

Economics 385: Econometrics
Wesleyan University, Spring 2002
Research Project

Purpose:

The goal of the research project is to allow you to undertake a significant and rigorous investigation of an interesting economic question — albeit one that can be completed this semester — and produce a publication-quality written account of your findings. In addition to providing you with “hands-on” experience with more advanced techniques, the project also should provide an opportunity to practice and improve your ability to communicate technical ideas effectively in a written format.

Background Preparation:

You should plan to meet with me in person to discuss your research ideas early in the semester; certainly before the prospectus is due. I also recommend Chapter 19 of Wooldridge’s textbook, which features a discussion of the “art” of conducting econometric analysis (as opposed to the “science” that is the primary focus of the rest of the book). This is probably the best introduction to the myriad of issues that you will encounter. I cannot encourage you strongly enough to read this chapter as you begin thinking about your project.

Schedule:

There are four primary components of the research project, with the following deadlines:

Prospectus	Thu, Feb. 21th, in class	5%
Outline with Data Summary	Thu, March 28th, in class	5%
First Draft	Fri, April 19th, 4 PM	12%
Final Submission	Tue, May 7th, 4 PM	18%

Please note that these deadlines are fixed; *late assignments will not be accepted for credit.*

Prospectus:

The main goal of the prospectus is to ascertain that you are on track with the essential groundwork of the project. In the prospectus, you should clearly identify the economic issue or question you intend to analyze. You should be able to explain why this topic is interesting, and how econometric analysis will contribute to a better understanding of the issue. A well-focused, narrow topic will almost always yield a better project (with less frustration) than a much broader topic.

Outline with Data Summary:

An important part of your research project will be establishing the current views of your issue in the economic (or quantitative social science) literature. To that end, the next stage — the outline — should include a brief discussion of related published academic research. You should discuss how this literature shapes your project: the particular hypothesis or “stylized facts” to analyze, the appropriate applied techniques to use, choice of dataset(s), etc. Also include a complete bibliography of all works cited.

A second major component is the collection of the data to be analyzed. Your data collection should be (more or less) complete by this stage. Relevant summary statistics should be reported with your outline. You are strongly recommended to complete your data collection as soon as possible. If you have any problems locating or “cleaning up” your dataset(s), come see me.

The outline should be 3 to 5 pages in length; the data summary will likely take a few more pages. (Note: do not simply reproduce your full dataset for me. Identify the important relationships among your data series, illustrate and briefly discuss them.) Brevity is a virtue. It is conceivable — although hopefully unlikely — that your proposed project will not be appropriate for this course. Under that circumstance, you should speak with me as soon as possible so that we can find an appropriate modification to your proposal and get you back on track.

First Draft:

The first draft should be as complete a paper as possible. In particular, the econometric analysis and corresponding interpretation for the main questions of your paper should be largely complete. While this draft also should be free of logical, grammatical and spelling errors, the grade will be determined primarily by the extent to which you have successfully addressed the main empirical questions of your project. You are encouraged to have someone peer review your draft before you submit it.

These drafts will be returned to you with detailed comments and suggestions for improving the paper. I encourage you to come and speak with me about your project after you have reviewed my written comments.

Final Submission:

The final submission will incorporate both a re-write of the first draft, as well new information and analysis as appropriate. In this submission, a larger fraction of the grade will be determined by the quality of your writing. The final paper should run roughly 15 to 20 pages of text. Your final submission also should include a bibliography, plus any tables, graphs, or appendices that improve the presentation and analysis.

The published papers that you cite should serve as a model for the form and content of your final submission: write as if you were going to submit your project to a well-ranked academic journal for publication. Again, peer reviewing is advised.

The final paper is due in my office by 4 PM on Tuesday, May 7th. I will not accept late papers under any circumstances. You also must submit an electronic version of your complete paper (including all tables, graphs, etc.) in Adobe Acrobat (PDF) format to receive credit for the final submission. The software to generate PDF files is available in most computer labs on campus.

Honor Code:

This project must be completed in a manner consistent with the Wesleyan Honor Code. You should credit anyone who provided you with assistance on this project. (It is customary to do so in a footnote on the cover page, or in a brief paragraph at the end of the main text.) Plagiarism is a serious violation of the Honor Code. It will not be tolerated.