



Blueprint for America

EDITED BY

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NOTES / REFERENCES

CHAPTER 4: TRANSFORMATIONAL HEALTH CARE REFORM

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CHAPTER 6: NATIONAL AND INTERNATIONAL MONETARY REFORM

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CHAPTER 7: A BLUEPRINT FOR EFFECTIVE FINANCIAL REFORM

1. Many issues in this essay are treated in more depth in John H. Cochrane, “Toward a Run-Free Financial System,” in *Across the Great Divide: New Perspectives on the Financial Crisis*, Martin Neil Baily and John B. Taylor, eds., 197–249 (Stanford, CA: Hoover Institution Press, 2014).

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CHAPTER 8: EDUCATION AND THE NATION’S FUTURE

1. The figure reports the separate influence of aggregate test scores for nations on real annual growth in GDP per capita between 1960 and 2000. Underlying this is a regression analysis that also includes the initial GDP per capita in 1960, reflecting the fact that nations starting behind can grow faster because they just have to imitate what is done elsewhere instead of inventing new things. For details, see Hanushek and Woessmann (2015).

2. The details of these projections can be found in Hanushek, Peterson, and Woessmann (2013) and Hanushek and Woessmann (2015). The gains are calculated as the difference between projected GDP based on current labor force quality and improved quality through better schooling. Real GDP at current quality is projected to grow at 1.5 percent per year.

3. These calculations use estimates of the variation in teacher quality from existing value-added studies and from labor market studies of the value of added achievement to project added earnings for teachers at different quality levels (see Hanushek (2011)). The estimates for different size classes assume that added students over the range of the projections have no impact on class achievement. This assumption is controversial; see Krueger (1999) and Hanushek (2003). Class size or students taught refers to full-time equivalents for teachers with multiple classes of students.

4. As is well-known, families also exert a strong force on child learning, but the discussion here focuses on schools, because that is where policy has greatest leverage and legitimacy. Since the emphasis on families in the Coleman Report in 1966, some have discounted schools, but current research makes it clear that schools and teachers have large potential impacts. See Coleman et al. (1966) and the re-evaluation in Hanushek (2016).

5. The Washington, DC, system increases the base pay for the best teachers while firing the least effective, thus changing the career pay according to performance. See the evaluation by Dee and Wyckoff (2015). See also Figlio and Kenny (2007).

6. Atkinson et al. (2009), Lavy (2009), Muralidharan and Sundararaman (2011), Woessmann (2011).

7. See changes in state policies in National Council on Teacher Quality (2015).

8. An appellate court overturned this ruling in 2016, and final judgment

has yet to be reached. But even this appellate court indicated that existing tenure and dismissal laws were harming California students.

9. Carnoy and Loeb (2002), Hanushek and Raymond (2005), Figlio and Loeb (2011).

10. Figlio and Rouse (2006).

11. See, for example, Bishop (1995, 1997) and Woessmann et al. (2009). The college entry examinations in the United States do provide external exit examinations on a voluntary basis, but no research exists about potential impacts on the K-12 schools.

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CHAPTER 12: DIPLOMACY IN A TIME OF TRANSITION

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