Achen and Courant, “What Are Grades Made Of?”

“Grades are an element of an intra-university economy that determines, among other things, enrollments and the sizes of departments.” (p. 78)
BUT: “both the costs and consequences of different grading policies vary systematically across departments and courses.” (p. 78)

Different costs: “objective” tests harder to argue with (“cheaper” to use), so grades will be tougher in fields where “objective” tests are more feasible.

Grades likely to be higher...
• for elective courses (higher elasticity of student demand vs. required courses)
• in upper-division courses (more self-selection, faculty want to help their majors)
• in departments with low enrollments (want/need to attract students)
• when there are student course evaluations (faculty want to increase their ratings, then other faculty want/have to follow suit – hence, grade inflation?)

e.g., consider economics: second- or third-toughest grader in seven departments, over time and at different universities
• relatively easy to write “objective” economics exams
• econ. is required by many other disciplines (e.g., business)
• high enrollments in econ. create the need to cut down enrollment
Different types of required courses:

- Some courses are required for popular fields (e.g., econ required for business) – here demand may be relatively insensitive, so grades may be lower
- Some courses required only for "distribution" requirements (e.g., foreign language, lab science, etc.) – here demand may be more sensitive, so grades may be higher
  - French, Spanish: commonly taught in high schools, so they function like a conventional required course, and so lower-level course grades are low – but upper-level grades are higher (demand is more grade-elastic)
  - Chinese, Japanese, Russian, Italian: average grades are higher (again, demand is more grade-elastic)

Role of “objective” tests and grading methods:

- When it’s hard to grade “objectively,” cost to instructors of giving low grades is high, so average grade level will be high: e.g., physics lab courses have higher grades than physics lecture courses or (even!) English courses
- Likewise, Freshman Comp – which everyone is required to take – gives an average grade of B+ “even though the grade-elasticity of demand is surely very low”
Possible story about sources of grade inflation:
• Student course evaluations spur professors to give higher grades (low-cost way to win teaching awards, be popular, avoid conflict with students, etc.)
• Other faculty then feel the pressure to adopt the same practices
• Faculty at other institutions then have to follow suit to “protect” their students (e.g., if incoming graduate students from elsewhere have higher grades but no greater skill or ability, you will give higher grades to your students – see p. 91)