

Economics 4848 Applied Econometrics

Spring 2020

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Course Description

Applied Econometrics provides an overview of econometric techniques commonly used in applied research in microeconomics. Methods and topics covered in this course will help students develop a deeper understanding of econometrics as well as learn to use STATA, a statistical software package commonly used in economics. Learning to use STATA will take a significant amount of time and effort but will be extremely valuable as it is much more powerful than what you can do in Excel, EViews, etc. Students will apply the econometric models using data from the US Census Bureau and the Bureau of Labor Statistics. In addition, students will be able to apply these skills to a research topic of their choosing.

Typically each week we will discuss the theory for the current topic and then spend some time working with data to apply the theory in STATA. This data analysis that we do in class will be similar to your assignments, however the theory behind the techniques we use will also be covered on exams.

Prerequisite

This class requires previous completion of Econ 3070, Intermediate Micro, and Econ 3818, Intro to Statistics, or the equivalent.

Course Materials

There is no required text but you may find the following resources helpful:

- Introductory Econometrics: A Modern Approach by Jeffery M. Wooldridge
- Using Econometrics: A Practical Guide by A.H. Studenmund

Software: We will learn to use a statistical software program called STATA in class. For all assignments, projects, and exams you will be required to complete all analysis using STATA. Students are not required to purchase their own copies of STATA, as it is available in some computer labs on campus. If you choose not to buy Stata, please plan your work time accordingly. No late assignments will be accepted because you could not access a computer lab on the weekend. You can find a list of campus labs with STATA at: <http://webdata.colorado.edu/labs/softwaresearch/>

If you choose to purchase your own copy of STATA, you can receive a discount on the software through the University's GradPlan. Information is available at: <http://www.stata.com/order/new/edu/gradplans/student-pricing/>. I would suggest Stata/IC license which is \$48 for 6 months.

Grade Breakdown

Grades for this course will be based on the following criteria:

- Assignments (15% total)
- Data project and presentation (20%)
- 2 Midterm Exams (20% each)
- Final Exam (25%)

Assignments (15% total): Students may work alone or with **one** other student. If you work with a partner please upload one assignment for both of you. Assignments must be uploaded on Canvas by 10:00pm on the day they are due. No late assignments will be accepted for any reason. Your lowest homework assignment will be dropped from your overall score for the course. While you will be able to work with a classmate on your homework, your exams will be completed individually. Therefore, it is in your best interest to ensure you fully understand the material.

Midterm Exams (20% each): Midterm exams will be held on **February 20** and **March 19** during the regularly scheduled class time. The exams will be similar to your homework assignments in that you will be given data to analyze and a few theory based questions. Given the nature of programming in STATA and this course, all exams should be considered “cumulative” in the sense that you will need to know how to use any and all of the tools we’ve learned throughout the semester. The theory sections of each exam will be non-cumulative.

Students must take exams at scheduled times. They may not be taken early/late and no make ups are given. If you must miss a midterm due to an emergency the weight will automatically be divided between the other midterm and final exam. Midterm scores will not be dropped due to poor performance or lack of preparation. You **cannot** miss both midterms.

Final Exam (25%): The final exam is **Tuesday, May 5th from 4:30-6:30pm**. This exam cannot be skipped or taken at another time so plan accordingly.

Data Project and Presentation (20%): Students may work alone or with **one** other student on a data analysis project applying what you’ve learned in the course. Assignments are due at 10:00pm unless otherwise noted. Your written project is due by **10:00pm on Wednesday, May 6th**. You should start thinking about your topic as soon as possible at the beginning of the semester. Your project should pose a testable economic question that can be answered using the techniques we discuss in class using individual level data. A sample outline of what to include in your project: Introduce your research question and why it is an important topic to study, citing any relevant sources. Describe the data and empirical technique(s) you use. Conduct one or more types of empirical analysis on your data using techniques from the course. Discuss and

interpret your empirical findings.

As part of your grade for the project, your chosen research question will be due on **Feb 23**, a project proposal will be due on **March 9**, your cleaned data set will be due on **March 19**, and your preliminary analysis will be due on **April 6**. Individual meetings will be scheduled the week of April 6-10, in lieu of regular class. In addition, each student/group will give a presentation the week of April 27th discussing their research question, data, methods, and results. Both students must present part of their project if working in a group. Due dates for these portions of your project appear in blue in the schedule.

Your overall grade for the final project will be determined as follows: Research Question (5 points), Project Proposal (15 points), Data set submission (10 points), Initial Data Analysis (15 points), Presentation (20 points), Final Paper (30 points), Corrections to Assignments (5 points).

Additional Policies

Attendance: *Attendance is an absolute necessity in this course.* It is where I can help guide you in learning STATA and completing a good research project, and you can get feedback on where improvement is needed. Students are expected to be in attendance **on time** for every class, as it may be difficult for you to make up the material and fully understand programming in STATA otherwise. It is your responsibility to obtain any material/notes from a class you miss from one of your classmates. **Attendance will be recorded every class period and any student missing more than 6 class periods will automatically fail the course.** These absences up to 6 are intended to cover any manner of reasons why you might need to miss class, valid or otherwise. These penalties are **non-negotiable**. Those arriving late, leaving before class is dismissed, spending significant time on non-class activities will also be counted as absent.

This course typically has a long waitlist of students trying to enroll in the class. So, in-line with department policy, if a student does not attend class for the first three class periods he/she will be administratively dropped from the course to make room for others on the waitlist.

Disability Accommodations: If you qualify for accommodations because of a disability, please submit your accommodation letter from Disability Services to your faculty member in a timely manner so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities in the academic environment. Information on requesting accommodations is located on the [Disability Services website](#). Contact Disability Services at 303-492-8671 or dsinfo@colorado.edu for further assistance. If you have a temporary medical condition or injury, see Temporary Medical Conditions under the Students tab on the Disability Services website and discuss your needs with your professor.

Religious Observances: Campus policy regarding religious observances requires that faculty make every effort to deal reasonably and fairly with all students who, because of religious obligations, have conflicts with scheduled exams, assignments, or required attendance.

Honor Code: All students enrolled in a University of Colorado Boulder course are respon-

sible for knowing and adhering to the academic integrity policy. Violations of the policy may include: plagiarism, cheating, fabrication, lying, bribery, threat, unauthorized access to academic materials, clicker fraud, resubmission, and aiding academic dishonesty. All incidents of academic misconduct will be reported to the Honor Code Council (honor@colorado.edu; 303-735-2273) and will result in a failing grade for the course. Students who are found responsible for violating the academic integrity policy will be subject to nonacademic sanctions from the Honor Code Council as well as academic sanctions from the faculty member. Additional information regarding the academic integrity policy can be found at the [Honor Code Office website](#). This misconduct includes, but is not limited to: Represent the work of others as their own, Use or obtain unauthorized assistance in any academic assignment, Give unauthorized assistance to other students, Modify, without instructor approval, an examination, paper, record, or report for the purpose of obtaining additional credit, Misrepresent the content of submitted work.

Sexual Misconduct, Discrimination, Harassment, and/or Related Retaliation: CU Boulder is committed to fostering a positive and welcoming learning, working, and living environment. CU Boulder will not tolerate acts of sexual misconduct, intimate partner abuse (including dating or domestic violence), stalking, or protected-class discrimination or harassment by members of our community. Individuals who believe they have been subject to misconduct or retaliatory actions for reporting a concern should contact the Office of Institutional Equity and Compliance (OIEC) at 303-492-2127 or cureport@colorado.edu. Information about the OIEC, the above referenced policies, and the campus resources available to assist individuals regarding sexual misconduct, discrimination, harassment or related retaliation can be found at the [OIEC website](#). Please know that faculty and instructors have a responsibility to inform OIEC when made aware of incidents of sexual misconduct, discrimination, harassment and/or related retaliation, to ensure that individuals impacted receive information about options for reporting and support resources.

Classroom Behavior: Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation or political philosophy. For more information, see the [policies on classroom behavior](#) and the [student code](#).

Since the course is in the computer lab, I realize that there can be the temptation to work on other things during lecture, browse the internet, etc. However, as a courtesy to me and your classmates, as well as to ensure you understand the presented material, I ask that during lectures (non-lab activities) you only use the computers to follow along with the slides and not for any other purpose.

Preferred Names and Pronouns: CU Boulder recognizes that students' legal information doesn't always align with how they identify. Students may update their preferred names and pronouns via the student portal; those preferred names and pronouns are listed on instructors' class rosters. In the absence of such updates, the name that appears on the class roster is the student's legal name. I will be glad to honor any requests that I use a different name or pronoun in class.

Tentative Class Schedule

Week	Content	Assignments
Week 1	January 13-17 <ul style="list-style-type: none"> • Course Information, types of data • Statistics and Sampling 	
Week 2	January 21-24 <ul style="list-style-type: none"> • Introduction to STATA, Creating Variables 	
Week 3	January 27-31 <ul style="list-style-type: none"> • Creating Variables • Exploring Continuous & Categorical Data 	Homework 1 Due 1/28
Week 4	February 3-7 <ul style="list-style-type: none"> • Bivariate Regression, Distribution of $\hat{\beta}$ 	Homework 2 Due 2/4
Week 5	February 10-14 <ul style="list-style-type: none"> • Hypothesis Testing • Goodness of Fit Measures 	Homework 3 Due 2/13
Week 6	<ul style="list-style-type: none"> • Tues., Feb 18: Multivariate Regression, Project Overview • Thurs., Feb 20: Exam 1 	Research Q due 2/23
Week 7	February 24-28 <ul style="list-style-type: none"> • Non-linear Models • Interpreting Coefficients in Non-Linear Models 	Homework 4 Due 2/27
Week 8	March 2-6 <ul style="list-style-type: none"> • Categorical Variables in Regressions, Interaction Models 	Homework 5 Due 3/5
Week 9	March 9-13 <ul style="list-style-type: none"> • Limited Dependent Variables • ACS/CPS Tutorial 	Proposal Due 3/9 Homework 6 Due 3/12
Week 10	March 16-20 <ul style="list-style-type: none"> • Tues., Mar 17: Data Set • Thurs., Mar 19: Exam 2 	Data Set Due 3/17
Week 11	March 23-27 Spring Break, No Class	
Week 12	March 30-April 3 <ul style="list-style-type: none"> • Omitted Variable Bias 	Homework 7 Due 4/2
Week 13	April 6-10 <ul style="list-style-type: none"> • Individual Meetings, Schedule TBD 	Prelim. Analysis Due 4/6
Week 14	April 13-17 <ul style="list-style-type: none"> • Heteroskedasticity, Multicollinearity 	Homework 8 Due 4/16
Week 15	April 20-24 <ul style="list-style-type: none"> • Panel Data, Fixed Effects 	
Week 16	April 27-30 <ul style="list-style-type: none"> • Project Presentations, Schedule TBD 	Presentation Due 4/28 at 9am
Week 17	<ul style="list-style-type: none"> • Final Exam Tuesday, May 5th 4:30-6:30pm 	Paper due 5/6