

Princeton University

Industrial Relations Section

Firestone Library
Princeton, New Jersey 08544-2098
(609) 258-4046
(609) 258-2907 FAX
E-Mail: akrueger@princeton.edu



Alan B. Krueger
Bendheim Professor of
Economics and Public Affairs

October 14, 2014

Susan Marquis, Ph.D.
Dean and Distinguished Chair of Policy Analysis
Pardee RAND Graduate School
1776 Main St.
Santa Monica, CA 90407-2138

Dear Susan:

I enjoyed meeting with you and your faculty and staff when I visited RAND to review the Pardee RAND Graduate School (PRGS) in August. I have interacted with many PRGS graduates over the years, and it was a pleasure to learn more about the school and the unique opportunities that it offers.

My overall impressions of the Pardee RAND Graduate School were quite positive. I thought that the pool of students that applied to and enrolled in the program was highly qualified, and a good fit for what RAND has to offer. I thought the faculty were highly motivated and that they took their responsibilities seriously, although their incentives for teaching and participating in OJT were often more intrinsic than financial. With some exceptions noted below, I thought the curriculum was appropriate. Additionally, the on-the-job training aspect of the RAND program is an aspect of graduate training at RAND that is not available elsewhere, and that provides students with a unique window into how research is conducted and is an important part of your "brand". I think there is much to be proud of about the way PRGS is organized and run.

While I think that Pardee RGS is performing well, I do have some suggestions for improving the program. These are listed below.

- The economics course offerings are strong, but macroeconomics should be a required part of the curriculum. It is simply unfathomable for a well-trained policy Ph.D. to be uninformed about macroeconomics in the aftermath of the worst financial crisis and recession since the Great Depression. Although most of the work conducted by economists at RAND involves microeconomic tools, students should have an understanding of the meaning and determinants of unemployment, national income accounts, output gaps, inflation, current account deficits, budget deficits, etc.

There are many varieties of macroeconomics, simplistically described as running from Fresh Water to Salt Water. I think it is most important that students understand the dividing lines within macroeconomics, the tools and models used by macroeconomists (e.g., growth models, ISLM, consumption models, etc.), the key macroeconomic indicators, and the types of evidence that macroeconomists bring to bear on their problems. In addition, it was not clear to me if students received sufficient grounding in time-series econometrics in their core econometrics class. While it may be difficult to squeeze this material into the existing econometrics classes, a course in macroeconomics would be a natural place to introduce students to time-series econometrics and forecasting.

- I was surprised by the lack of coordination between the students' OJT requirements and their classroom work. OJT clearly absorbs a great deal of student time. I would think that their studies would be enriched if they could infuse their classwork with examples from OJT. For example, students could use data that they analyze in OJT in applications that they do in their econometrics course.

Students also noted that they did not always receive adequate feedback on their performance in OJT. It is important that OJT works as a two-way street, where students receive valuable training and provide useful services for researchers, and researchers benefit from giving students real responsibilities. It was not clear to me that researcher compensation was sufficient to encourage their involvement in OJT given the substantial costs involved in training and supervising an entry-level student.

- I would recommend considering two areas where PRGS could expand its training and student placements. The first involves survey research methods and implementation. RAND has many natural advantages in survey design, including implementing the American Life Panel. It seems to me that there is a growing demand for people with survey research expertise at survey companies like Gallup, at think tanks like Pew, at political campaign groups, and at research organizations like Mathematica. PRGS would seem well suited to fill this demand, and the students that you attract seem to me to be well prepared to learn about survey methods and to implement surveys.

The second area I would recommend expanding is development economics. The field of development has changed rapidly with MIT's JPAL playing an outsized role in development research by increasing the number of randomized evaluations in developing countries. It would be useful to have more people who are prepared to implement such studies, and, more importantly, to ensure that the quality of randomized-control trials implemented thousands of miles away is high.

- My impression was that graduate students at PRGS do not present their research in seminars as often as graduate students in other top Ph.D. programs. At Princeton, for example, students regularly present chapters from their theses (usually articles that can be submitted to a journal) at a lunch seminar attended by faculty, and in our regular seminar workshop prior to going on the

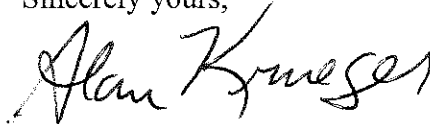
job market. This is an important venue for students to receive feedback, and is an invaluable test run for those going on the academic job market. We also fund students to present at conferences. One thing to consider is whether graduate students should be required to present one or two seminars when they are in the dissertation-writing stage.

- A number of the people that I spoke to raised concerns about the Social and Behavioral Science course. For what it is worth, this course struck me as a quick and superficial march through many branches of social science. As a result, students often come away with the impression that these fields are of little importance, and not very rigorous. I would recommend devoting more attention to a particular area, such as psychology or political science, instead of aiming at breadth at the expense of rigor.

I apologize for the delay in sending you this memo. I'd be happy to elaborate on any of the observations and recommendations that I make in this memo.

With best wishes.

Sincerely yours,

A handwritten signature in black ink that reads "Alan Krueger". The signature is written in a cursive, slightly slanted style.

Alan B. Krueger
Bendheim Professor of
Economics & Public Affairs