

Department of Economics
California State University, Sacramento
Fall 2019

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Canvas: <https://csus.instructure.com/>

Economics 145
Economic Research Methods
Monday/Wednesday 1:30-2:45pm, MRP 1011

This course will give you the opportunity to conduct independent economic research. We will explore current research topics in economics, develop the tools that economists use to explore those topics, and apply these tools to new research. You will learn the steps involved in conducting economic analysis. You will select a research question, conduct a literature review, formulate a hypothesis, apply an economic model, and collect and analyze data. You will write a report and present your findings to your classmates and professors.

Prerequisites: ECON 100A, 100B, and 140, all with a C or better, and completion of campus writing requirement are required. This course is open to graduating seniors only.

My goals for you are:

- To apply economic theory to real world situations, and to utilize economic theory to frame analysis of research questions.
- To recognize the vast array of information available to economists over the Internet and in the library, and to learn where resources and data can be found.
- To use statistical analysis to help understand real world situations.
- To gain an appreciation for the value of economic reasoning and research, but to also recognize the limitations of its application.

You are expected to come to class prepared to participate in class discussions. Attendance is mandatory. Completion of required readings prior to class meetings is crucial to your understanding of the material, and necessary for your contribution to the learning environment. Out of courtesy for your instructor and your classmates, arrive to class **on time**. Turn off cell phones during class.

All students are expected to adhere to the University Student Code of Conduct outlined in the *CSUS University Policy Manual*. If you have questions regarding plagiarism and the appropriate way to give credit to sources in any work you submit, review the *Policy Manual* or confer with the instructor.

Academic dishonesty is not tolerated, will be reported to Judicial Affairs, and will result in a failing grade. Please read the policy manual carefully at:

<http://www.csus.edu/umannual/AcademicHonestyPolicyandProcedures.htm>

You should also be aware of policy issues and potential research topics relating to California and the United States. Consider state level and national policy issues, and read news on these topics with a critical eye, recognizing the difference between reporting and opinion pieces. Expose yourself to a wide variety of news sources, to consider alternative viewpoints.

Course Assignments

Your grade for the course will be based on:

- Assignments 1 through 8 (50%--10 points each out of 160 for course)
- In class presentations (20%--8 points each out of 160 for course)
- Final Paper Assignment 9 (20%--32 points out of 160 for course)
- Final Presentation Assignment 10 (10%--16 points out of 160 for course)
- Attendance (1% off of final course grade for each class meeting missed--27 class meetings)

A final course score above 70% is required to receive a passing grade in Econ 145.

Assignment 1: Review a peer-reviewed economic journal article on a topic that interests you, and present the article to the class in a **5 minute PowerPoint presentation (Presentation 1)**.

Assignment 2: Critically read three articles related to selected topic. Summarize these articles, answering the following questions for each article. What question is being answered? What data did the researcher use? What is the theoretical model? What is the empirical model? What are the results? Highlight strengths and weaknesses of each study.

Assignment 3: *Prospectus*—Complete and present a prospectus for an empirical research project. Describe the specific data source that will help you answer your research question. Present to the class in a **5 minute PowerPoint presentation (Presentation 2)**.

Assignment 4: *Literature Review*—Summarize and synthesize at least three peer reviewed economic journal articles in addition to the three previously reviewed articles, for six total articles related to the topic. Any non-peer reviewed articles should be in addition to the economic journal articles.

Assignment 5: *Economic Framework and Empirical Model*—Describe the theoretical and empirical models for testing the hypothesis.

Assignment 6: *Data Summary*—Explore gathered data to compare descriptive statistics across entities and time, illustrating key relationships in tables, scatterplots and trend lines. Create a table of summary statistics and a chart or graph illustrating your data and interpret the tables, charts, and graphs.

Assignment 7: *Statistical Analysis*—Conduct regression analysis and interpret results. Regression output must be presented neatly in Microsoft Word tables. Present data summary and statistical analysis to the class in a **5 minute PowerPoint presentation (Presentation 3)**.

Assignment 8: *Rough Draft*—Revise past sections of the paper submitted in previous assignments, making sure to incorporate past comments, and draft an abstract, introduction, and conclusion. This will be the first complete draft of the paper. Make in-class presentation. Any previously corrected errors that appear again will be graded with scrutiny.

Assignment 9: Turn in PowerPoint slides. **Practice Presentations (Presentation 4)**.

Assignment 10: Turn in your final paper.

You must **submit assignments in a flat folder**, adding each new assignment to the previously submitted assignments. Assignments must **also be submitted electronically through Canvas**. The paper submissions will be graded, but the online submissions serve as a back-up in case your folder is ever lost.

- **Do not remove returned assignments from this folder.**
- Assignments must be submitted on time at the beginning of class.
- **Three points out of ten will be deducted** for assignments that are submitted **late**.
- **Assignments turned in after the beginning of the following class meeting will receive a score of zero.**
- Be sure to include an updated list of references at the end of each assignment. Also cite these references in your paper at the end of sentences in the following way: (Author, year).

Attendance and participation are crucial for success in this class. Your final course score will be reduced by one percentage point for each class meeting missed. Each student is given one 'free pass' over the semester, so please save this for an emergency!

I encourage you to participate in class discussion and ask questions if topics are unclear. One of the best ways to solidify your understanding of economic concepts is through trying to explain those concepts to others. You will have this opportunity through class discussions and activities.

Suggested Research Topics

1. How does public policy affect behavior?

You could consider the effect of welfare benefits on welfare caseloads, the effect of Healthy Families on rates of health insurance coverage, the effect of extending unemployment benefits on duration of unemployment, or the effect of class size reduction on student test scores in California. Almost any government policy you have an interest in could become your paper topic.

2. Could you predict the next recession?

You can estimate economic growth based on past and current economic trends. Economic theory tells us that macroeconomic variables are related in particular ways. Review your intermediate macroeconomic text to explore whether you are interested in understanding inflation, unemployment, or economic growth. Then read some journal articles to learn what type of research can be done to explain changes in these variables over time.

3. What affects the demand for a particular product (say cigarettes, alcohol, or education)?

There are numerous studies of product demand. In general, studies treat product sales as a function of product price, income, and other variables (e.g., advertising, other product prices, etc.) relevant to the product of interest. You might pick a product and estimate its demand. You could even consider the factors that lead to demand for labor.

4. What determines U.S. health outcomes?

Health economics is a growing area of interest in the discipline. Many studies treat various measures of health outcomes (e.g., life expectancy, infant mortality rates, cancer rates, STD rates, etc.) as functions of economic and demographic factors. You might pick a health outcome and measure and evaluate its determinants.

5. What determines individual's circumstances?

Data on family income, family formation, divorce, employment, weight, education, smoking, and other behaviors are often collected in large micro-data surveys. Consider exploring the determinants of an individual characteristic that interests you.

6. How do different state policies affect outcomes?

Each state has its own set of economic policies and taxes, and these result in different outcomes in each state. You could compare how tax policy affects economic growth, how regulations affect pollution or economic growth, or how social programs affect behavior of residents across states or counties.

Course Schedule

The textbook for this course is *Doing Economics: a guide to understanding and carrying out economic research* by Steven Greenlaw. Assigned readings should be completed prior to class meetings. *Analysis of Economic Data*, by Gary Koop, the text for Econ 140, will also be used for the course.

To access Canvas, go to <https://csus.instructure.com/>

Monday, August 26	Introduction to Research Methods Discussion of Economic Journal Articles What question is being answered? What data did the researcher use? What is the economic model? What are the results? Read Greenlaw, Chapters 1 and 6
Wednesday, August 28	Resources for Economists—Library Room 136 (lower level)
Monday, September 2	Labor Day Monday, no class meeting
Wednesday, September 4 Assignment 1 Due	In Class Presentations of Journal Article on topic of interest
Monday, September 9	Research Questions and Brainstorming Read Greenlaw, Chapter 2 and Appendix 2A
Wednesday, September 11 Assignment 2 Due	Data Sources Click on all links in Data Sources in Canvas, and see what data is available before class. Refer to Greenlaw, Chapter 8 and Appendix 8A
Monday, September 16	Literature Review Work on Prospectus—topic should be chosen Read Greenlaw, Chapter 3 and review Chapter 6
Wednesday, September 18	Theoretical Models Read Greenlaw, Chapter 7
Monday, September 23	Empirical Models Read Greenlaw, Chapter 10
Wednesday, September 25 Assignment 3 Due	In Class Presentation of Prospectus to the class
Monday, September 30	Writing Style Read Greenlaw, Chapters 4 & 5

Wednesday, October 2 Assignment 4 Due	Collecting and Preparing Data Read Greenlaw, Chapter 8 & 9
Monday, October 7	Data Manipulation Read Greenlaw, Chapter 9
Wednesday, October 9 Assignment 5 Due	Creating Summary Statistics and Charts Review Koop, Chapter 2
Monday, October 14	Statistical Analysis—Using Stata Read Greenlaw, Chapter 11
Wednesday, October 16	Time Series Review Reread Greenlaw, Chapter 11
Monday, October 21	Conduct your Regression Analysis—Bring your data
Wednesday, October 23 Assignment 6 Due	Statistical Analysis—Pitfalls of OLS Read Koop, Chapter 6, Reread Greenlaw, Chapter 11, pages 217-224
Monday, October 28	Specification Tests
Wednesday, October 30	Interpreting Statistical Results
Monday, November 4	How to Present Statistical Results
Wednesday, November 6 Assignment 7 Due	In Class Presentations of Statistical Results
Monday, November 11	Veteran's Day Holiday, no class meeting
Wednesday, November 13	Write the Rough Draft, Outline final presentation
Monday, November 18 Assignment 8 Due	Prepare your PowerPoint Slides Read Greenlaw, Chapter 12, pages 250-262
Wednesday, November 20 Assignment 9 Due	In Class Practice Presentations Draft Power Point slides due
Monday, November 25	In Class Practice Presentations
Wednesday, November 27	No class meeting--day before Thanksgiving
Monday, December 2	Presentations
Wednesday, December 4 Assignment 10 Due	Presentations