

STANFORD UNIVERSITY
DEPARTMENT OF ECONOMICS

ECONOMICS 101

SPRING 2025

Economic Policy Seminar

The Economics of Aging and Social Insurance in the US

Instructor: Nick Grasley
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Time and Location: Mondays/Wednesdays 9:30 – 11:20 AM, 160-326

Office Hours: Mondays 2-4 PM via Zoom

Teaching Assistant: Brendan Moore
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Section Time and Location: Fridays 10:30-11:20, 320-109

TA Office Hours: Wednesdays 4:30-6:30 via Zoom

Course Description:

The U.S. federal government currently spends 40 percent of its budget on social insurance programs that support aging populations—such as Social Security, Medicare, Disability Insurance, and other programs. These costs are expected to soar as the U.S. population ages; according to U.S. Census Bureau projections, 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. To support this aging population, it is crucial to understand how people make saving, work, and healthcare decisions and how to design social insurance programs to efficiently support people as they age. Through this understanding, policymakers, healthcare providers, and businesses can develop innovative solutions to ensure the financial security and well-being of all generations.

Goals of the Course

Upon completion of this course, students should be able to:

- Appraise social insurance program design by comparing the social benefits of insuring risk against the moral hazard costs of the studied programs.
- Write and communicate a well-researched policy memo that persuades a general audience to take recommended actions

- Design and evaluate empirical techniques that inform and support arguments made in the policy memo
- Synthesize previous economic knowledge into actionable skills that are useful beyond Stanford
- Plan and manage the process of creating research, from initial research questions to publication-quality policy writing.

Course Structure:

Class time, TA sections, and assignments guide students through the process of completing a policy memo by the end of the course.

Class time will involve a mix of lectures, in-class discussions, and team meeting time. Prior to lectures and discussions on a social insurance program, there is required course reading and a corresponding reading quiz to complete through Canvas. For in-class discussions, students will actively discuss the costs and benefits of the program and ways to identify those costs and benefits.

TA sections will help you review previous material from your major courses and apply that material to writing your policy memo. For the first half of the course, TA sections will help you review and apply your previous economics courses to asking research questions and completing empirical analysis. For the second half of the course, TA sections will focus on the actual research and writing for your policy brief.

Assignments and course schedule will be managed through Canvas. Reading quizzes will be completed through Canvas, and the writing assignments will be submitted to Canvas for review.

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. If you email me 24 hours before an assignment is due, I cannot guarantee a response.

Textbooks:

There are no required textbooks for this course; however, I encourage everyone to read *The Little Book of Research Writing* by

Varanya Chaubey. The principles in the book not only apply to research writing but also writing in business.

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.

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

For this course, you should acknowledge the use of generative AI (other than incidental use) and default to disclosing such assistance when in doubt. You should feel free to use AI if it helps you develop skills that align with the course goals. For example, coding is not a learning goal and can impede your ability to accomplish an empirical analysis. Generative AI can help you focus on the learning goals instead of incidental skills like coding. I still expect you to declare that you used AI for things like coding for transparency.

However, I expect you to limit your AI usage for the primary goals of the course, like writing and designing empirical analysis. If you learn how to write a well researched policy memo yourself, you will learn to recognize mistakes and poor writing from generative AI. Then after this class, you will have a better understanding of when to use AI judiciously when writing and researching. I am not going to police your AI usage, but you should think carefully about when AI prevents you from learning and growing in this course.

Grading:

Class participation	10%	Course reading quizzes	10%
Problem set	5%	Final presentation	10%
PM Assignment #1 (Proposal)	5%	Final policy memo	35%
PM Assignment #2 (Lit)	5%	Group evaluation	10%
PM Assignment #3 (Empirics)	5%		
PM Assignment #4 (Draft)	5%		

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 (replication): 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 8 course discussions. Each quiz will be worth 10 points, and the lowest score will be dropped. For some of the writing portions, we will randomly audit and grade some of the problem sets.

Policy memo 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 15-20 pages in length 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.

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.

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](#).

Course Schedule and Due Dates*

*See Reading List below for full citation and accompanying handout

Week	Date	Complete before class	Class activities	Section
	Introduction			
1	3/31	Review course syllabus	Lecture 1: <i>Government Efficiency and Social Insurance</i>	Coding
	4/2	- Read DOGE won't be enough to get the federal debt under control - Read How can societies prepare for an aging population?, by Gopi Shah Goda - Review <i>Policy Memo Assignment #1 (Proposal)</i>	Costs - Lecture 2: <i>Evaluating costs of social insurance programs</i> - Discuss policy proposal assignment - Class activity: Topic and Team Preferences	
2	4/7	- Complete class reading and quiz: Lieber and Lockwood (2019) - Review handout <i>Critically Evaluating Course Readings</i>	Benefits - Lecture 3: <i>Evaluating benefits of social insurance programs</i> - Discuss Lieber and Lockwood (2019) (Course readings handout) - Class activity: social insurance game	
	Health Care (Medicare and Medicaid)			
	4/9	- Complete class reading and quiz: Finkelstein et al. (2012) - Skim Finkelstein, Hendren, Luttmer (2019) - Review Replication Assignment - Review experiments handout	- Lecture 4: <i>Public health insurance</i> - Class discussion: Finkelstein et al. (2012) - Coming up with research questions	
3	4/14	- Complete class reading and quiz: Card, Dobkin, Maestas (2008) - Skim Goldin, Lurie, and McCubbin (2020)	- Lecture 5: <i>Effects of health care spending on health</i> - Class discussion: Card, Dobkin, Maestas (2008) - The structure of writing	

	4/15 (Tues)	Policy Brief Assignment #1 (Policy Proposal) due by midnight		
	4/16		- Teams report out on Policy Brief Assignment #1 (Proposal) and collect feedback - Data sources	
4	4/21	Complete class reading and quiz: Garthwaite, Gross and Notowidigdo (2014)	- Lecture 6: <i>Social Insurance and the Private Market</i> - Class discussion: Garthwaite, Gross and Notowidigdo (2014) - Discuss literature reviews	•
	4/22 (Tues)	Problem Set (Replication) due by midnight		
	4/23	Complete class reading and quiz: Ganong and Noel (2019)	- Lecture 7: <i>Unemployment Insurance</i> - Class discussion: Ganong and Noel (2019) - Discuss replication exercise	
	Safety Net Programs and Long-Term Care			
5	4/28	- Review Policy Brief Assignment #2 (Empirical Analysis/Lit Review) - Complete class reading and quiz: Fetter and Lockwood (2018)	- Lecture 8: <i>Social Security</i> - Class discussion: Fetter and Lockwood (2018) - Communicating empirical analysis (figures and tables)	•
	4/29 (Tues)	Policy brief assignment #2 (lit review) due by 5pm PT		

	4/30	• Watch Nicole Maestas’ presentation from NBER Symposium on Disability Insurance, July 25, 2018 • Complete class reading and quiz: Maestas, Mullen and Strand (2013) • Skim Deshpande and Lockwood (2022)	• Lecture 9: <i>Disability Insurance</i> • Class discussion: Maestas, Mullen and Strand (2013) • Communicating empirical analysis (written)	
6	5/5	• Complete class reading and quiz: Goda (2011)	• Lecture 10: <i>Long-term care</i> • Class discussion: Goda (2011) • Policy recommendations	•
	5/6 (Tues)	Policy Brief Assignment #3 (Empirical Analysis) due by midnight		
	5/7	Teams report out on Policy Brief Assignments #3 and #4 (Empirical Analysis/Lit Review) and collect feedback		
7	5/12	• Review Policy Brief Assignment #3 (Draft) • Complete class reading and quiz: Finkelstein and Notowidigdo (2019)	• Lecture 11: <i>Welfare programs</i> • Class discussion: Finkelstein and Notowidigdo (2019) • Introductions, executive summaries, Conclusions	
	5/14	Team meetings with Professor/TA to discuss results (sign up for 30 minute slot on canvas); <i>all team members must be present</i>		•
8	5/19	Taking stock of social insurance programs in the US		•
	5/20 (Tues)	Policy Brief Assignment #4 (Draft) due by midnight		
	5/21	Exchange drafts with other groups and provide peer feedback		
	5/26	Memorial Day, no class		
9	5/28	Communicating Results in an Oral Presentation		•
	6/2	Team meetings with Professor/TA to discuss drafts (sign up for 30 minute slot on canvas); <i>all team members must be present</i>		
10	6/4	Class Presentations and Course Wrap Up		•
	6/6 (Fri)	Final Policy Brief due by 5pm PT		

		Enjoy the summer!	
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Reading List

	Full Citation
1	Lieber, Ethan M. J., and Lee M. Lockwood. 2019. "Targeting with In-Kind Transfers: Evidence from Medicaid Home Care." <i>American Economic Review</i> 109 (4): 1461–85.
	Finkelstein, A., Taubman, S., Wright, B., Bernstein, M., Gruber, J., Newhouse, J. P., ... & Oregon Health Study Group, T. (2012). The Oregon health insurance experiment: evidence from the first year. <i>The Quarterly journal of economics</i> , 127(3), 1057-1106.
2	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.
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.
4	Fetter, D. K., & Lockwood, L. M. (2018). Government old-age support and labor supply: Evidence from the old age assistance program. <i>American Economic Review</i> , 108(8), 2174-2211.
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.
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.
7	Finkelstein, A., & Notowidigdo, M. J. (2019). Take-up and targeting: Experimental evidence from SNAP. <i>The Quarterly Journal of Economics</i> , 134(3), 1505-1556.