

Master of Science in Applied Economics
University of Maryland, College Park
ECON 643-PCE1: Empirical Analysis I
Fall 2024

Syllabus – Revised **2024-08-28**

Instructor: John Straub (Straub@umd.edu)

Office Hours: Mondays in Morrill 1102 from 5:15-6:15 PM, and via Zoom by appointment

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TA Office Hours: Tuesdays in Morrill Hall from 5:15-6:15 PM, and via Zoom by appointment

Prerequisites:

Admission to the Master of Science Program in Applied Economics.

Class meets: Tydings 0102

Wednesdays 6:30-9:15 PM, with a 15-minute break somewhere between 7:30 and 8:15.

Notes: The midterm exam will be on **Wednesday, October 23rd**
The final exam is scheduled for **Wednesday, December 11th**
The final course project is due by **noon on Saturday, December 14th**

General Description and Overview

Fundamental aspects of data management and statistics. Emphasis on practical application rather than theory. Emphasis on sampling, basic probability theory, basic statistics, an introduction to regression, and an introduction to STATA. The course includes an empirical replication project, which introduces students to the application of statistics and econometrics in published academic research. ECON 643 is the first course in our program's 3-course Empirical Analysis sequence. ECON 643 is the prerequisite for ECON 644, which is the prerequisite for ECON 645.

Course Objectives

Our program has 7 general learning outcomes for students:

- 1. Ability to understand, evaluate and analyze economic data**
- 2: Ability to understand and interpret statistical evidence from economic data**
- 3: Ability to apply empirical evidence to assessing economic arguments**
- 4: Ability to apply macroeconomic theories to policy discussions
- 5: Ability to apply microeconomic theories to policy discussions**
- 6: Ability to communicate economic ideas to a broader audience**
- 7: Ability to evaluate the effectiveness of policy programs using sound economic techniques**

The learning outcomes that pertain to this course are: 1, 2, 3, 5, 6 and 7.

Depending on the focus of a student's replication project, learning outcome 4 can also come into play.

Students will master basic statistics at a level of rigor befitting a STEM-designated professional master of science degree program in applied economics. Students will be able to perform basic statistical analysis using STATA software. Students will be able to interpret basic statistical results correctly and communicate them professionally in English. Upon completion of the course, students will be prepared to study applied econometrics in ECON 644.

Course Website: Copies of the course syllabus, your grades, and other relevant links and documents will be posted on the course's ELMS/Canvas website. You can access the site via <https://elms.umd.edu/>. You will need to use your University of Maryland "directory ID" and password.

Email: The University has adopted email as the primary means of communication outside the classroom, and I will use it to inform you of important announcements. The University creates an "@umd.edu" email address for every graduate student. All official UMD communications will be sent to students at their "@umd.edu" email address. You are responsible for reading your @umd.edu email address, including ELMS/Canvas Announcements I send to the class. You should make sure ELMS/Canvas Announcements

and messages are forwarded to an email address that you check regularly. Failure to check email, errors in forwarding email, and returned email due to “mailbox full” or “user unknown” will not excuse a student from missing announcements or deadlines.

I will do my best to respond to email within 36 hours. I prefer that you contact me via email to straub@umd.edu, rather than through the ELMS/Canvas messaging system, though I will reply to either kind of message.

Required Textbooks

SfBE: *Statistics for Business and Economics* by Anderson, Sweeney, Williams, Camm, and Cochran, Cengage, 13th or later edition.

AGIS: *A Gentle Introduction to Stata* by Acock (Stata Press), 5th or later ed.

Some additional readings will also be provided via the course’s ELMS/Canvas website.

NYT: Students must purchase an online subscription to the New York Times. Unfortunately, the online access to the New York Times that’s available through the UMD library systems will not do. Students need their own individual subscriptions directly with the New York Times so they can see the graphs, and so they can easily search for certain types of articles, as will be explained in class. Fortunately [student subscriptions](#) to the New York Times cost just \$1 per week and can be cancelled at any time.

Required Statistical Software: STATA, version 15 or 16.

Note: Stata is not available through Terpware, but many other software packages, including the Microsoft Office suite which includes Microsoft Excel, are available for free or at a discount to University of Maryland students via Terpware: <https://terpware.umd.edu/Windows> or <https://terpware.umd.edu/Mac>

Stata Purchasing Options

Students in our program must purchase Stata. Stata offers different "flavors" and different lengths of licensing. Price varies according to these two factors. Stata/BE is the least expensive and sufficient version for your coursework. With a single- user license, you can install Stata on up to three computers.

Description of all the flavors are given here: <http://www.stata.com/products/which-stata-is-right-for-me/>

There are two ways to obtain Stata: 1) Student Pricing, and 2) Prof+Plan

I recommend the student-pricing plan. Student Pricing offers additional options with lower prices. If you wish to buy a 6-month license (\$48 for Stata/BE), an annual license (\$94 for Stata/BE), or a perpetual license (\$225 for Stata/BE), you need to order it as a regular student using the following link: <https://www.stata.com/order/new/edu/gradplans/student-pricing/>.

The perpetual license does not expire and is the most cost effective option assuming that you will stay in the program for at least 15 months. There are also upgrade discounts provided to perpetual license holders. During the checkout process you will be asked to verify your “@umd.edu” email address.

You can obtain Stata through the Stata Prof+ Plan by using the following link: <https://www.stata.com/order/new/edu/profplus/dl/> Through the Stata Prof+ Plan you can buy an annual license (\$160 for Stata/BE) or multiyear license at a slightly discounted rate. However, I would recommend a perpetual license for \$225 as stated above.

During the checkout process you will be asked to upload a copy of your student ID or another document as a proof of your enrollment.

Laptop Computer Requirement: Completing some of this course’s requirements will require a laptop computer (not a notebook or a tablet!) with at least 1 GB of RAM and at least 5 GB of free space available on the hard-drive. We recommend laptops with at least a 15-inch screen. Screens smaller than 13 inches are probably not practical.

Schedule (revisions, if any, will be announced in class, and by ELMS/Canvas Announcement)
Except where noted below, the class will meet on Wednesday evenings between 8/28 and 12/11.

8/28: Meet each other and introduce the course
TA presentation on how to submit HW electronically via ELMS
SfBE, Ch. 1: Data and Statistics
Introduction to online discussion utility in ELMS
SfBE, Ch. 2: Descriptive Statistics: Tabular and Graphical Display

9/4: Computer lab: **Acock, Ch.1:** Getting Started with Stata
Preview of HW3 and HW4
Discussion of Course Project Proposal Details
Discussion of scheduling and grading student presentations and online discussions
SfBE, Ch. 3: Descriptive Statistics: Numerical Measures

Thursday, 9/12: Note that class will meet on Thursday instead of Wednesday this week

9/12 **SfBE, Ch. 4:** Introduction to Probability
Computer lab: **Acock, Ch. 4:** Basic Stata commands and Do-files

Course Project Proposal due at exactly 12:00 noon on Saturday 9/14.

9/18: Computer lab: Reading non-Stata datasets into Stata (**Mitchell, Ch. 2**)
Post-Proposal discussion of Course Project details
Example presentation by the instructor: The Effect of Fundraising on Charitable Contributions
Special Topic: Respect and Engagement in a Graduate Seminar
Computer lab: **Acock, Ch. 5:** Descriptive Analysis Using Stata

9/25: **SfBE, Ch. 5:** Discrete Probability Distributions
Student Presentation(s):
SfBE, Ch. 6: Continuous Probability Distributions

10/2: **SfBE, Ch. 7:** Sampling and Sampling Distributions
Student Presentation(s):
Computer lab: TBA

10/9: **SfBE, Ch. 8:** Confidence Interval Estimation
Student Presentation(s):
SfBE, Ch. 9: Hypothesis Tests

10/16: **SfBE, Ch. 10:** Inference about Means and Proportions with Two Populations
Acock, Ch. 7: Tests for One or Two Means
Student Presentation(s):
Computer lab: 2-sample t-tests (Stock and Watson, E3.1 – CPS wage gaps)

10/23: **Midterm Exam**

10/30: Selected topics from:

SfBE, Ch. 11: Inferences about Population Variances

SfBE, Ch. 12: Comparing Multiple Proportions, Tests of Independence and Goodness of Fit

SfBE, Ch. 13: Experimental Design and Analysis of Variance

AGIS, Ch. 9: Analysis of Variance

Student Presentation(s):

11/6: **SfBE, Ch. 14:** Simple (aka Bivariate) Linear Regression

Student Presentation(s):

Computer lab: **Acock, Ch. 8:** Simple (Bivariate) Linear Regression with Stata

Computer lab: Stock and Watson E4.2 and E5.2 (Teaching Ratings)

Sunday 11/10: First draft of final course project due via email by 12:00 noon.

Students will have written feedback on first draft of final course project by 11:59 PM on Monday 11/18.

11/13: Econometrics (as opposed to Statistics) Perspective on Bivariate Regression

(Stock & Watson, Ch. 4)

Student Presentation(s):

Computer lab: Stock and Watson E4.2 and E5.2 (Teaching Ratings)

11/20: Instead of a regular class meeting on Wednesday 11/20, course project groups will have private Zoom meetings with Instructor.

After 11/18 (or sooner), students should be following up on the instructor feedback on the first draft of their course project. Course project groups must schedule private Zoom meetings with the instructor at some point between Thursday 11/14 and Monday 12/2. Students are expected to share initial reactions to the written feedback on their first drafts, and to show initial progress in following up on that feedback. Students' participation in these meetings will be graded (3% of course grade). Additional details will be posted on ELMS.

11/27: No Class on evening before Thanksgiving

12/04: Introduction to Omitted Variable Bias and Multiple Regression **(Stock and Watson, Ch. 6)**

Student Presentation(s)

Computer Lab: Stock and Watson E6.1 (Teaching Ratings continued)

Saturday 12/7: Optional Practice Exam and Optional Final Exam Review Session

in person in TYD 0102

9:30-11:30: Optional Practice Exam

11:30-12:30: Lunch break

12:30-1:30: Optional Review Session

Practice exam and solution for practice exam will be posted on ELMS after the review session.

12/11: **Final Exam**

Saturday 12/14: Final draft of course project due via email by 12:00 noon.

Graded Course Components

There are 6 graded components to the course. The 6 components and their relative weights in the course grade are: homework (15%), presentations (10%), online discussions (10%) midterm exam (15%) final exam (25%) and the course project (25%).

Homework (15 course points)

Each week prior to the midterm exam, I will assign a few HW problems that correspond to the material covered that week in class. HW assignments will always be posted to the Assignments section of the course ELMS/Canvas page. I will usually post the HW assignments as MS-Word documents, MS-Excel files, and/or Stata do-files. Students are to edit the files I post, adding their answers. The edited files are what students will submit electronically via ELMS.

HW will only be collected and graded prior to the midterm exam. After the midterm exam, students need to turn their attention to their course projects.

Each HW assignment will be worth some number of raw points. The amount of HW assigned each week will vary, as will the raw points at stake each week. After the final HW assignment has been graded, each student will have earned some proportion of the total raw HW points. Their overall HW score will be based on the proportion of possible points earned. For example, a student who earns 86% of all the possible HW points will receive 12.9 of the 15 possible HW points ($0.86 * 15 = 12.9$).

Presentations (10 points)

Each student will (with a partner or two) give a short (10-minute) presentation at some point during the term. We will have a student presentation during 8 of our 15 meetings (see schedule above). The presentations will focus on the research paper that the students are using as the basis for their course replication project, and will feature at least one graph, a regression equation, and some discussion of empirical evidence.

If we have 16 or fewer students, each course project group will consist of 2 students. If we have more than 16, but fewer than 25 students, at least some groups will consist of 3 students.

A presentation grading rubric is posted on the course ELMS/Canvas website. I will give an example presentation during the fourth meeting of the course. The presentations will be graded on a 10-point scale.

Presenters are required to send complete first drafts of their PowerPoint slides to me via email at straub@umd.edu by noon on the Sunday before they present. I will reply with feedback by noon on Monday. The actual presentation must include revisions that address the feedback. Final drafts are due at the same email address by noon on Wednesday. Presenters can also schedule a Zoom call with me to discuss my feedback on their presentation.

Online Discussions (10 course points)

Participation in Online Discussion boards will be graded in 3 parts:

Part 1: Initial responses to post-presentation questions (3 points)

Part 2: Participation in the subsequent online discussion of your presentation (5 course points)

Part 3: Engagement in with the presentations of other students (2 course points)

Part 1: Initial responses to post-presentation questions (3 course points)

Students will receive a grade between 0 and 3 based on how well they initially respond to post-presentation questions from the instructor and their fellow students. The post-presentation questions will come in online discussion boards, which I will open after class each week. Each member of a presenting group will take responsibility for responding to half or one-third of the online discussion threads related to their presentation. The partners can decide among themselves who will be responsible for which thread. They can discuss all the threads with each other before posting responses, but each student will be graded individually based on the quality of responses that they personally post.

I will try to get the initial threads opened on the online discussion boards by 11:59 PM each Wednesday. Presenting students will have until noon on Friday to make the initial replies in the online discussion threads.

Part 2: Participation in the subsequent online discussion of your presentation (5 course points)

Each week after class, I will open several discussion threads related to that weeks' student presentation(s). Many of the threads will be inspired by post-presentation emails that audience members

have sent privately to me. I will try to always open the online discussions by 11:59 PM after class each week.

The presenters will have until 12:00 noon on Friday to make initial replies to each thread of the online discussion.

From noon on Friday until noon on Saturday, one member of each non-presenting group must make one and only one contribution to any thread in the discussion, or open a new thread.

From noon on Saturday until noon on Sunday, each other non-presenting student must make one and only one additional contribution to the discussion, in response to something posted by someone else.

I will read what's being posted, respond to some things, and redirect the discussion as necessary.

Presenters are expected to participate in the online discussion of their own presentation through 11:59 PM on Sunday. (After noon on Sunday they can still be responding to things that others have posted as late as noon on Sunday.)

Each partner will receive the same grade for the presentation itself (on a 10-point scale, as described above). But each partner will be graded individually for the quality of his or her engagement in the online discussion that follows after noon on Friday. The quality of this engagement will be graded subjectively by me on a 5-point scale. Each member of a presenting group will be responsible for engaging in the discussion that follows after noon on Friday in the threads where they have made the initial response. If you are unsure how to engage with some of the comments in the discussion of your own presentation, you can Zoom with me on Saturday or Sunday to discuss.

Part 3: Engagement in with the presentations of other students (2 course points)

Students must also engage with the presentations of other students. This will also be done in the context of the online discussion boards. The quality of a student's engagement with the presentations of other students will be graded on a 2-point scale.

After each student presentation, audience members will be asked to discuss the presentations with their own course project partner(s). Each non-presenting group must send an email to the instructor (one email per group). The email will suggest a constructive question/observation/suggestion that could serve as the opening of an online discussion thread about that week's student presentation. The instructor will provide private feedback on the emails, and open discussion threads based on the non-presenting students' questions/observations/suggestions. At the end of the term, each student project group will receive a grade on a 2-point scale for the quality of their engagement with the presentations of other students. Groups who submit Questions/observations/suggestions that are constructive and insightful will get grades of 1.8 or higher (A/A-). Questions/observations/suggestions that are less so will get lower grades. My weekly private feedback on the presentation emails will help students learn what's expected over the course of the term. The end-of-term grade will be based on the quality of engagement attained by the end of the term.

The online discussion engagement grade will also be scaled by a "participation factor." Each student is expected to make 1 contribution in each of the weeks when they are not presenting. Students who contribute in all weeks will have a participation factor of 1.0. Students who contribute in just 75% of the weeks will have a participation factor of 0.75. And so on.

Example online discussion engagement grade calculation: If a student's group earns 1.7 of the 2.0 possible "quality of engagement" points, and participates in 75% of the weeks when not presenting, that student's online discussion grade would be $0.75 * 1.7 = 1.3/2.0$.

Midterm Exam (15 course points)

The midterm exam will test everything covered in the course through the previous week.

Final Exam (25 course points)

I will prepare an exam that I think students should be able to complete in 2 hours, though students are welcome to use 2 hours and 45 minutes from 6:30-9:15. The final exam will be cumulative.

The midterm and final exams will begin at 6:30 PM (see course schedule for dates). Some or all of both exams will consist of a series of empirical problems to be solved using Stata and submitted electronically. Both exams will be open book, open note. I will personally proctor the exams and be available to address clarifying questions during the exam. Students can use whatever notes they like, including online resources. But communication with anyone else by any means is prohibited while taking an exam. Communication with anyone by phone, email, text message, online chat, or any other means would be

cheating. Students are advised to prepare a compact sheet or two of the most important formulas for quick reference. Students who spend too much time leafing through books and web pages will run out of time.

Course Project (25 course points)

Students are required to apply the skills they learn in the course to an empirical replication project. Students will work in groups of 2 or 3 on the project. To complete the project students will find a published paper of interest that also has accessible data. They will read at least some of the data into Stata, organize and summarize the data appropriately, and perform some analysis of the data. The final draft of the course project will include a thorough descriptive analysis and a small regression analysis.

Students will submit the course project work in 4 installments (see the Schedule for due dates):

- Topic Proposal (2 points)
- Complete first draft of course project, including descriptive analysis (10 points)
- Follow-up and discussion of first draft feedback with me (3 points)
- Final draft of completed course project (10 points)

Additional details and guidance related to all 4 components of the course project will be provided in class and on the course's ELMS/Canvas website.

Final Course Letter Grades

At the end of the semester I will add up each student's course points. This will be a number between 0 and 100. I do not grade on a curve. Numerical course grades will be translated into letter grades as follows:

93-100	90-92	80-89	70-79	60-69	50-59	40-49	30-39	20-29	10-19	0-9
A	A-	B+	B	B-	C+	C	C-	D+	D	F

At my discretion, I might (or might not) give an A+ to a student or two at the very top of the class' grade distribution.

Other Standard Policies for the Program and the University of Maryland

Policies related to all graduate courses at the University of Maryland are posted on this page of the Graduate School's website:

<https://gradschool.umd.edu/faculty-and-staff/course-related-policies>

Please familiarize yourself with these policies related academic integrity, non-discrimination policy, accessibility, absences and accommodations, grading, academic standing, grievance procedures, and other important policies.

Work Load: Mastering the material covered in this course requires a significant amount of work outside of class. Students should expect to spend more time outside of class than in class – typically at least twice as much time. Taking 3 master's-level courses is supposed to approach the time commitment of a full-time job (~36-39 hours per week, so 12-13 hours per week per course). Taking 3 master's-level courses while simultaneously working at a demanding full-time job during the day is not advisable. Students with questions about the workload in this program should speak with me.

Academic Progress: The graduate school requires that students maintain a GPA of at least 3.0. Students whose cumulative GPA falls below 3.0 will be placed on academic probation by the graduate school. Students who fail to bring their GPA up to at least 3.0 after a semester on academic probation must ask the program's director to petition the Graduate School if they want to remain in the program. The petition must include a plan for getting the student's GPA up to at least 3.0. Students who

do not live up to their plan can be forced to leave the program without having earned the degree. Note: a grade of "B" corresponds to a GPA of 3.0. A grade of "B-" corresponds to a GPA of 2.7.

Excused Absences: If you miss any class meetings for any reason, you are still responsible for all material covered during the meeting you missed. It is your responsibility to work with study partners, the teaching assistant, and the instructor to make sure you catch up on the missed material. Instructors routinely facilitate things by posting lecture notes, etc.

If you need to miss an exam or other graded course requirement because of illness, injury, or some other emergency: Follow doctor's orders and get documentation. Get in touch with the instructor as soon as you're able – preferably prior to missing the exam or deadline. Communicate with the instructor to make up the course requirement as soon as possible. You are entitled to recover before you make up the course requirement, but you are not entitled to extra days to study beyond the time the doctor's note says you've been incapacitated. If you are incapacitated for more than a week or so beyond the end of the term, your grade in the course will be an "Incomplete." In such cases you must negotiate a plan with your instructor for completing the course requirements. Once you make up the course requirement the instructor will change your "I" to the appropriate letter grade.

School Closings and Delays: Information regarding official University closing and delays can be found on the campus website and the snow phone line: (301) 405-SNOW (405-7669) The program director will also announce cancellation information to the program as an announcement on the program's ELMS/Canvas site. This will generally be done by 1:00 p.m. on days when weather or other factors are an issue. When classes need to be canceled during the semester, we make every effort to schedule makeup classes.

UMD Counseling Center: Sometimes students experience academic, personal and/or emotional distress. The UMD Counseling Center in Shoemaker Hall provides comprehensive and confidential support services that promote personal, social, and academic success. The cost of these services is covered by the fees you already paid when you registered for classes, and there is no additional charge if you use the services. Proactively explore the range of services available, including the Counseling Service, Accessibility and Disability Service, and the Testing Office, all described at <http://www.counseling.umd.edu/>

Graduate Academic Counselor: The UMD Graduate School also has an academic counselor available to support students who are having difficulty navigating mental health resources on campus, are considering a leave of absence and/or need assistance finding mental health care off campus. The Graduate Academic Counselor also facilitates bi-weekly Graduate Student Circle Sessions which provide an opportunity to learn about resources and connect with other graduate students. Students can learn more about the Graduate Academic Counselor by going to: <https://gradschool.umd.edu/gradcounselor>

Course Evaluations: Near the end of the term, you will receive an email inviting you to submit a voluntary and anonymous course evaluation. Your feedback on courses will be very helpful in improving the quality of instruction in our program.

Access to Morrill Hall and Morrill 1102: Morrill Hall is locked every day from 7:00 p.m. - 7:00 a.m. Your university ID gives you swipe access to the back door of the building. There is keypad access to the door of Morrill 1102. The code will be shared with students via ELMS.