Econ 313, Fall 2021

Paper Prospectus

This assignment is due before the start of Fall break, on October 14. It is not intended to be evaluative, but rather is designed to help you stay on track in finding an appropriate topic for your class paper.

There is no fixed length for each question. In general, I am looking for a few paragraphs.

1. State a potential research question(s). Briefly describe how your paper will provide value added above what we discussed in class. If the topic is related to the material from later in the semester, you might want to look ahead at the class notes and reading list.

There are many different types of papers that students might write. Examples include:

i. providing a cost-benefit analysis of a policy. (*e.g.* is quantitative easing sound monetary policy when interest rates hit the effective lower bound?).

ii. examining a topic in much greater detail than we discussed in class. (*e.g.* the role or mark-to-market pricing in financial markets during periods of instability).

. iii. quantifying an important economic effect (*e.g.* how did the CARES bill affect U.S. GDP?)

2. Provide three sources that study similar topics as your question. At least two of these should be scholarly or policy sources.

Your goal is to show that scholars or policy makers care about the questions that you raise. Popular press pieces may also be useful, although do not rely on them exclusively. I recommend Google Scholar. Search for terms related to your topic. Read abstracts. If they seem interesting, read further. When you find a good source, consider the papers that its cites or that cite it.

Your paper must include some original analysis. This will most likely be empirical although theoretical analysis is also welcome. Your paper does not need to be centered around this analysis, the analysis may instead be a smaller part of the paper that supports your overall viewpoint.

3. What potential data or theoretical model could be useful in examining your question.

For U.S. macroeconomic data, FRED is probably going to be your first stop. It is increasingly good for international data as well. The IMF is another great source for macroeconomic data.

My expectation is that the vast majority of students will choose to run some regressions. If you believe that a theoretical model could be useful, however, go for it. You might consider the effect of changing or adding a parameter to a model that you know and how that exercise might shed light on your paper topic.

4. Do you have any early ideas for how you might use the model or data from #3?

In ECO 255, you learned OLS regressions. If you are doing empirical work, OLS is the default and many of the estimators that you learn beyond it are designed to deal with complications (violations of the Gauss-Markov conditions) that render OLS inappropriate. Think about issues such as serial correlation, endogeneity, etc. that could make a simple OLS regression flawed.