

# Topics in Applied Economics I: Effects of Early Interventions on Human Capital Development

2018-2019 Academic Year

Master of Research in Economics, Finance and Management

Topics in Applied Economics I

Code: 32086

Total credits: 3 ECTS

Workload: 75 hours

Term: 2nd

Type of subject: Optional

Department of Economics and Business

Instructor: [Libertad González](#)

## 1. Description of the subject

This course will focus on the recent literature on the effects of early shocks and interventions on health and human capital formation (the “early origins” literature). We will cover impacts on infant health, child health and development, and adult outcomes, including health, education, and labor market outcomes.

This is a graduate course appropriate for graduate students in Economics and other students with previous preparation in microeconomic theory and econometrics. Both masters and PhD students are welcome. We recommend you take this course if you are interested in health economics, public economics, labor economics, development economics, education economics, and/or applied micro in general.

## 2. Teaching guide

### Grading policy

Students will prepare a final exam (50%), a research proposal (25%), and a referee report (25%).

The *referee report* should be a serious but brief (2 to 4 pages) critical evaluation of a published paper or a recent NBER working paper in one of the topics relevant to the course. The referee report is due by week 3.

A brief summary (no more than one page) of the *research proposal* should be turned in by the end of week 3. Students are expected to meet with or email Prof. González to discuss proposal topics before that date. Projects can be single-authored or include up to three students. There will be in-class presentations of the projects, and the term paper (1 to 5 pages, all included) is due at the end of the quarter.

The *final exam* will take place during the exam period.

## **Presentations**

The project presentations will mirror a conference session. Each presenter or group will have about 15 minutes to present their proposal, which will be followed by a discussion by a different student (5 min.) and a few minutes for general questions and discussion. You will be evaluated on both your presentation and your discussion.

## **Topics and reading list**

The last week of classes will be devoted to project presentations.

### **1. Introduction (Lecture 1)**

\*Almond, D. and Currie, J. (2011a) Killing Me Softly: The Fetal Origins Hypothesis. *Journal of Economic Perspectives*, 25(3): 153-172.

Almond, D. and Currie, J. (2011b) Human Capital before Age Five. In the *Handbook of Labor Economics*, edited by Ashenfelter, O. and Card, D. Vol. 4 (Chapter 15): 1315-1486.

\*Almond, D., Currie, J., and Duque, V. (2017) Childhood Circumstances and Adult Outcomes: Act II. Forthcoming, *Journal of Economic Literature*.

Cunha, F. and Heckman, J.J. (2008) Formulating, Identifying and Estimating the Technology of Cognitive and Noncognitive Skill Formation. *Journal of Human Resources*, 43(4): 738-782.

Cunha, F., Heckman, J.J., and Schennach, S.M. (2010) Estimating the Technology of Cognitive and Noncognitive Skill Formation. *Econometrica*, 78(3): 883-931.

Currie J. (2009) Healthy, Wealthy, and Wise: Socioeconomic Status, Poor Health in Childhood, and Human Capital Development. *Journal of Economic Literature*, 47(1): 87-122.

### **2. Cash and near-cash transfers (Lectures 2-3)**

Akee, R., W. Copeland, E. J. Costello and E. Simeonova (2018) How Does Household Income Affect Child Personality Traits and Behaviors? *American Economic Review*

Almond, D., Hoynes, H., and Schanzenbach, D. (2011) Inside the War on Poverty: The Impact of Food Stamps on Birth Outcomes. *Review of Economics and Statistics*, XCIII (2): 387-402.

Baker, Gruber & Milligan (2008) Universal Child Care, Maternal Labor Supply, and Family Well-Being. *Journal of Political Economy* 116(4): 709-745.

\*Dahl, G. and Lochner, L. (2012) The Impact of Family Income on Child Achievement: Evidence from the Earned Income Tax Credit. *American Economic Review*, 102(5): 1927-1956.

Hoynes, H, Miller, D., and Simon, D. (2015) Income, the Earned Income Tax Credit, and Infant Health. *American Economic Journal: Economic Policy*, 7(1): 172–211.

\*Hoynes, H., Schanzenbach, D., and Almond, D. (2016) Long Run Impacts of Childhood Access to the Safety Net. *American Economic Review*, 106(4): 903-934

Milligan, K. and Stabile, M. (2011) Do Child Tax Benefits Affect the Well-Being of Children? Evidence from Canadian Child Benefit Expansions. *American Economic Journal: Economic Policy*, 3(3): 175-205.

### 3. Parental leave policies (Lecture 4-5)

Baker, M. and Milligan, K. (2015) Maternity Leave and Children’s Cognitive and Behavioral Development. *Journal of Population Economics*, 28(2): 373-391.

Bartel A., Rossin-Slater M., Ruhm C., Stearns J., and Waldfogel J. (2015) Paid Family Leave, Fathers' Leave-Taking, and Leave-Sharing in Dual-Earner Households. *NBER Working paper* 21747

Black, S., Devereux, P., Løken, K.V., and Salvanes, K. (2014) Care or Cash? The Effect of Child Care Subsidies on Student Performance. *Review of Economics and Statistics*, 96(5): 824-837.

\*Carneiro, P., Løken, K.V., and Salvanes, K. (2015) A Flying Start? Long Term Consequences of Time Investments in Children during their First Year of Life. *Journal of Political Economy*, 123: 365-412.

Dahl, G., Løken, K.V., Mogstad, M., and Salvanes, K. (2016) What is the Case for Paid Maternity Leave? *Review of Economics and Statistics*, 98(4): 655-670.

Danzer, N., and Lavy, V. (2017) Paid Parental Leave and Children’s Schooling Outcomes. Forthcoming at *The Economic Journal*.

Ekberg J., Eriksson R., and Friebel G. (2013) Parental Leave- A policy evaluation of the Swedish “Daddy-Month” reform, *Journal of Public Economics*, 97: 131-143.

Huebener, M., Daniel Kuehnle, and Katharina Spiess (2017) “Paid parental leave and child development: Evidence from the 2007 German parental benefit reform and administrative data.”

Olivetti C., and Petrongolo B. (2017) The Economic Consequences of Family Policies: Lessons from a Century of Legislation in High-Income Countries, *Journal of Economic Perspectives* 31(1): 205-230.

Patnaik A. (2016) Reserving Time for Daddy: The Short and Long-Run Consequences of Fathers’ Quotas. Unpublished paper.

\*Rossin-Slater, Maya. 2017. Maternity and Family Leave Policy. NBER Working Paper No. 23069.

#### 4. Medical interventions surrounding birth (Lecture 6)

\*Borra, C., L. González, and A. Sevilla (2017) “The Impact of Scheduling Birth Early on Infant Health” *Journal of the European Economic Association*, forthcoming.

Boyle, E. M., Poulsen, G., Field, D. J., Kurinczuk, J. J., Wolke, D., Alfirevic, Z., & Quigley, M. A. (2012). Effects of gestational age at birth on health outcomes at 3 and 5 years of age: population based cohort study. *BMJ*, 344, e896.

\*Buckles, K., & Guldi, M. (2017). Worth the Wait? The Effect of Early Term Birth on Maternal and Infant Health. *Journal of Policy Analysis and Management*. 36(4): 748-772.

Clark, S. L., Miller, D. D., Belfort, M. A., Dildy, G. A., Frye, D. K., & Meyers, J. A. (2009). Neonatal and maternal outcomes associated with elective term delivery. *American journal of obstetrics and gynecology*, 200(2), 156-e1.

Corman, Hope, Dhaval M. Dave, and Nancy E. Reichman (2017). Evolution of the Infant Health Production Function. NBER Working Paper #24131.

Johanson R., Newburn M., and Macfarlane A. (2002), Has the medicalization of childbirth gone too far? *BMJ*, 324(7342): 892-895.

MacKay, D. F., Smith, G. C., Dobbie, R., & Pell, J. P. (2010) Gestational age at delivery and special educational need: retrospective cohort study of 407,503 schoolchildren. *PLoS Med*, 7(6), e1000289.

Madar J., Richmond S., and Hey E. (1999) Surfactant-deficient respiratory distress after elective delivery at "term". *Acta Paediatr*, 88:1244–8.

\*Schulkind, L., & Shapiro, T. M. (2014). What a difference a day makes: quantifying the effects of birth timing manipulation on infant health. *Journal of health economics*, 33, 139-158.

#### 5. Family planning (Lecture 7)

Angrist, Joshua, Victor Lavy and Analia Schlosser (2010) “Multiple Experiments for the Causal Link between the Quantity and Quality of Children.” *Journal of Labor Economics*, 28(4), pp. 773-824.

\*Doepke M. (2015) Gary Becker on the Quantity and Quality of Children, *Journal of Demographic Economics*, 81(1): 59-66.

Levine, P. B., & Staiger, D. (2004). Abortion policy and fertility outcomes: the Eastern European experience. *The Journal of Law and Economics*, 47(1), 223-243.

\*Pop-Eleches, C. (2006). The impact of an abortion ban on socioeconomic outcomes of children: Evidence from Romania. *Journal of Political Economy*, 114(4), 744-773.

\*Pop-Eleches, C. (2010). The supply of birth control methods, education, and fertility evidence from Romania. *Journal of Human Resources*, 45(4), 971-997.

#### 6. Effects of other income shocks (Lecture 8)

Adda, Jerome, and Yarine Fawaz (2017). The Health Toll of Import Competition. Manuscript, presented at ASSA meetings (Philadelphia).

\*Autor, D. H., Dorn, D., & Hanson, G. H. (2018). When Work Disappears: Manufacturing Decline and the Falling Marriage Market Value of Men. Unpublished paper.

\*Cesarini, David, Erik Lindqvist, Robert Östling and Bjorn Wallace (2016) Wealth, Health, and Child Development: Evidence from Administrative Data on Swedish Lottery Players. *Quarterly Journal of Economics* 687-738.

Cotti, Chad and David Simon (2017) The Impact of Stock Market Fluctuations on the Mental and Physical Well-Being of Children. *Economic Inquiry*, forthcoming.

Kuehnle, Daniel (2014) The causal effect of family income on child health in the UK. *Journal of Health Economics* 36 (2014): 137-150.

Pierce, Justin, and Peter Schott (2017). Trade Liberalization and Mortality: Evidence from US Counties. Manuscript.