Econometrics Research Project Proposal

Reference: Greenlaw, S.A, *Doing Economics*, pp 26-28.

You must write a short (no MORE than 2 pages) proposal that addresses 3 things. Your proposal should look a lot like a good INTRODUCTION section to a paper. As such, I want you to write 3 paragraphs (note that while this differs slightly in order from that discussed by Greenlaw, you should see that all 5 of the fundamental components he talks about are here):

Paragraph 1: Defining the nature of the problem

This paragraph should introduce the reader to the issue you are interested in researching. This is a fairly broad paragraph. Remember, you want to motivate the reader here. You should try to "prove" that this is an interesting topic worth studying.

> e.g., Divorce rates in the US have been increasing for years….some say it reflects a moral decline in society, but others say it is related to economics. Are people really more likely to get divorced if they are poor?...

Paragraph 2: Casting the problem as an economic question

The issue you are interested in researching can be addressed in numerous ways, including non-economic approaches. What you need to do in this paragraph is to take that broad topic above and formulate it into an economic problem. One important way we do this is to reference what economists have studied in the past that relate to the issue.

> e.g., Previous research by Becker (1977) argue that couples get married for economics reasons. Men and women, he argues, have different skills and comparative advantages. Thus, as a couple, they increase their economic utility by working cooperatively as a married couple. On the other hand, a number of recent authors have suggested that as women's wages and job opportunities rise, they are more likely to divorce (see Ruggles 1997 and Micheal 1988).

Paragraph 3: Thesis and methodology

Having indicated what issues others have researched, you now need to explain to the reader what YOUR paper will do. This is your "thesis." In addition, you should tell your reader HOW you are going to address your thesis. For empirical papers, this typically (not always, but certainly for the purposes of THIS class it must) includes indicating what data you will use. Finally, at least for the purpose of this proposal, you should give some preliminary indication of the variables you will use in your regression analysis.

> e.g, The purpose of this paper is to investigate the economic determinants of divorce. Specifically, I hypothesize that there has been a cultural change in the US. With more and more couples living together outside of marriage, they are able to capture the economics efficiencies noted by Becker (1977) without getting married. As a result, those choosing marriage should be doing so for different reasons. Most of the existing studies have used

data on families from the 1970s and the 1980s, when it was general less culturally accepted for couples to live together. Using new data from the *National Longitudinal Survey of Youth 1997*, I will be looking to see if there is a difference between the likelihood of divorce for couples who lived togeth3r prior to marriage and those who did not. In addition to factors like education, income, and whether they have children, I will also be able to control for non-economic factures such as religion, as well as region of the country.

4. References

You need not have read all these papers yet. But, you should have a minimum of 3 relevant papers that you have come across in your literature search already. Of course, you will have MORE as time goes on. I do NOT expect at the proposal stage for you to have completed your full literature review yet. But, you should have read at least one article directly related to your topic and have found a couple more that look interesting.