

Professor Kevin Mumford
mumford@purdue.edu

CRN: 14225 (1 credit)
WED 6:00 – 7:30 pm
KRAN 301

Econ Scholars Program

This program grew out of a desire for students to be able to delve deeper into an economic topic and experience how economic ideas from the 18th and 19th centuries are relevant today. Students from any major across campus who have taken a principles of economics course are invited to apply. Selected students are designated as Econ Scholars, participate in this discussion course, and are given the books and other reading assignments at no cost. Participating students also receive a \$1,000 scholarship applied in the next semester.

Course Description

This course explores the concept of human capital investment in higher education. For each course meeting you will be assigned readings. You must complete the assigned readings before the scheduled discussion and come prepared to discuss them. Class will consist of a discussion of the ideas in the readings, not a lecture, with grades based on your participation in addition to one writing assignment at the end of the semester. The instructor will suggest questions to get the discussion started and will maintain the queue that determines speaking order.

Learning Outcomes

By the end of the course, you are expected to be able to:

- Read essays on higher education investment and be able to explain and evaluate their arguments.
- Discuss and write about how the concept human capital investment theory applies to higher education policy today.

Prerequisites

Students are expected to have completed a principles of economics course.

Course Topics

Feb 15 – Investment and Education

Smith, Adam (1776) “The Wealth of Nations,”

- Book I, Chapter II: Of the Principle which gives occasion to the Division of Labour (pages 25-30).
- Book II, Chapter I: Of the Division of Stock (pages 280-285).
- Book V, Chapter I, Part 3, Article II: Of the Expense of the Institutions for the Education of Youth (handout).

Feb 22 – Human Capital Investment

Becker, Gary (1962) “Investment in Human Capital: A Theoretical Analysis” *Journal of Political Economy*, Vol 70, No. 5, part 2, pages 9-49 (handout).

Mar 1 – The Role of Government in Education

Bastiat, Frédéric “The Law, The State, and Other Political Writings 1843-1850,” Ch 5. Justice and Fraternity (1848), (pages 60-81).

Friedman, Milton (1955) “The Role of Government in Education” in *Economics and the Public Interest*, ed. Robert A. Solo, Rutgers University Press (handout).

Mar 8 – Student Loans

Lochner, Lance and Alexander Monge-Naranjo (2016) “Student Loans and Repayment: Theory Evidence and Policy” in *Handbook of the Economics of Education*, Vol. 5, pages 397-478 (handout).

Dynarski, Susan (2021) “An Economist’s Perspective on Student Loans in the United States” in *Human Capital Policy*, ed. David Neumark, pages 84-102 (handout).

Mar 29 – Income Share Agreements

Income Share Agreement Book Chapters (to be provided)

Apr 5 – Student Selection into an Income Share Agreement

Mumford, Kevin (2023) “Student Selection into an Income Share Agreement” working paper (to be provided)

Apr 12 – Focus Group on Paying for College

Karis Pressler

Apr 19 – Income Share Agreements

Income Share Agreement Book Chapters (to be provided)

Short Essay Assignment (due April 23)

Each student is required to write a 700 to 1,000 word essay on the topic of Investment in Higher Education that would be suitable for publication as an op-ed. Students will need to decide which specific higher education investment topic(s) to address. In your writing, get right to the point and explain why your thesis matters. Provide evidence that supports your argument. The purpose of an op-ed is to provide information along with your opinion, it is not a comparison of competing views on the topic. Harry Truman once said that he wished he could hire a one-handed economist because “all my economists say ‘on the one hand [and then] on the other.’” You should write your op-ed with only one-hand. Explain the other side’s argument (the real argument, not a straw man) and show why it is wrong. Avoid writing in a passive voice. Check each sentence to make sure that it is correct both grammatically and factually. This essay should be submitted to the instructor by April 23.

Student Evaluation

Student evaluation will be Pass/Fail and will be based on participation in the 8 discussions and on the short essay assignment.

\$1,000 Scholarship

Participation at each of the 8 discussions and submitting the short essay assignment are required in order to be awarded your scholarship. Not being prepared for the discussions, not participating in the discussions, and/or not submitting the short essay assignment will lead to your scholarship amount being reduced.

Student Code of Honor

The purpose of the Purdue University academic community is to discover and disseminate truth. In order to achieve these goals, the university commits itself towards maintaining a culture of academic integrity and honesty. For this to be possible, self-discipline and a strong desire to benefit others must be present within each individual. Therefore, we students must follow the Regulations Governing Student Conduct of Purdue University out of a sense of mutual respect, rather than out of fear of the consequences of their violation.

Academic Integrity

Academic integrity is one of the highest values that Purdue University holds. Cheating, plagiarism, or knowingly furnishing false information to the University are examples of academic dishonesty. If I find that a student cheated on an assignment, that student will receive no credit for the assignment and will be reported to university administrators. Students are encouraged to alert university officials to potential academic dishonesty by either emailing integrity@purdue.edu or by calling 765-494-8778. While information may be submitted anonymously, the more information that is submitted provides the greatest opportunity for the university to investigate the concern.

Diversity & Inclusion Statement

Purdue University is committed to maintaining a community which recognizes and values the inherent worth and dignity of every person; fosters tolerance, sensitivity, understanding, and mutual respect among its members; and encourages each individual to strive to reach his or her own potential. In pursuit of its goal of academic excellence, the University seeks to develop and nurture diversity. The University believes that diversity among its many members strengthens the institution, stimulates creativity, promotes the exchange of ideas, and enriches campus life. Purdue University prohibits discrimination against any member of the University community on the basis of race, religion, color, sex, age, national origin or ancestry, genetic information, marital status, parental status, sexual orientation, gender identity and expression, disability, or status as a veteran. Any student who believes they have been discriminated against may visit www.purdue.edu/report-hate to submit a complaint to the Office of Institutional Equity. Information may be reported anonymously.

Accessibility and Accommodations

Purdue University strives to make learning experiences as accessible as possible. If you anticipate or experience physical or academic barriers based on disability, you are welcome to let me know so that we can discuss options. You are also encouraged to contact the Disability Resource Center at: drc@purdue.edu or by phone: 765-494-1247.

In Case of Emergency

In the event of a major emergency or other disruption, course requirements, deadlines and grading percentages are subject to changes that may be necessitated by a revised semester calendar or other circumstances. Relevant changes to this course will be posted onto the course website or can be obtained by contacting the instructors or teaching assistants via email. You are expected to read your @purdue.edu email on a frequent basis.