1057/1923446](https://academic.oup.com/qje/article/127/3/1057/1923446)

Amy Finkelstein, Nathaniel Hendren, and Mark Shepard (2019 AER) [aeaweb.org/articles?id=10.1257/aer.20171455](https://aeaweb.org/articles?id=10.1257/aer.20171455)

## References - Chad Syverson

### Session 4

Foster, Lucia, John Haltiwanger, and Chad Syverson. 2008. "[Reallocation, Firm Turnover, and Efficiency: Selection on Productivity or Profitability?](#)" *American Economic Review*, 98(1): 394-425.

Syverson, Chad. 2004 "[Market Structure and Productivity: A Concrete Example.](#)" *Journal of Political Economy*, 112(6): 1181-1222.

### Session 5

Chandra, Amitabh, Amy Finkelstein, Adam Sacarny, and Chad Syverson. 2016. "[Healthcare Exceptionalism? Performance and Allocation in the U.S. Healthcare Sector](#)" *American Economic Review*, 106(8): 2110-44.

Syverson, Chad. 2011. "[What Determines Productivity?](#)" *Journal of Economic Literature*, 49(2): 326-65.

### Session 6

Bloom, Nicholas, Benn Eifert, Aprajit Mahajan, David McKenzie, and John Roberts. 2013. "[Does Management Matter? Evidence from India.](#)" *Quarterly Journal of Economics*, 128(1): 1-51.

Bloom, Nicholas, Erik Brynjolfsson, Lucia Foster, Ron Jarmin, Megha Patnaik, Itay Saporta-Eksten, and John Van Reenen. 2019. "[What Drives Differences in Management Practices?](#)" *American Economic Review*, 109(5): 1648-83.

### Session 7

Hjort, Jonas. 2014. "[Ethnic Divisions and Production in Firms.](#)" *Quarterly Journal of Economics*, 129(4): 1899-1946.

Hoogendoorn, Sander, Hessel Oosterbeek, and Mirjam van Praag. 2013. "[The Impact of Gender Diversity on the Performance of Business Teams: Evidence from a Field Experiment.](#)" *Management Science*, 59(7): 1514-1528.

Song, Jae, David J. Price, Fatih Guvenen, Nicholas Bloom, and Till von Wachter. 2019. "[Firming Up Inequality.](#)" *Quarterly Journal of Economics*, 134(1): 1-50.

### Session 8

Levitt, Steven D. and Chad Syverson. 2008. "[Market Distortions when Agents are Better Informed: The Value of Information in Real Estate Transactions.](#)" *Review of Economics and Statistics*, 90(4): 599-611.

Misra, Sanjog and Harikesh S. Nair. 2011. "[A Structural Model of Sales-Force Compensation Dynamics: Estimation and Field Implementation.](#)" *Quantitative Marketing and Economics*, 9: 211-257