

STANFORD UNIVERSITY  
DEPARTMENT OF ECONOMICS

ECONOMICS 101 (5)

FALL 2020

Economic Policy Seminar

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

**Instructor:** Gopi Shah Goda (she/her)  
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**Time and Location:** Tuesdays/Thursdays 10:30 – 11:50 am PT, remotely via Zoom

**Virtual Office Hours:** Fridays 1:30 – 3:30 pm PT, or by appointment, via Zoom

**Teaching Assistant:** Beatriz Pousada ([bpousada@stanford.edu](mailto:bpousada@stanford.edu))

**Executive Assistant:** Amber Sanchez Crowe ([ascrowe@stanford.edu](mailto:ascrowe@stanford.edu))

**Section Time and Location:** Weeks 1/2 and 4, Time/Zoom TBD

**TA Office Hours:** TBD

**Course Description:** This course investigates current research in the economics of aging. Topics include health care and the elderly, health insurance and the labor market, Social Security, pensions, saving for retirement, disability insurance and long-term care. This course fulfills the Writing in the Major requirement for the economics department.

**Goals of the Course:** Through active engagement with and successful completion of this course, students will be able to:

- (1) Interpret and critically evaluate research findings and understand their policy implications
- (2) Perform empirical analysis to answer research questions
- (3) Communicate economic ideas clearly and effectively in both oral and written form

We will accomplish the first goal by analyzing current research in the economics of aging. You will read current research on related topics and learn how to interpret research findings and apply them to policy questions.

We will accomplish the second and third goals through the development of an empirical research paper which will be submitted in written form and presented to the class at the end of the quarter. This paper will be on topics related to the material presented in this course, though exceptions for other topics are possible with approval from the instructor.

## **Course Structure**

This course will be facilitated online through Canvas. Announcements will be made through the Canvas site, and any questions should be posted to the Discussions tab no later than 24 hours before the due date. Assignments should be submitted via the Canvas Assignments tab.

The course will include a combination of asynchronous (pre-recorded) lectures and synchronous discussions. Synchronous lectures will be held on Zoom and will not be recorded. Prior to each course meeting, there is a required course reading and corresponding quiz to complete through Canvas.

There will be two required sections with the TA, one in week 1 or 2 and one in week 4, both held on Zoom. These meetings will be recorded and uploaded to Canvas.

## **Technology**

It is required that you have a device that connects to the internet so that you can access email, Canvas, and Zoom. All course details and materials will be posted on our Canvas course site and all class meetings will occur in Zoom. Please download Zoom and follow [these instructions](#) to help you get set up. It is important that you do not share our course Zoom links or meeting passwords with anyone outside of our course to protect the privacy of everyone in attendance.

## **Course Expectations:**

*\*\*Students and instructors are adjusting to the changes that have been put in place in response to COVID-19. I hope we can work together to adapt to these times as best as we can. If you find yourself facing additional challenges that make it difficult for you to keep up with the course work, please let me know and we can figure out a way to support you.\*\**

*What you can expect from me.* I am here to guide your learning and will challenge you to actively engage in the learning process through class discussion and assignments. I will strive for an inclusive and collaborative classroom and welcome any suggestions for improvement. I will do my best to give you the tools, feedback, and support to succeed. I highly encourage everyone to visit me in office hours or to set up a meeting. The best way to reach me is by email (see contact information above) and you can expect me to respond within 24 hours.

*What I expect from you.* A large part of the learning in this course occurs through class discussion and the timely completion of assignments which build on one another. As such, attendance is required, and late assignments are not accepted.

It can be easy to get distracted during online meetings (I've been there!). So, I ask that you [try as best as you can to remain focused and engaged during class](#). I expect you to take an active role in your learning by coming to our virtual class meetings prepared and ready to engage in discussion. Moreover, online settings can often feel less personal, sometimes making it easier to misinterpret comments or to share thoughts with less filtering. Keep in mind that each member of this class has different ideas and perspectives that will enrich the experience for us all. I expect all of us to speak and listen with compassion and not make assumptions about others.

### **Respect for Diversity**

It is my intent that students from all diverse backgrounds, perspectives, and situations be well served by this course, that students' learning needs be addressed both in and out of class, and that the diversity that students bring to this class be viewed as a resource, strength and benefit. It is my intent to present materials and activities that are respectful of diversity, which may include but not limited to: gender, sexuality, disability, age, socioeconomic status, ethnicity, race, religion, political affiliation, culture, and so on. I acknowledge that there is likely to be a diversity of access to resources among students and plan to support all of you as best as I can. Please let me know ways to improve the effectiveness of the course for you personally or for other students.

#### **Textbooks:**

There are no required textbooks for this course; however helpful writing tips can be found in the following:

- *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

**Economics Department Common Course Policies:** All courses taught in the Stanford Department of Economics are governed by a common set of course management rules, available [here](#). Please familiarize yourself with these rules and contact me if you have any questions.

### **Course Privacy Statement**

As noted in the University's [recording and broadcasting courses policy](#), students may not audio or video record class meetings without permission from the instructor (and guest speakers, when applicable). If the instructor grants permission or if the teaching team posts videos themselves, students may keep recordings only for personal use and may not post recordings on the Internet, or otherwise distribute them. These policies protect the privacy rights of instructors and students, and the intellectual property and other rights of the university. Students who need lectures recorded for the purposes of an academic accommodation should contact the [Office of Accessible Education](#).

## Grading:

Class participation	50**	Total:	500 points
Problem set	50**		
Research topic worksheet	25*		
Preliminary results	25*	* Full points will be awarded if assignment is completed and turned in by due date.	
Full paper draft	25*	** Points will be awarded based on grading criteria provided in class if assignment is completed by due date.	
Course reading quizzes	50**		
Final paper presentation	75**		
Final paper + response to comments	200**		

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 participate in the discussion of class readings throughout the quarter. Part of the class participation grade will also come from your engagement with in-class exercises.

*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 discussions and quizzes:* You will need to complete a course reading and quiz prior to each of 10 course discussions. Each quiz will be worth 5 points.

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

*Final paper presentation:* Each student will do an 8-10 minute oral presentation of their paper to the class. It is recommended that you use 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\*

\*See Reading List below for full citation and accompanying handout

Date	Complete before class ( <i>asynchronous</i> )	Class discussion ( <i>synchronous</i> )
<i>Introduction: Public Spending, Demographics and Aging</i>		
9/15	<ul style="list-style-type: none"> <li>• Complete Technology Accessibility Survey quiz on Canvas</li> </ul>	<ul style="list-style-type: none"> <li>• Review course syllabus</li> <li>• Lecture 1: Why care about aging?</li> </ul>
<p><b>**Special Event!**</b>  <i>LIVE SIEPR event immediately after class discussing the economic policies of the presidential candidates with Kevin Hassett and Austan Goolsbee (and moderated by me!)</i>            Register <a href="#">here</a>.</p>		
9/17	<ul style="list-style-type: none"> <li>• Watch <a href="#">SIEPR Associates Meeting with Maya MacGuineas</a>, July 23, 2020</li> <li>• Read <a href="#">“It’s time to talk about deficits.”</a> Stanford Daily, by Claire Dinshaw</li> <li>• Watch Kasey Buckles’ presentation from <a href="#">NBER Panel on Economic Determinants of Fertility Behavior</a>, July 24, 2019</li> <li>• Review Handout #1, Problem Set and Handout #2, Critically Evaluating Course Readings</li> </ul>	<ul style="list-style-type: none"> <li>• Review handouts</li> <li>• Lecture 2: Demographic trends</li> <li>• <a href="#">Alternative Measures of Age</a></li> </ul>
<i>Health Care and the Elderly</i>		
9/22	<ul style="list-style-type: none"> <li>• Watch Lecture 3: <i>Health care spending and geographic variation</i></li> <li>• Review Handout #3, Research Paper Assignment #1</li> <li>• Complete class reading and quiz: Molitor (2018)</li> </ul>	<ul style="list-style-type: none"> <li>• Review Lecture 3 content and handouts</li> <li>• Class discussion: Molitor (2018)</li> </ul>
9/24	<ul style="list-style-type: none"> <li>• Register for NBER Tax Policy and the Economy conference (info will be emailed to you)</li> </ul>	<ul style="list-style-type: none"> <li>• Attend NBER Tax Policy and the Economy conference for Clemens, Gottlieb, Hicks and Duggan, Goda, Li presentations (full schedule <a href="#">here</a>)</li> </ul>

9/29	<ul style="list-style-type: none"> <li>• Watch Lecture 4: <i>Health insurance and utilization</i></li> <li>• Complete class reading and quiz: Card, Dobkin, Maestas (2008)</li> </ul>	<ul style="list-style-type: none"> <li>• Review Lecture 4 content</li> <li>• Class discussion: Card, Dobkin, Maestas (2008)</li> </ul>
9/30	<b>Problem Set due at 5pm PT</b>	
10/1	<ul style="list-style-type: none"> <li>• Watch Lecture 5: <i>Effects of health care spending on health</i></li> <li>• Complete class reading and quiz: McClellan et al. (1994)</li> </ul>	<ul style="list-style-type: none"> <li>• Review Lecture 5 content</li> <li>• Class discussion: McClellan et al. (1994)</li> </ul>
10/6	Individual meetings with Professor and TA re: Research Paper Assignment #1 (schedule time slot via canvas; <b>Research Topic Worksheet due prior to individual meeting</b> )	• Guest lecture with Becky Staiger
10/8		• Guest lecture with Hannes Schwandt
<i>Health Insurance and the Labor Market</i>		
10/13	<ul style="list-style-type: none"> <li>• Watch Lecture 6: <i>Health insurance and job mobility</i></li> <li>• Review Handout #2, Research Paper Assignment #2</li> <li>• Complete class reading and quiz: Garthwaite, Gross and Notowidigdo (2014)</li> </ul>	<ul style="list-style-type: none"> <li>• Review Lecture 6 content and handout</li> <li>• Class discussion: Garthwaite et al. (2014)</li> </ul>
10/15	<ul style="list-style-type: none"> <li>• Watch Lecture 7: <i>Health insurance and retirement</i></li> <li>• Complete class reading and quiz: Fitzpatrick (2014)</li> </ul>	<ul style="list-style-type: none"> <li>• Review Lecture 7 content</li> <li>• Class discussion: Fitzpatrick (2014)</li> </ul>
10/20	Individual meetings with Professor and TA re: Research Paper Assignment #2 (schedule time slot via canvas; <b>Preliminary Results due prior to individual meeting</b> )	• Guest lecture with Shanthi Ramnath
10/22		• Guest lecture with Melinda Morrill
<i>Social Security, Pensions, and Saving for Retirement</i>		
10/27	<ul style="list-style-type: none"> <li>• Watch Lecture 8: <i>Social Security</i></li> <li>• Review Handout #3, Research Paper Assignment #3</li> <li>• Complete class reading and quiz: Deshpande, Fadlon, and Gray (2020)</li> </ul>	<ul style="list-style-type: none"> <li>• Review Lecture 8 content and handout</li> <li>• Class discussion: Deshpande, Fadlon and Gray (2020)</li> </ul>

10/29	<ul style="list-style-type: none"> <li>• Watch Lecture 9: <i>Defined benefit pensions</i></li> <li>• Complete class reading and quiz: Goda and Manchester (2013)</li> </ul>	<ul style="list-style-type: none"> <li>• Review Lecture 8 content</li> <li>• Class discussion: Goda and Manchester (2013)</li> </ul>
11/2	<b>Paper Draft due by 5pm PT</b>	
11/3	Election Day – Day of Civic Engagement	
11/5	<ul style="list-style-type: none"> <li>• Watch Lecture 10: <i>401(k)s and saving for retirement</i></li> <li>• Review Handout #3, Research Paper Assignment #4</li> <li>• Complete class reading and quiz: Goldin, Homonoff, Patterson and Skimmyhorn (2020)</li> </ul>	<ul style="list-style-type: none"> <li>• Review Lecture 10 content and handout</li> <li>• Class discussion: Goldin, Homonoff, Patterson and Skimmyhorn (2020)</li> </ul>
<i>Disability Insurance and Long-Term Care</i>		
11/10	<ul style="list-style-type: none"> <li>• Watch Lecture 11: <i>Social Security Disability Insurance – expenditures, take-up and labor supply</i></li> <li>• Watch Nicole Maestas’ presentation from <a href="#">NBER Symposium on Disability Insurance</a>, July 25, 2018</li> <li>• Review Handout #3, Research Paper Assignment #5</li> <li>• Complete class reading and quiz: Maestas, Mullen and Strand (2013)</li> </ul>	<ul style="list-style-type: none"> <li>• Review Lecture 11 content and handout</li> <li>• Class discussion: Maestas, Mullen and Strand (2013)</li> </ul>
11/12	<ul style="list-style-type: none"> <li>• Watch Lecture 12: <i>Economics of long-term care</i></li> <li>• Complete class reading and quiz: Goda (2011)</li> </ul>	<ul style="list-style-type: none"> <li>• Review Lecture 12 content</li> <li>• Class discussion: Goda (2011)</li> </ul>
11/17	Paper Presentations	
11/19		
11/20	<b>Final Paper and Response to Comments due by 11:59pm PT</b>	

## Reading List

	<b>Full Citation</b>	<b>Handout</b>
1	David Molitor (2018), “The Evolution of Physician Practice Styles: Evidence from Cardiologist Migration,” <i>American Economic Journal: Economic Policy</i> , 10 (1): 326-356.	Difference-in-Difference
2	David Card, Carlos Dobkin, Nicole Maestas (2008), “The Impact of Nearly Universal Insurance Coverage on Health Care Utilization and Health: Evidence from Medicare,” <i>American Economic Review</i> , 98(5), pp. 2242-2258.	Regression Discontinuity
3	Mark McClellan, Barbara J. McNeil, Joseph P. Newhouse (1994), “Does More Intensive Treatment of Acute Myocardial Infarction in the Elderly Reduce Mortality? Analysis Using Instrumental Variables,” <i>Journal of the American Medical Association</i> , 272(11):859–866.	Instrumental Variables
4	Craig Garthwaite, Tal Gross and Matthew Notowidigdo (2014), “Public Health Insurance, Labor Supply, and Employment Lock,” <i>Quarterly Journal of Economics</i> , 129 (2): 653-696.	Difference-in-Difference
5	Maria Fitzpatrick (2014), “Retiree Health Insurance for Public School Employees: Does it Affect Retirement and Mobility?” <i>Journal of Health Economics</i> , (2014) 88-98.	Difference-in-Difference
6	Manasi Deshpande, Itzik Fadlon, and Colin Gray (2020), "How Sticky is Retirement Behavior in the U.S.? Responses to Changes in the Full Retirement Age," NBER Working Paper 27190.	Difference-in-Difference, Regression Discontinuity
7	Gopi Shah Goda and Colleen Manchester (2013), “Incorporating Employee Heterogeneity into Default Rules for Retirement Plan Selection,” <i>Journal of Human Resources</i> , 48 (1), Winter 2013.	Regression Discontinuity
8	Jacob Goldin, Tatiana Homonoff, Richard Patterson and William Skimmyhorn (2020), “How Much to Save? Decision Costs and Retirement Plan Participation,” NBER Working Paper 27575	RCT
9	Nicole Maestas, Kathleen J. Mullen and Alexander Strand (2013), "Does Disability Insurance Receipt Discourage Work? Using Examiner Assignment to Estimate Causal Effects of SSDI Receipt," <i>American Economic Review</i> , 103(5), pp. 1797-1829.	Instrumental Variables
10	Gopi Shah Goda (2011), "The Effect of State Tax Subsidies for Private Long-Term Care Insurance on Coverage and Medicaid Expenditures," <i>Journal of Public Economics</i> , 95(7), pp. 744-757.	Difference-in-Difference