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Abstract

Chapter 1: Effects of Removing State Postsecondary Grant Aid Eligibility (with Christa Gibbs)

In response to tightened budgets and concerns about higher education costs, the federal government and several states have introduced rules to limit the use of publicly funded aid, particularly at for-profit colleges. While there is some evidence that colleges respond to increases in financial aid by increasing tuition or decreasing institutional aid (i.e., the Bennett hypothesis), the effect of reducing or removing aid is still unclear. In this paper, we characterize how schools may respond heterogeneously to a state subsidy reduction based on their distance to federal aid eligibility thresholds. We then use an event study framework to estimate how tuition, net prices, enrollments, and loan use changed at for-profit colleges that became ineligible for California's state grant aid program. Typical schools reduce tuition by 6 percent relative to unaffected colleges, indicating that the majority of the incidence of the aid subsidy was on schools. In contrast, a subset of schools close to a federal eligibility threshold maintain or increase tuition, as predicted. These results indicate that the Bennett hypothesis holds for targeted aid decreases in the for-profit sector.

Chapter 2: Faculty Role Models and Undergraduate Major Choice

The role faculty demographics play in undergraduate major choices is often presumed to be important, especially in the conversation about improving minority representation in STEM fields, but limited evidence exists on this phenomenon. In this paper, I consider how postsecondary faculty racial composition may influence major selection across demographic groups using a panel of student and faculty counts by race for large public universities in the state of Texas from 1998-2011. I do not find evidence of a racial role-model effect in this environment, and the null effects are estimated with sufficient precision to rule out practically large effects. Although there is growing evidence of other benefits to matched student-teacher characteristics, changing faculty composition alone is not a reliable path to induce changes in undergraduate major representation.

Chapter 3: Causal Spousal Health Spillover Effects and Implications for Program Evaluation (with Jason Fletcher)

Current methods of cost effectiveness analysis implicitly assume zero spillovers among social ties. This can underestimate the benefits of health interventions and misallocate resources toward interventions with lower comprehensive effects. We discuss the implications of social spillovers for program evaluation and document the first evidence of causal spillovers of health behaviors between spouses by leveraging experimental data from the Lung Health Study (smoking) and COMBINE Study (drinking). We find large decreases in spousal substance use from treatments with a therapy component, which reduces the incremental cost effectiveness ratios of some treatments by 10 to 15 percent.