ECONOMICS 101 (5)        FALL 2014

Economic Policy Analysis

The Demographics and Economics of Aging in the U.S.

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Time and Location: Mondays/Wednesdays 1:15 – 3:05, School of Education 313

Office Hours: Mondays/Wednesdays 3:05 – 4:05 or by appointment

Teaching Assistant: Barbara Biasi

Section Time and Location: TBD

TA Office Hours: Tuesdays 11:30-1:30 or by appointment, Room TBD

Objective of the Course: To develop oral and written skills in order to analyze and convey economic ideas effectively.

Description of the Course: This class has two equally important goals: (1) to understand the role of changing demographics in the United States and its implications for policy regarding public and private institutions, and (2) to learn how to communicate economic ideas clearly and effectively in both oral and written form.

We will accomplish the first goal by investigating research and policy writings on two main topics: health care and retirement policy in the United States. You will learn about the implications of population aging for economic institutions, current research on related topics, and proposals and ideas to reform these institutions for future generations.

Along the way, we will be developing critical thinking skills to assist in the second goal of this course, improving written and oral communication in economics. As this course fulfills the Writing in the Major requirement for the economics department, there will be a series of assignments that build towards writing a final paper for the course. This paper will be on topics
related to the material presented in this course but must bring an improvement over the scope and the depth of class discussion.

**Textbooks:** There are no required textbooks for this course; however we will draw on material from:
- *The Craft of Research* by Wayne C. Booth, Gregory G. Colomb and Joseph M. Williams
- *Economical Writing* by Deirdre N. McCloskey
- *A Guide for the Young Economist* by William Thomson
- *The Elements of Style* by William Strunk Jr. and E. B. White

**Attendance:** Required.

**Late assignments:** Not accepted.

**Economics Department Common Course Policies:** All courses taught in the Stanford Department of Economics are governed by a common set of course management rules. A document explaining these rules is available at http://economics.stanford.edu/undergraduate/economics-common-syllabus. Please familiarize yourself with these rules and contact me if you have any questions.

**Grading:**

- Class participation 50**
- Problem set 50**
- Research topic worksheet 25*
- Preliminary results + outline 25*
- Full paper draft 25*
- Course reading presentation 50**
- Final paper presentation 75**
- Final paper + response to comments 200**

Total: 500 points

* Full points will be awarded if assignment is completed and turned in by due date.
** Points will be awarded based on grading criteria provided in class if assignment is completed by due date.

No late assignments will be accepted. There will be no exceptions.

A brief description of these assignments is below; more details regarding the assignments will be provided in class. Written assignments should be completed in a suitable font (e.g. Times New Roman, 12 point size) and double spaced so there is room for comments.

**Class participation:** You should be prepared to present the arguments made in the readings and point to potential fallacies in those arguments and will be tasked with leading the discussion of
class readings throughout the quarter. Part of the class participation grade will also come from your engagement with in-class exercises and the presentations of other students.

**Problem set:** You will be given step-by-step instructions to partially replicate an academic paper using a publicly-available data source and statistical software. To get full credit for the assignment, you will be asked to submit your code, the output of the code, and responses to a set of questions about the exercise.

**Course reading presentation:** You will be required to prepare a presentation of one course reading of your choice which you will present to the class on a specified day. Your presentation should be approximately 15 minutes and will start the class discussion of the course reading.

**Research topic worksheet, preliminary results + outline, and draft of final paper:** These assignments will help you make progress towards your final paper. The first two will be discussed during required meetings with the professor and teaching assistant. We will provide you with detailed comments on the draft of your final paper.

**Final paper presentation:** Each student will do a 10-12 minute oral presentation of their paper to the class. It is recommended that you use PowerPoint slides that boil your paper down to the main points of your analysis in a clear and concise manner.

**Final paper + response to comments:** Your final paper should be 10-12 pages in length (not including tables, figures and references) and make a substantive economic argument backed up by evidence. Revisions of the paper between the first and final draft of your paper are required and you must also provide written responses to each of the detailed comments provided on your first draft. The grading of the final paper will be based on how well and how completely you respond to the comments you are given on your first draft.
Course Schedule and Due Dates:

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
<th>Assignment Due</th>
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<tbody>
<tr>
<td>1</td>
<td>9/22</td>
<td>Introduction: Demographics and Aging</td>
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<td>9/24</td>
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<td>2</td>
<td>9/29</td>
<td>Topic 1: Health Care and the Elderly in the United States</td>
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<td>3</td>
<td>10/6</td>
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<td>Problem Set</td>
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<td>4</td>
<td>10/13</td>
<td><strong>No Class; Meet with Professor/TA about Research Question</strong></td>
<td>Research Topic Worksheet</td>
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<td>5</td>
<td>10/20</td>
<td>Topic 2: Health Insurance and the Labor Market</td>
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<td>6</td>
<td>10/27</td>
<td><strong>No Class; Meet with Professor/TA about Preliminary Results</strong></td>
<td>Preliminary Results + Outline</td>
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<td>7</td>
<td>11/3</td>
<td>Topic 3: Social Security, Pensions and Saving for Retirement</td>
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<td>9</td>
<td>11/17</td>
<td>Topic 4: Disability Insurance and Long-Term Care</td>
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<td>10</td>
<td>11/24</td>
<td><strong>No Class (Thanksgiving)</strong></td>
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<td>11</td>
<td>12/1</td>
<td>Final Paper Presentations</td>
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<td>12/5</td>
<td>Final Paper + Response to Comments (due at 5pm)</td>
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Reading List (subject to change)

**Bold** indicates paper available for student presentation.

**Introduction: Demographics and Aging**

Lecture 1 (September 22): *Why care about aging?*


Lecture 2 (September 24): *Demographic trends*


**Topic 1: Health Care and the Elderly in the United States**

Lecture 3 (September 29): *Health care spending and geographic variation*

• Amy Finkelstein, Matthew Gentzkow and Heidi Williams (2014), “Sources of Geographic Variation in Health Care: Evidence from Patient Migration,” mimeo.

**Lecture 4 (October 1): Health insurance and utilization**


**Lecture 5 (October 6): Effects of health care spending on health**

• David Cutler and Mark McClellan (2001), “Is Technological Change in Medicine Worth It?” *Health Affairs*, 20(5), pp. 11-29.

**Lecture 6 (October 8): Health care reform**


**Topic 2: Health Insurance and the Labor Market**

Lecture 7 (October 20): *Health insurance and job mobility*


Lecture 8 (October 22): *Health insurance and retirement*


**Topic 3: Social Security, Pensions and Saving for Retirement**

Lecture 9 (November 3): *Social Security, pensions and labor supply*


Lecture 10 (November 5): *Social Security reform*


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Lecture 11 (November 10): 401(k)s and saving for retirement


**Topic 4: Disability Insurance and Long-Term Care**

Lecture 12 (November 12): Social Security Disability Insurance expenditures and take-up


Lecture 13 (November 17): Effects of disability insurance on labor supply


Lecture 14 (November 19): Economics of long-term care


