

**Part 1: Economics of Education**

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In 2023, we will implement the first part of the Labor Economics II course in a reading group format. The aim is to encourage you to carefully read cutting-edge papers and use them to engage in critical thinking and interesting in-class discussions. The logistics are the following:

- *Presentations*: Each class has three papers. At the beginning of each class, the assigned papers are summarized by student presentations. Presentations take roughly 15 minutes per paper. We discuss the expectations and structure of the presentations in the first class.
- *In-class discussion*: All students are expected to familiarize themselves with the assigned papers before class and actively participate in discussions about the presented papers. We will always discuss at least the following topics:
  - What is the treatment (including the definition of the counterfactual)?
  - What are the identifying assumptions (if relevant)? Are they plausible?
  - For whom is the treatment effect identified?
  - How do the three papers complement and/or contradict each other?
- *Allocation of presentations*: After the first lecture on April 25th (Tuesday), we will ask you to record your preferences and assign each of you a paper to present. Depending on the number of participating students and your preferences, you will prepare and present the presentation alone or in groups of 2–3 students. We assign the paper for presentations based on a survey conducted after the first class and allow for secondary markets, i.e., you may swap a paper with your fellow students if you find it mutually beneficial. If you swap, please inform us of the new allocation.

The first part of the course counts for 50% of the final grade and is determined as follows:

- Presentation (30%)
- In-class discussion (20%)

Evaluation criteria

- Organization and exposition
- Consistency of reasoning
- Conceptual clarity

**If you miss a class**, you can compensate for the lost point by handing in a max 1,500 words written assignment discussing the questions listed above under “In-class discussion” for the missed class. If you miss all classes and thus can’t give a presentation, please contact the us immediately.

### **May 2nd: Pecuniary returns to education**

Bhuller, M., Mogstad, M., & Salvanes, K. G. (2017). Life-cycle earnings, education premiums, and internal rates of return. *Journal of Labor Economics*, 35(4), 993-1030.

Zimmerman, S. D. (2014). The returns to college admission for academically marginal students. *Journal of Labor Economics*, 32(4), 711-754.

Silliman, M. & Virtanen, H. (2022). Labor Market Returns to Vocational Secondary Education. *American Economic Journal: Applied Economics* 14(1): 197–224.

### **May 3rd: Non-pecuniary returns to education**

Oreopoulos, P., & Salvanes, K. G. (2011). Priceless: The nonpecuniary benefits of schooling. *Journal of Economic Perspectives*, 25(1), 159-184.

Currie, J., & Moretti, E. (2003). Mother's education and the intergenerational transmission of human capital: Evidence from college openings. *Quarterly Journal of Economics*, 118(4), 1495-1532.

Huttunen, K., Pekkarinen, T., Uusitalo, R., & Virtanen, H. (2023). Lost boys: Access to secondary education and crime. *Journal of Public Economics*, 218, 104768.

### **May 9th: Signaling vs. human capital**

Tyler, J. H., Murmane, R. J. and Willet, J.B. (2000). Estimating the Labor Market Signaling Value of the GED. *Quarterly Journal of Economics*, 115(2), 431-468.

Arteaga, C. (2018). The effect of human capital on earnings: Evidence from a reform at Colombia's top university. *Journal of Public Economics*, 157, 212-225.

Zimmerman, S. D. (2019). Elite colleges and upward mobility to top jobs and top incomes. *American Economic Review*, 109(1), 1-47.

### **May 10th: Preschool and daycare**

Gray-Lobe, G., Pathak, P. A., & Walters, C. R. (2023). The long-term effects of universal preschool in Boston. *Quarterly Journal of Economics*, 138(1), 363-411.

Fort, M., Ichino, A., & Zanella, G. (2020). Cognitive and noncognitive costs of day care at age 0-2 for children in advantaged families. *Journal of Political Economy*, 128(1), 158-205.

Deming, D. (2009). Early childhood intervention and life-cycle skill development: Evidence from Head Start. *American Economic Journal: Applied Economics*, 1(3), 111-134.