

STANFORD UNIVERSITY
DEPARTMENT OF ECONOMICS

ECONOMICS 101 (5)

WINTER 2024

Economic Policy Seminar

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

Instructor: Gopi Shah Goda (she/her)
SIEPR Gunn 229
650-736-0480
gopi@stanford.edu

Time and Location: Mondays/Wednesdays 9:30 – 11:20 am

Office Hours: Mondays 2-4pm, SIEPR 229, or by appointment

Teaching Assistant: Nick Grasley

Section Time and Location: Fridays 10:30 am, Littlefield 107

TA Office Hours: Tuesdays 10 am and Thursdays 5 pm, Econ 149

Course Description:

Demographic forces such as declining birth rates, higher life expectancy, and changes in immigration patterns are jointly resulting in the rapid aging of the U.S. population: according to projections by the U.S. Census Bureau, the share of the population 65 and over will be 39 percent higher by 2060, and the share 80 and over will more than double. This changing age structure has profound implications for various aspects of society, including the labor market, healthcare systems, and government spending.

Understanding how people make saving, work and healthcare decisions as they age and the economic implications of population aging can help policymakers, healthcare providers and businesses develop innovative solutions to ensure the financial security and well-being of all generations. This course fulfills the Writing in the Major and capstone requirement for the economics department.

Goals of the Course

In this course, students will be expected to interpret and critically evaluate current research in the economics of aging, perform empirical analysis using a panel dataset that provides rich health

and financial information for older adults, and produce a policy memo that applies both data analysis and existing research to a policy question and communicates the findings to a general audience. The policy memos will be written in small teams chosen by the instructor based on interests and preferences.

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.

Class time will involve a mix of lectures, in-class discussions, and team meeting time. Prior to several course meetings, there is a required course reading and corresponding quiz to complete through Canvas.

There will be required sections with the TA during the first half of the quarter.

Course Expectations:

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 that build on one another. As such, attendance is required, and late assignments are not accepted. Please do **not** email less than 24 hours in advance of a due date with urgent questions pertaining to an assignment.

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](#).

Policy on Generative AI (ChatGPT, Bard, DALL-E, Stable Diffusion, etc.):

The use of artificial intelligence (AI) tools can both enhance and impede learning in this course. At times, these tools may provide new ideas and understanding; at other times, practicing skills and synthesizing ideas on our own will be crucial for the learning process. At the beginning of the course, we will co-create a class agreement on the use of AI tools that ensures everyone has equal access to such tools and knowledge of their benefits and limitations; understands the appropriate use of them; and is clear on policies and procedures for their use (including proper citation), and how they connect to the idea of academic integrity. Our class agreement will be consistent with [guidance from the Board of Judicial Affairs](#) regarding use of AI and the Stanford Honor Code, which notes that use of generative AI to “substantially complete” an assignment or exam by entering the prompt and submitting the output as one’s own work is **not permitted**.

Grading:

Class participation	50**	Total:	500 points
Problem set	50**		
PB Assignment #1 (Proposal)	25*		
PB Assignment #2 (Analysis/Lit)	25*	* Full points will be awarded if assignment is completed and turned in by due date.	
PB Assignment #3 (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 presentation	75**		
Final policy brief	150**		
Group evaluation	50**		

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 6 course discussions. Each quiz will be worth 10 points, and the lowest score will be dropped.

Policy brief assignments (Proposal, Analysis/Lit Review, Draft): These assignments will help you make progress towards your final policy brief.

Final presentation: Each group will do a 15-20 minute oral presentation of their project to the class (and possibly a guest audience).

Final policy brief: Your final policy brief should be 6-8 pages in length (not including tables, figures and references) and make a substantive economic argument backed up by evidence. Revisions of the brief between the first and final draft are *required* and you must indicate how you addressed each substantive comment. The grading of the final policy brief 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

Week	Date	Complete before class	Class activities	Section	
		<i>Introduction</i>			
1	1/8	<ul style="list-style-type: none"> Review course syllabus 	<ul style="list-style-type: none"> Lecture 1: <i>Why should I care about aging?</i> 	<ul style="list-style-type: none"> Introduction to Stata 	
	1/10	<ul style="list-style-type: none"> Read “It’s time to talk about deficits.” Stanford Daily, by Claire Dinshaw Read How can societies prepare for an aging population?, by Gopi Shah Goda Review Handout #1, Problem Set; Handout #2, Critically Evaluating Course Readings; Policy Brief Assignment #1 (Proposal) 	<ul style="list-style-type: none"> Discuss course readings Discuss handouts Class activity: Topic and Team Preferences 		
2	1/15	No Class: Martin Luther King Jr. Day			<ul style="list-style-type: none"> Empirical Analysis in Stata (I)
		<i>Health Care and the Elderly</i>			
	1/17	<ul style="list-style-type: none"> Complete class reading and quiz: Card, Dobkin, Maestas (2008) 	<ul style="list-style-type: none"> Lecture 2: <i>Health insurance and utilization</i> Class discussion: Card, Dobkin, Maestas (2008) 		
3	1/22	<ul style="list-style-type: none"> Complete class reading and quiz: McClellan et al. (1994) Problem Set due at 5pm PT 	<ul style="list-style-type: none"> Lecture 3: <i>Effects of health care spending on health</i> Class discussion: McClellan et al. (1994) 	<ul style="list-style-type: none"> Empirical Analysis in Stata (II) 	
	1/24	<ul style="list-style-type: none"> Complete class reading and quiz: Garthwaite, Gross and Notowidigdo (2014) 	<ul style="list-style-type: none"> Lecture 4: <i>Health insurance and the labor market</i> Class discussion: Garthwaite, Gross and Notowidigdo (2014) 		
4	1/29	Team meetings during class time to work on Policy Brief Assignment #1 (Proposal)		<ul style="list-style-type: none"> Empirical 	

	1/31	Teams report out on Policy Brief Assignment #1 (Proposal) and collect feedback		Analysis in Stata (special topics)
	2/1 (Th)	Policy Brief Assignment #1 (Proposal) due by 5pm PT		
	<i>Social Insurance and Long-Term Care</i>			
5	2/5	<ul style="list-style-type: none"> Review Policy Brief Assignment #2 (Empirical Analysis/Lit Review) Complete class reading and quiz: Deshpande, Fadlon, and Gray (2020) 	<ul style="list-style-type: none"> Discuss Research Paper Assignment #2 Lecture 5: <i>Social Security</i> Class discussion: Deshpande, Fadlon, and Gray (2020) 	• Empirical Analysis in Stata (special topics)
	2/7	<ul style="list-style-type: none"> Watch Nicole Maestas' presentation from NBER Symposium on Disability Insurance, July 25, 2018 Complete class reading and quiz: Maestas, Mullen and Strand (2013) 	<ul style="list-style-type: none"> Lecture 6: <i>Disability Insurance</i> Class discussion: Maestas, Mullen and Strand (2013) 	
6	2/12	Team meetings during class time to work on Policy Brief Assignment #2 (Empirical Analysis/Lit Review)		• Extra TA Office Hours
	2/14	Teams report out on Policy Brief Assignment #2 (Empirical Analysis/Lit Review) and collect feedback		
	2/15 (Th)	Policy Brief Assignment #2 (Empirical Analysis/Lit Review) due by 5pm PT		
7	2/19	No Class; Presidents' Day		
	2/21	<ul style="list-style-type: none"> Review Policy Brief Assignment #3 (Draft) Complete class reading and quiz: Goda (2011) 	<ul style="list-style-type: none"> Lecture 7: <i>Long-term care</i> Class discussion: Goda (2011) 	• Extra TA Office Hours
8	2/26	Team meetings with Professor/TA to discuss results (sign up for 30 minute slot on canvas); <i>all team members must be present</i>		• Extra TA Office Hours
	2/28	Team meetings with Professor/TA to discuss outline (sign up for 30 minute slot on canvas); <i>all team members must be present</i>		
	3/3 (Su)	Policy Brief Assignment #3 (Draft) due by 11:59pm PT		
9	3/4	Exchange drafts with other groups and provide peer feedback		• Extra TA

	3/6	Team meetings with Professor/TA to discuss drafts (sign up for 30 minute slot on canvas); <i>all team members must be present</i>	Office Hours
10	3/11	TBD	• Extra TA Office Hours
	3/13	Class Presentations and Course Wrap Up	
	3/15 (Fri)	Final Policy Brief due by 5pm PT	

Reading List

	Full Citation	Handout
1	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
2	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
3	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
4	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
5	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
6	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