

### **Purpose**

The literature review showcases how your research is related to the existing literature. It provides the justification for your research strategy in answering your research question and points out your contribution to the field on the topic.

### **Steps**

Your literature review should cover a minimum of **five academic articles from peer-reviewed journals** that directly relate to your research question and empirical methodology. Of the five academic articles, **at least three should be in economics and one must be from a non-economic discipline** and/or perspective (e.g., finance, accounting, education, history, etc.). If you find one good academic article, look in the references of that article for other possible sources. Submit the draft of your literature review via Blackboard.

- Discuss what other researchers have found in their previous investigations in relation to your research topic. Exclude all commentaries about the value of the existing literature.
- Start with a brief general assessment of the existing literature (e.g., it is abundant, there's not much there, most studies focus on methodological issues, data problems beset research on this topic, most studies look at X, little has been done in the past thirty years, etc.). Follow by discussion of key factor(s) the directly relate to your empirical framework.
- Group papers by subtopic or by authors and avoid repetition of your discussion of variables and results.
- There should be a **one-to-one correspondence between your literature review and your regression equation that you will discuss in the empirical framework**. The reader should be able to exactly identify your empirical equation from your literature review from the dependent variable to each of the independent variables. Any information not pertaining to this direct relationship should be omitted.
- Towards the end of this section "nest" your paper in the literature and to show where your paper will extend the knowledge frontier and restate your contribution and how it differs from the existing literature.
- Please add your updated Reference form, filled out completely, to the end of the Lit Review. This does *not* count against your word count/page limit.

According to Greenlaw (2009, p.237):

"The literature review should be a summary of the major research done on the topic you are working with, where the objective is to give the reader only the background that will be necessary for them to understand your research. In other words, you shouldn't summarize the studies you discuss in their entirety; rather, you should only highlight the parts that shed light on your research question. Nor should you discuss studies you read but decided weren't directly related to your research."

In general, you want to make your literature review one document with no obvious breaks. You move from one paper or subtopic to the next smoothly. Typically you develop your literature in chronological order, but you may also group papers by subject matter, followed by 3-5 supporting sentences. Within the body of your literature review you refer to articles simply by author name and year (for one or two authors) or first author's name and "et al." and year for three or more authors. "Clark and Herrin (2000) demonstrate the importance of ..." or "Caroll et al. (1996) find that the ...".

You want to use third person, present tense, active voice. As a reminder:

- Present tense – "The Caroll et al. (1996) find that ..." rather than "The Caroll et al. (1996) found that ..."
- Active voice – Make sure you identify the subjects in your sentences. Rather than "It is shown that ..." identify who does the showing "Clark and Herrin (2000) demonstrate that ..."

The literature review should conform to the following format:

- writing starts after a '**Literature Review**' heading
- it should be about 2-3 pages
- each paragraph should begin with an opening sentence discussing either the work of one paper or a topic from related papers, followed by 3-5 supporting sentences
- your work is a research paper **not a diary**, you **should not** provide information like "The first paper I read is ..., and the second paper is ..."

For the draft, include a separate page titled 'References' with APA citations in alphabetical order.

### References

Carroll, T.M., T.M. Clauretie, & J. Jensen (1996). Living Next to Godliness: Residential Property Values and Churches, *Journal of Real Estate Finance and Economics* 12(3), 319-330

### Pointers

- Quotations are rarely found in economics papers, paraphrase the papers so that you do not have quotes
- Discuss as determinants/factors rather than variables (factors are more in line with theory such as factors that shift the demand curve, whereas variables are used to capture those factors empirically)
- Discussion of what you will include in your empirical equation should be moved to the empirical framework to avoid repetition
- Discussions of the author's regression should be omitted since it is assumed that all of the papers have regression, instead report only the findings/relationships that pertain to your empirical specification
- It is not necessary to repeat the interpretation of the author's estimated results unless this is significant to your research (namely, omit a one unit increase in X will lead to a # unit increase in Y)
- To avoid repetition, discuss in categories rather than by each paper, with the first paragraph devoted to your main hypothesis (i.e., factor). Subsequent factors that relate to your empirical framework should be organized into subcategory and discussed in separate paragraphs.
- 'Name et al.' is plural
- Exclude discussions of the author's plan/process (i.e., listing their independent variables), rather discuss the main findings/relationships as they directly relate to your empirical framework
- Discussions of your hypothesis/expectations of relationships should be moved to the empirical framework to avoid repetition.
- It should be clear from your literature review as to what your dependent variable is and some of the key factors you are considering, without actually listing or labeling the variables (i.e., it is unnecessary and redundant to literally state 'my dependent variable is')
- Avoid discussions in which your Y is sometimes used as an X in another paper. This raises the issue of causality and endogeneity, unless you plan to address these in your empirical analysis.
- In academic writings, refer to an article either by the last name(s) of the author(s) (e.g., According to Smith (2015) the price of a house...) or the study (e.g., The study showed that the price of a house...).