

## REVIEW SHEET FOR EC325

The second midterm will cover material beginning with the lecture of October 9 and going through the welfare reform and the readings associated with those topics. The exam is not cumulative in the sense that I will not ask a question that is solely about the material covered on the first midterm. However, knowledge is cumulative. It is possible, for example, that answering a question about more recent material might require you to remember the broad pattern of poverty rates across socio-demographic groups. I have not yet written the exam and therefore cannot tell you the format. I expect that it will be similar to the format of the first midterm.

The following is a guide to the sorts of things you should think about. **IT IS NOT EXHAUSTIVE.**

1. What has been the trend since 1940 in the fraction of children born to married women?
2. Describe the trend in the birth rate for:
  - a. Teenagers
  - b. Married women
  - c. Single women
3. How important is each of the follow factors in increasing the fraction of births to unmarried women?
  - a. Increased birth rates among unmarried women
  - b. Reduced birth rates among married women
  - c. Decline in the marriage rate
4. What is the evidence for and against the following views:
  - a. Increasing labor market opportunities for women reduced the marriage rate.
  - b. Worsening job opportunities for low-skill men reduced the marriage rate.
  - c. Increasing similarity of job opportunities for men and women reduced the marriage rate.
  - d. The availability of effective contraception and abortion reduced the marriage rate.
  - e. Welfare generosity contributed to increasing the fraction of births that are to unmarried mothers.
  - f. Welfare rules governing payments to one and two parent families reduced the marriage rate.
  - g. Marriage didn't really decline. Couples were just less likely to marry legally and more likely to cohabit.
5. Describe the trends in the proportion of births to teens that are illegitimate, the birth rate to unmarried teens and the birth rate to married teens.
6. What is the evidence for and against each of the following views:
  - a. Being a teenage mother leads to worse outcomes for the mother.
  - b. Growing up in a household without both parents leads to worse outcomes as an adult.
7. Does teenage motherhood cause worse outcomes for the children?
8. What is the evidence that early education and parent education programs improve outcomes for disadvantaged children?
9. Does Head Start improve outcomes for disadvantaged children?
10. In the absence of evidence from a random assignment experiment, what are the difficulties involved in evaluating Head Start?
11. Describe the principal early findings of the Head Start Evaluation study.
12. Describe the principal results of the Early Head Start evaluation study.

13. Do nutrition programs help poor children?
14. Do mentoring programs help children?
15. Describe the principal findings of the evaluation of the Teen Outreach Program.
16. Describe the principal findings of the evaluations of the Quantum Opportunities Program.
17. What lessons can we draw from the different findings of the two QOP evaluations and from the CET evaluation?
18. Poor people in high-poverty areas are more likely to commit crimes and less likely to graduate high school or work than people with the same income in low-poverty areas. Why?
19. People often exhibit behaviors similar to those of the people with whom they interact a great deal. Why is this not convincing evidence that they are influenced by the people with whom they interact?
20. What have we learned from the Gautreaux and Moving-to-Opportunity Programs.
21. Does growing up in a housing project worsen outcomes for poor children?
22. Discuss the role of gangs as a source of employment.
23. What are the principal reasons that education may have a causal effect on earnings?
24. If education is primarily a sorting device and if high-stakes testing raises standards, who is helped and who is hurt by the tests.
25. If students learn marketable skills in school, will raising standards increase or decrease the dropout rate?
26. What is the multitask principal agent problem? How is it relevant to the testing debate?
27. NCLB requires schools and school districts to make Adequate Yearly Progress both for students in aggregate and for any sub-groups (race/ethnicity, limited English proficient, free or reduced price lunch, special education). Discuss the advantages and disadvantages of breaking students scores into sub-groups.
28. Explain how competition among school districts generates efficient provision of education in the Tiebout model. What are the weaknesses of the model for representing the real world?
29. Why are the theoretical advantages and disadvantages of decentralized funding for education? Does empirical research support these predictions?
30. Discuss the theoretical and empirical effects of intradistrict and interdistrict school choice on school quality?
31. Do voucher programs improve educational outcomes for participants?
32. What is the evidence regarding the effects of charter schools on student performance?
33. What is meant by each of the following: intradistrict school choice, interdistrict school choice, vouchers, charter schools?
34. What do the experiences of Chicago and of CSD 4 in New York City tell us about the effectiveness of intradistrict school choice programs?

35. Why did many Americans in the early 1990's believe that welfare reform was necessary?
36. On average, of two people on welfare, the one who has been on welfare longer is less likely to exit over the next several months (unless benefits are exhausted). Why?
37. The daughter of a woman who spent some time on welfare is more likely to receive welfare as an adult than is a woman whose mother did not. Why?
38. How is the change in the way that TANF is funded (relative to AFDC) change states' incentives to provide welfare?
39. What are the issues surrounding the work requirement under PRWORA?
40. Why might a lifetime limit on how much time someone can spend on welfare cause people to leave welfare well before they hit the time limit?
41. What were the principal elements of PRWORA?
42. Why did welfare caseloads decline in the second half of the 1990's?
43. Did welfare reform increase labor force participation among low-skill women with children?
44. Did welfare reform help or hurt women who would have been eligible for AFDC?
45. Did welfare reform have positive or negative effects on children?
46. What were the principal elements of New Hope? What were the results?

In addition, you should be able to read a table, explain what the coefficients mean and know whether the parameters are statistically significant.