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Statement of Research Philosophy

Motivation
My philosophy of research derives from my impassioned belief that higher education institutions are the linchpins binding our complex and distressed world. The research and dialogue that we collectively produce and disseminate are essential if we are to improve human relations and quality of life globally. My primary research therefore focuses on the economics of higher education, in particular issues related to the financing and operation of higher education institutions in the United States.

Theodore Roosevelt was creating the National Park System when he said, “The Nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased, and not impaired, in value.” He may as well have been speaking about our nation’s human capital stock. I am dismayed by the phlegmatic public treatment of higher education in recent years. Myopic state budget allocations and knee-jerk funding cuts in higher education signal that the public does not perceive higher education as a worthy investment.

Underlying my research is my acceptance that the social returns to higher education are enormous. This might suggest a course of study attempting to put a number on these investment returns, however such exercises are notoriously unreliable. Instead, I rely on history to substantiate my beliefs. In the United States, the G.I. Bill gave more than 10 million veterans a chance to obtain an advanced education (and other benefits) at the end of World War II. The Bill allowed millions of veterans to attend college who otherwise would not have attended and no doubt was a major factor behind our economic growth in the past half-century. Given the enormity of its success, it might shock you to know that were it not for 11th hour heroics in the Senate, the Bill may never have passed. Two better case studies involve post-war Germany and Japan. Though their physical capital stocks were devastated, these countries recovered and grew rapidly after the end of World War II due to the enormous stock of human capital they had accumulated.

Approach
My research is policy oriented. In every profession, there is a demand for people doing high caliber theoretical research, applied research and for professionals to take these contributions to a broader audience so that people outside of the profession may receive their benefits. I most often fall into the two latter categories. To understand how I perceive the importance of my work, perhaps an example from physics would help. It is not essential that every physicist have the ability to conceive the special theory of relativity. What is essential however is that engineers building extremely high-speed spacecraft understand exactly how the implications of this theory might affect their design. Just as important, they also need the ability to translate what these implications mean in terms of time and money to the general public and other decision makers.

My work with Ron Ehrenberg in the Cornell Higher Education Research Institute (CHERI) has also exposed me to the advantages (and difficulties) of writing, administering and
analyzing direct surveys. Combining proprietary survey data with publicly available data produces very powerful data sets useful for answering a variety of important questions. More generally, this experience has turned me on to the power of combining multiple data sets in my empirical work. In fact, I have put together a rich state level data set for use in my dissertation that combines data from over 30 different sources. Working in CHERI has been invaluable for two additional reasons. First, all of the affiliated researchers in our institute meet each week to discuss the progress of our work and news in the education field. These meetings have greatly enriched my research portfolio by simply having the chance to talk about what I am doing (and to get comments), to see techniques and troubles that others are encountering in their work, and to be aware of the issues that are topical and important in our field. Second, we at CHERI emphasize the importance of sharing the fruits of our research to a wide audience. It is common for us to write non-technical summary articles alongside technical research papers that we submit to academic journals in order for our work to be read by a larger audience. Such summary pieces have appeared in *Change* magazine, *Academe, Science, The Chronicle of Higher Education* and the *TIAA-CREF Research Dialogue*.

Areas of Research Interest and Directions for Future Work

Though gaining in popularity in recent years, higher education is still a very rich environment in which to conduct future research. In light of the current and expected future shortages of skilled labor in the US, more attention needs to be paid to research in this area. Education research is also appealing to me because of its relation to a number of fields in applied microeconomics, particularly in public economics, corporate finance and general labor economics.

The research in my immediate future includes several extensions from my dissertation. The results in that work cry out for a more detailed (and perhaps structural) analysis of the inter-relationship among the different sources of funding for public higher education. In particular, I am in the formative stages of analyzing dynamic models of the relationship between state appropriations and tuition rates as well as the relationship between state appropriations and other private sources of funding. These studies are important in light of my finding that states exercise the most discretion over the higher education funding decision than over other budget items. I have also found a tendency for state legislatures to view non-state sources of funding as substitutes for state appropriations – giving rise to a vicious cycle that is (at the moment) sending our public colleges and universities spiraling toward the private, high-tuition equilibrium.

Within higher education, I am in the nascent stages, or hope to work in the future on the following:

◊ Strategic finance initiatives in higher education including studying merger & acquisition and divestiture strategies, structured finance alternatives to finance capital projects, the impacts of the growing for-profit sector on various institutional and student outcomes (*corporate finance, industrial organization*).
Has the institution of federal tuition tax credits affected state grant and institutional financial aid? This is particularly important given my previous finding that institutions increase instate tuition rates substantially in response to increasing generosity of federal financial aid programs (public economics).

Analyzing the link between university research and economic development in a state or other geographic area (public finance, labor economics).

Analyzing if state school property tax relief programs have crowded out public higher education funding. My dissertation indicates that 33% of the increase in K-12 school funding resulting from court-mandated equalization programs has come at the expense of higher education, so it is natural to ask the question of other state programs (public economics, labor economics).

Hedonic pricing analyses of higher education expenditures (labor economics).

A comparison of the performance (either labor market outcomes or within schooling outcomes) and characteristics (e.g. selection into particular fields based on history or other background characteristics) of advanced students that went directly to graduate school versus students that took time off between college and graduate school (labor economics).

We have already completed work studying the impacts of the increasing the cost of science at large research universities. In particular, the share of total research expenditures coming from own institutional funds has doubled over the past 25 years. We are currently looking to answer the same question of liberal arts colleges; (labor economics)

While my primary area of research throughout graduate school has been in higher education, my current research and future agenda spans quite a number of disciplines. These disciplines include:

- **Experimental Economics** - I am captivated by the question of why people make the decisions that they do, and what motivations other than maximization of personal wealth enter into the decision-making process. I am currently designing two laboratory experiments testing the theories of Tiebout sorting and behavior under fiscal illusion. The vanguard of many economic disciplines today involves issues related to behavioral economics, and a laboratory experiment is helpful for understanding these dynamics.¹

¹ For instance, my research philosophy is largely derived from my inherent and substantially small personal discount rate near 0%. My personal utility function (as it relates to economic research) therefore includes both the satisfaction I get from making my own contributions today and satisfaction from knowing that I might in some small way be contributing to solving a problem well into the future. Experiments are useful for understanding just how important each of these is in my utility function.
♦ **Public Economics** - analyzing relationships between federal and local taxing and spending programs, the relation between state spending on capital projects and credit ratings; an analysis of the impact of school property-tax relief programs on a number of state and local outcomes (including the likelihood that school budgets pass, the distribution of resources across school districts, property values, property tax rates and the size of proposed school district budgets).

♦ **Environmental and Resource Economics** - designing multi-level environmental permit systems and valuing non-traditional goods.

♦ **Labor Economics** - studying military recruitment and retention behavior; the economics of volunteerism; occupational choice as it relates to education finance; employer market power.

**Final Thoughts**

I believe that there is a virtue in becoming a “jack-of-all-trades and master of none.”\(^2\) The theories, results and techniques in some fields may yield useful insights on how to handle research questions in others. For instance, hedonic pricing models have traditionally been used to measure compensating wage differentials in labor economics, but more recently are being used in valuation studies in environmental economics. While I may never achieve a Nobel Prize in any field, my broad interests help me to avoid not seeing the forest from the trees.

In closing, allow me to record some disconnected thoughts:

1. Involving undergraduate students in research activities is important. Exposing students to academic research, either directly or indirectly, prevents a skeptical, insular view of what professors actually do from pervading a bright student body. In other words, quality research is vital to undergraduate education. If anything, it sends a message that their professor is not “out to pasture” in their class. Further, students that are actively involved in research are very excited about doing it, and are more informed about what a graduate school and professional experience in economics might entail.

2. Part of my professional responsibility is to learn about the scholarship of my colleagues. From the perspective of an undergraduate student this also sends a message about the collegiality and productivity of the department. From a broader perspective, for the same reason my experience in CHERI has been valuable, dialogue with colleagues improves the quality of scholarship and the atmosphere within a department. Perhaps these feelings are best echoed by the former President of Amherst College, Tom Gerety, as he says, “Our scale and our intimacy, our flexibility in moving across and among fields, our openness to one another and to our students—these are the strengths of a community built on dialogue. Yes, we are specialists, but we are also generalists: intellectuals first, with a curiosity that does not

\(^2\) Alison Krauss + Union Station, “Lucky One” on New Favorite (2001) - © 2003 Union Station Land, Inc.
stop at the boundaries of one discipline but pushes on to ask about the disciplines of our colleagues."

3. My research is not driven by a desire to be categorized in any particular way. I simply use the best available techniques and data to handle the policy-motivated question that I am studying. To vet this issue further, I have no moral opposition to the belief that structural relationships exist, for example. High quality work is not antithetical to simple work. One of my soon to be published papers simply highlights changes in the composition of American Ph.D. students in the U.S. over the past 35 years. There are no fancy econometric models (though they would be useful if more data were available) in this paper. The paper is a careful synthesis of expansive data that will be useful for policymakers. For example, the median enrolled time to degree has been increasing dramatically for Ph.D. students in almost all disciplines, but the probability that an undergraduate will go on to earn a Ph.D. has remained constant for nearly two decades. These facts alone can inspire a large line of further research.

4. Erudition does not imply omniscience. I believe in carefully considering, and seeking out, criticisms of my work. Further, the manner in which one presents and discusses research will no doubt affect the way that people listen to it and how seriously they consider it.

5. Ethics: it suffuses everything that I do. I try to live ethically. I teach my classes with ethics in the front of my mind and I pursue my research very conscious of ethics as well. In light of recent business, political and even academic indiscretions I believe it is especially important for scholars to set an example for how to conduct oneself. In research, ethics is multi-dimensional. Ethics extends beyond not “mining” and engineering data and results. Ethics includes writing in a tone that does not impart a subconscious bias in the reader – it allows the science to speak for itself. Ethics is subtle too. As responsible researchers, we ought not enter into a project with a preconceived notion about what the results should or should not be – this is why we are doing empirical work in the first place. Such thinking might affect the way you set about to do your work. For example, in a paper I recently co-authored on the impacts of the increasing costs-of-science in research universities, one might expect that as institutions expend more of their own dollars on research, other things at the universities might get crowded out. However, simply by changing the perspective one looks at this question may lead you to an opposite conclusion – perhaps these increasing shares are conscious investment decisions? One might very well expect to see just the opposite impact on some measures.

I will close with useful piece of advice from Sherlock Holmes. “Still, it is an error to argue in front of your data. You will find yourself insensibly twisting them around to fit your theories.”

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3 In The Adventure of Wisteria Lodge by Sir Arthur Conan Doyle.