Introduction for Faculty Colleagues

This assignment was developed for my ECO 311- Intermediate Microeconomics course. This class is the fundamental microeconomic theory course. It is required for all students majoring in Economics. Most of the assignments in the class are problem sets that allow students to practice the technical theory and mathematical concepts they are learning in class. The focus on theory and math is crucial to prepare them for their upper level electives in the major, but can sometimes mask the applicability of the course material. With this in mind, I hope to bring more “real-world” relevance of the microeconomic theory to students, most of whom will leave Elon for jobs in consulting, industry or the government.

With this in mind, I have created this assignment in which students are asked to identify a public policy issue that they are interested in researching. They will work in pairs and assume the role of staff economists working for a government agency. This setup provides students with a concrete example of how they might apply the theory they are learning in a specific job out of college. The final project deliverable is a 6-10 page paper that articulates the significance of the policy issue, uses economic theory to explain the problem and carefully discusses and evaluates the empirical evidence on both sides of the debate. Students are also asked to explain economic theory using graphs common in the discipline and to use EconLit, a common research database used in the discipline. In addition to helping students see the relevance of the course material, these specific tasks required of them should help prepare students for future writing assignments in their upper level courses in our major and with their capstone senior thesis project.

Specifically, through this project students should learn to

- Develop a well-posed policy question that can be addressed with economic theory and evidence;
- Apply microeconomic models and tools to a real-world example in a correct and proficient manner;
- Analyze empirical evidence from a specific field of applied microeconomics; and
- Construct a well-supported argument based upon their analysis.
The Assignment I Distribute to Students

ECO 311 – Intermediate Microeconomics

Semester Long Project:
Using Economic Theory and Evidence to Address a Public Policy Issue

Purpose
Throughout this course, we focus on using economic models to explain consumer and firm behavior. We also discuss the importance of empirically testing these theories and using this evidence to inform public policy making. The purpose of this project is to extend your knowledge of economic models and apply it to a specific policy problem that is of interest to you.

Task
Your task is to pose a significant policy question that is related to an area of applied microeconomics, use economic theory to create a model that can be applied to your question, and research and evaluate the relevant literature on the topic.

Overview of Final Product
In this assignment, assume you just started your first post-college job as a new staff economist for a relevant government organization (e.g. the Department of Labor, Department of Health and Human Services, Department of Education, etc.). Policymakers, who are college-educated but are not familiar with the economic theory or literature on the topic, have asked your agency to produce a 6-10 page paper that articulates the significance of the policy issue, uses economic theory to explain the problem and carefully discusses and evaluates the empirical evidence on both sides of the debate. They plan to use the paper to help them make an informed decision regarding the policy problem. Your boss has delegated this task to you and a fellow new staffer. While your boss (who is an economist) will review your work before it is sent out, the target audience is the group of policymakers who will ultimately make the decision.

Objectives
Through this project, you should learn to
- develop a well-posed policy question that can be addressed with economic theory and evidence;
- apply microeconomic models and tools to a real-world example in a correct and proficient manner;
• analyze empirical evidence from a specific field of applied microeconomics;
  and
• construct a well-supported argument based upon your analysis.

Process
This assignment includes a series of shorter assignments designed to help you and your fellow staffer produce a polished final paper. Each step will include a deliverable that will be turned in for points and feedback will be provided. In class activities will also be used to transition from one step to the next. Specific project deliverables are summarized Table 1. Details on each project step along with grading criteria follow.

Table 1. Summary of Writing Project Deliverables and In-Class Activities

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Points</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliverable 1: Selection of general topic area</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Deliverable 2: Statement of policy question</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Deliverable 3: Paper prospectus</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Deliverable 4: Economic model with graphs/illustrations and explanation</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Deliverable 5: Annotated bibliography</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Deliverable 6: Rough draft of final paper</td>
<td>20</td>
<td></td>
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<tr>
<td>Deliverable 7: Final draft of final paper</td>
<td>140</td>
<td></td>
</tr>
<tr>
<td><strong>Total Project</strong></td>
<td><strong>200</strong></td>
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</tr>
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</table>

Detail on Project Deliverables
Deliverable 1. Field of Applied Microeconomics
Find a partner to be the fellow staffer assigned to your project. Choose an applied microeconomics’ topic from one of the following fields of microeconomics listed below that is of mutual interest to you and identify a relevant government agency.

• Labor Economics
• Economics of Education
• Immigration Economics
• Health Economics
• Urban Economic
• Public Economics
• Industrial Organization
• Environmental & Agriculture Economics
• Economic Development
• Economics of Poverty
Some example topics you could consider: Immigration policy, visa quotas, drug policy, gun control, unemployment insurance, labor unions, teacher pay, teacher tenure, information technology and urban structure, trade policy, tax policies, mandatory health insurance, welfare reform, social security, environmental regulations. Note: this list is by no means exhaustive. It is intended to get your wheels going and get you thinking about the wide array of possible paper topics that are relevant to this course and what you are learning!

Grader: Prof Rouse
Grading criteria: turned in = 5; did not turn in = 0

Deliverable 2. Policy Problem/Question
Pose a specific question/problem that you plan to address in your paper that fits within your chosen category. The policy question should be written such that it will elicit a debatable thesis statement supported by critical thinking and evidence you’ve collected through academic literature. It can be written as a question (e.g. should the state of North Carolina raise the minimum wage to $10.10?) or as a statement that the policymakers could choose to support or refute (e.g. North Carolina should (or should not) raise the minimum wage to $10.10).

Grader: Prof Rouse
Grading criteria: turned in = 5; did not turn in = 0

Deliverable 3. Paper Prospectus
Write a 1-2 page paper prospectus that states the central question and describes why the question is an important policy question to address. The prospectus should include evidence that engages the reader and convinces them that the topic is significant. The prospectus will later develop into the paper’s introduction.

Grader: Peer & Prof Rouse
Grading criteria: “Grabs my attention, significance of topic is well-supported and problem is clearly articulated, makes me excited to read full paper to learn more about this policy problem!”

Strongly agree = 10  Agree = 9  Neutral = 8  Disagree = 7

Deliverable 4. Economic Model
What does economic theory suggest about the answer to your question? Adapt or develop a microeconomic theoretical framework that addresses your policy question. Write up your theory in 1-3 pages. Use appropriate graphs and/or mathematical notation to clearly explain your theory.

Grader: Peer & Prof Rouse
Grading Criteria:
“Model write up includes 1-3 pages, economic reasoning is clearly explained; a reasonable model is used to address the issue; appropriate graphs and/or illustrations are used effectively to help explain the model and reasoning”
Deliverable 5. Annotated Bibliography

Research the academic literature and create annotated bibliography, with at least 6 academic sources found using EconLit. References should be cited using the Chicago Manual of Style author-date style*. Each entry should answer the following questions

- What is the main question and thesis of the article?
- Is the empirical evidence consistent with what theory would predict? If not, what are the potential explanations offered up by the author?
- What does the evidence suggest regarding the answer to your question?
- Are there any gaps or limitations in the paper that you see or that the author has identified? What are the implications of these gaps for this policy argument?
- How should this paper be grouped in the context of the other papers you have found?

*Reminder of Chicago author-date style:

Grader: Prof Rouse
Grading Criteria:
“Bibliography reflects substantial thought and effort, includes 6 sources, and addresses all questions listed above”

Strongly agree = 10  Agree = 9  Neutral = 8  Disagree = 7  Strong disagree = 5

Note: Fewer than 6 sources will be assigned a grade of 5/10.

Deliverable 6. Rough draft of Final Paper

By now you have several pieces of the puzzle. Your prospectus should help you with your introduction; the economic model will form the basis for the theory discussion and the annotated bibliography will form the basis for the empirical evidence/discussion section of the paper. Now it’s time to pull these pieces together into a first draft and add a final conclusions section that synthesizes the information you’ve discussed in the main body of text. Your rough draft should include your list of references. Rough drafts that are incomplete or do not meet basic criteria (e.g. 6-10 pages, 6 sources), will be considered to have not met the threshold for peer review and will be assigned a grade of zero.
Grader: Peer & Prof Rouse
Grading Criteria: Rough draft reflects substantial effort and critical thinking.
Deliverable 7: FINAL draft of paper.
Your final paper draft should reflect serious reflection on the comments you received in the peer editing session. Your final paper will be assessed using the attached rubric. The paper should be 6-10 pages (including graphs) with 12-point font and 1 inch margins. It should use the Chicago Manual of Style author-date style for in text citations and the reference list. Attach your marked up rough draft. 
Grader: Prof Rouse
ECO 311: Final Paper Grading Rubric

Name __________________________________________

Total points: _______/140

1. Formatting: 12 pt. font, 1 inch margin, 6-10 double-spaced pages (including graphs but excluding references). These 10 points are all or nothing.

_______/10

2. Introduction______/20

<table>
<thead>
<tr>
<th>Poor (0-13)</th>
<th>Competent (14-17)</th>
<th>Excellent (18-20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little or no data or evidence to support importance of topic.</td>
<td>Some data/evidence to support the importance of the topic.</td>
<td>Numerous references are made to support the importance of the topic.</td>
</tr>
<tr>
<td>Importance/relevance of research topic is not clear.</td>
<td>The relevance/importance of the topic is stated but argument is not convincing.</td>
<td>The relevance and importance of the topic is made clear and the argument is convincing to the reader.</td>
</tr>
</tbody>
</table>

3. Economic Model _____/20

<table>
<thead>
<tr>
<th>Poor (0-13)</th>
<th>Competent (14-17)</th>
<th>Excellent (18-20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>States but does not clearly explain how the theory is used to analyze the issue at hand; the espoused theory is not central to the argument.</td>
<td>Given the context of the argument, someone else’s theory is correctly applied. Economic reasoning is clearly and logically explained. Where possible, some use of mathematical symbolism or graphs to explain theory.</td>
<td>Consistently uses economic concepts and terms when explaining reasoning. Extensive and effective use of symbolism and graphs to illuminate theory where appropriate. Creates a useful extension to someone else’s theory,</td>
</tr>
</tbody>
</table>
and correctly applies it, given the context of the argument or combines multiple (existing) theories in an original and enlightening way. Considers and addresses specific assumptions of the argument.

4. Identification and Organization of References _____/20

<table>
<thead>
<tr>
<th>Poor (0-13)</th>
<th>Competent (14-17)</th>
<th>Excellent (18-20)</th>
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</thead>
<tbody>
<tr>
<td>Insufficient number or inappropriate sources are used.</td>
<td>Sufficient number of references, but papers are not the most relevant and/or come mostly from non-academic sources.</td>
<td>Numerous references are made to articles in professional journals and/or other original sources.</td>
</tr>
<tr>
<td>There is no clear organization of the references cited in paper.</td>
<td>Attempted organization is evident, but could be improved upon (is not logical, does not clearly illustrate how papers fit together, etc).</td>
<td>References are presented in a clear organization that clearly illustrates the evolution and/or breadth of the literature.</td>
</tr>
</tbody>
</table>

5. Evaluation of References ____/20

<table>
<thead>
<tr>
<th>Poor (0-13)</th>
<th>Competent (14-17)</th>
<th>Excellent (18-20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>References are not clearly explained; summary appears to be simple paraphrasing of paper abstracts.</td>
<td>References are explained, but it is not clear how each paper contributes to the larger research question at hand.</td>
<td>References are clearly explained. It is clear how each reference contributes to the literature and how all the papers fit together.</td>
</tr>
</tbody>
</table>
### 6. Conclusions _____/20

<table>
<thead>
<tr>
<th>Poor (0-6)</th>
<th>Competent (7-8)</th>
<th>Excellent (9-10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A vague and/or ambiguous summary of the argument’s conclusions.</td>
<td>A well-stated summary of the argument’s expected conclusions.</td>
<td>A well-stated summary of the argument’s expected conclusion, strongly connected with the theory.</td>
</tr>
<tr>
<td>This expected conclusion has a weak connection to the argument’s theory.</td>
<td>This conclusion is explicitly and strongly connected to the argument’s theory.</td>
<td>Provocative reflection upon the implications of the conclusion with interesting insight with respect to policy.</td>
</tr>
<tr>
<td></td>
<td>Some reflection on the implications of the research</td>
<td></td>
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</table>

### 7. Polish of Paper _____/15

<table>
<thead>
<tr>
<th>Poor (0-9)</th>
<th>Competent (10-12)</th>
<th>Excellent (13-15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorly organized; the argument is difficult to follow.</td>
<td>Clear organization; the argument is easy to follow.</td>
<td>Well-organized and easy to follow.</td>
</tr>
<tr>
<td>Fails to maintain focus throughout the argument.</td>
<td>Good job maintaining focus throughout.</td>
<td>“The whole is greater than the sum of its parts.”</td>
</tr>
<tr>
<td>Unacceptable grammar, spelling and punctuation.</td>
<td>Acceptable grammar, spelling and punctuation.</td>
<td></td>
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### 8. Improvements from rough draft _____/15

<table>
<thead>
<tr>
<th>Poor (0-9)</th>
<th>Competent (10-12)</th>
<th>Excellent (13-15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper was not revised from rough draft or was only edited for typos, grammar, etc.</td>
<td>Feedback was incorporated but changes are marginal and do not reflect a deep reflection on the rough draft.</td>
<td>Feedback was incorporated into paper. Final paper reflects deep reflection on rough draft and clearly represents a substantial improvement over rough draft.</td>
</tr>
</tbody>
</table>