

**Précis Writing Assignment**  
Economics 43565-- Health Economics

Bill Evans  
Spring 2019

One of the more important tasks that will be required of you in the workforce is the ability to distill a large and complex set of information into a nice neat package. At many different points in your work life you will be asked “what is the bottom line?” on a particular subject matter.

For this class, you will get some practice at this skill by reading academic articles and summarizing the content in a nontechnical manner. The readings for this class are a series of academic articles listed on the class syllabus. At least a week before we discuss the articles in class, 2-4 students will be assigned to write a short paper or précis that summarizes the key concepts in the article. The papers should be 2 pages, double spaced, 11 point type, one inch margins. Throughout the semester, students are expected to write five précis. You should have received a Google drive invitation for this sign-up sheet already. If you sign up for an article, you cannot drop the assignment and pick up another. Late paper will get no credit. The précis will generally be due either one class prior or the day we discuss a topic.

The articles you will be writing about are marked with a # on the class syllabus. In your précis you should address the following topics:

- **Research Question:** What is the research question the author is trying to address? Why is this an interesting economic question? Put the topic into context – why do people care about this issue?
- **Research Strategy:** What is the basic strategy the author uses to address the question? The article might be a literature review, an original statistical model or a theoretical exercise. Briefly outline their technique. For example, if they estimate a statistical model, outline the model and the basic assumptions
- **Results:** Briefly describe the results/conclusions of the paper.
- **Limitations:** Discuss the limitations of the work – what does the paper not address and what are some shortcomings of the analysis.

Write in text not bullet points. Although you may not be responsible for writing a précis for a particular article, you ARE expected to read the articles none the less. The first précis are due next Monday. This is the only time you will have a short turnaround for this assignment. If at least two people do not sign up for next Monday’s assignments, I will assign people randomly to an article. To assist you in this task, below is a sample précis for a paper I know well. Your précis should be double spaced but to save trees, I have limited mine to single spacing.

Here are a few things to keep in mind.

- The précis should be precise but not overly technical. Use words not equations to describe what the authors are doing. Grades will be based on how accurately and effectively you convey the information.
- Grammar counts.
- Please be parsimonious with your text. You only have 2 pages. Word conservation is key to conveying the most information possible. Passages such as “This paper examines the impact of the Affordable Care Act on insurance coverage. The Affordable Care Act was passed in...”

- In discussing the research question, please do not engage in hyperbole. You are not selling but summarizing – your job is to not get me to like the paper or the subject but to inform me about its contents.
- The weakest part of most précis is the section on limitations. Most people gravitate to the easy comments – the paper only has data from Pennsylvania – do the results hold in other states? Think more deeply about the paper than the obvious comments. One way to organize your thoughts is to think about the internal and external validity of the paper. Internal validity is essentially whether the paper is getting the right answer. External validity is asking whether the results make a broader point. What are the threats to both internal and external validity? Papers can have high internal validity but make a limited point. Another way to think about limitations is to outline some set of results or models that would make the paper more informative.

Article: Steven Snyder and William N. Evans, "The Impact of Income on Mortality: Evidence from the Social Security Notch," *Review of Economics and Statistics*, 88(3), 2006, 482-495.

**Research Question:**

The authors consider the impact of higher income on mortality in an elderly population. There are hundreds of academic articles that demonstrate a persistent positive relationship between socioeconomic status and health. Most estimates are produced within a multivariate regression where some measure of health is regressed on control variables including socioeconomic status. Despite the size of this literature, there is a question whether the single-equation estimates are unbiased. Poor health can negatively impact earnings so regression results may be subject to a simultaneity bias – the poor have lower earnings because they are sick. At the same time, results could be biased by an omitted variable – factors such as patience may impact both investments in health and human capital, generating a spurious correlation between these two variables.

**Research Methods:**

The authors use the change in income generated by the "Social Security Notch" as a quasi-experiment to test whether higher incomes alter mortality. Faced with rapidly rising benefit levels, in 1977 Congress re-engineered the Social Security benefits formula and for the first time ever, reduced benefits in this program. Recipients born on January 1, 1917 and after received substantially lower monthly benefits than otherwise identical but slightly older recipients. Comparing those born in the 1<sup>st</sup> quarter of 1917 with those in the 4<sup>th</sup> quarter of 1916, the authors examine the impact of the Notch on Social Security payments and mortality. To capture secular changes in outcomes that could occur between those born in the 1<sup>st</sup> and 4<sup>th</sup> quarters, the authors use as a comparison sample the differences in outcomes for those born in the 1<sup>st</sup> quarter of 1916 versus the 4<sup>th</sup> quarter of 1915. The Social Security Notch is useful in this context for two reasons. First, the payment declines generated by the Notch were modest but impacted a large number of recipients. Second, when the law was passed it was not known how the Notch would impact Social Security payments. It was only after the changes went into effect that it became known that workers with the same earnings history but different birth dates were receiving very different monthly payments. Therefore, the impact of the Notch can be considered an exogenous change in income. Earnings data is taken from the March Current Population Survey and mortality rates are calculated from the Mortality Detail data, which is a census of all deaths in the U.S.

**Results:**

In the first half of the paper, the authors demonstrate that the Notch reduced annual monthly Social Security payments by \$496 (in real 1987 dollars) which is roughly 8% of average annual earnings among those born 1915-1917. When examining the impact of the Notch on mortality, the authors produce a surprising result: those born after January 1, 1917, which have lower monthly Social Security payments, actually have lower mortality rates. This result runs counter to most of the literature and suggests that greater transfer payments increased mortality in this context. The authors suggest that the lower monthly payments increased work among the impacted cohorts and the authors suggest that being engaged in the labor force and the social network that work generates may be protective of health for the elderly.

**Limitations:**

It would have been nice for the authors to examine whether the impact of income varies based on individual characteristics. For example, the change in Social Security payments should mean less to a more educated recipient since these payments make up a smaller component of their total income. However, the data used by the authors did not have detailed demographic data so these type of sensitivity tests could not be performed. Also, because most women in this period are receiving benefits based on their husband's earnings, the Notch does not change income in the same way for women. Therefore, the authors can only examine the impact of income on mortality for men and not for women. Finally, the authors suggest that reduced work may be the explanation for the increased mortality but they provide no evidence that work is the intervening variable.