Course Description: Financial assets underpin the economic fabric of the U.S. Households’ ability to accumulate wealth is a function of income, intergenerational wealth transfer, private financial products and services, and public policy. This course will examine how the accumulation of such assets - namely land, homes, investments – is and should be stimulated and shaped by government intervention. From tax policy to banking regulation, poverty alleviation programs to anti-discrimination laws, the U.S. government has historically played a critical role in promoting wealth among some groups and excluding others from such privilege.

The course will review new strategies supported by foundations, community practitioners, financial institutions and policymakers for expanding this country’s wealth-formation vehicles – such as individual development accounts and life-long savings accounts. At the same time, the course will consider how effective public policy must understand the factors undermining asset formation such as predatory lending, consumer psychology and financial product availability. The course, which is designed to be participatory and interactive, will conclude with students conceptualizing their own assets policies.

Prerequisites: MPA students have completed Intro to Public Policy (P11.1022) and Microeconomics (P11.1018); planning students have completed Urban Economics.

Course Requirements:
- Weekly reading: to be covered in advance in preparation for class discussion;
- Reading Responses: 3-5 bulleted questions or sentences that summarize key questions or information you learned from readings;
- Reflections: 2 short assignments designed to incorporate reading material and some outside research;
- Final Assignment (with a partner): a 5-7 page policy memo, analyzing a proposed strategy to improve U.S. wealth building policy; and
- Active class participation, including a 5 minute final presentation.

Grading: grading is designed to ensure learning and assessment throughout the course. It is weighted as follows:
- Responses: 35% (5 at 7% each)
- Reflections: 20% (2 at 10% each)
- Final assignment: 25%
- Final Presentation: 10%
- Class participation/effort: 10%
General Instructions:

- Instructor access: Students should not hesitate to request appointments as needed (via email or phone):
  Caitlyn.brazill@nyu.edu or (212) 998-6697
- Learning community: Students are encouraged to collaborate and to share relevant information directly with each other, regarding, for example, articles or seminars related to the subject matter.
- Adherence to University Policy: students are expected to be intimately familiar with and to abide by Wagner's Academic Honesty Policy, Grading Guidelines and Incomplete Policy.

Assignment Instructions:

- Deadlines: assignments are due in class (unless otherwise specified) and will not be accepted late.
- Please include your name on all assignments. Written assignments should be concise, incorporating as much substance as possible in the small space allotted and excluding extraneous information.
- Reading responses: 3-5 summary sentences or questions based on the reading should be posted on blackboard by 5:00pm the night before class.
- Final Assignment: A 5-7 page double-spaced memo due at the final class. See detailed instructions on Blackboard.
- Students should review closely the instructor’s “writing tips” on Blackboard and are also encouraged to use Wagner’s writing tutor as a means of achieving the highest standard in their professional development.

Course Readings:

- Weekly readings posted on Blackboard

(Note: there are approximately 75-125 pages of reading per week.)

**Week 1:** Course overview and discussion/exercise to elicit students’ perceptions regarding financial assets and the underlying causes of wealth and poverty. We will discuss why assets matter, and the policy levers that affect household’s likelihood of building and maintaining assets.

Reading:
- Blank and Barr, 1-65
- Sherraden, 3-19, 61-86
Week 2: “The American Dream” – We will look at historical developments in home ownership and mortgage lending policies, and discuss how the application of these policies affects economic mobility for various subgroups, such as racial minorities, women and immigrants. We will also discuss contemporary policies such as Individual Development Accounts and the mortgage interest tax deduction.

Reflection 1: Interview 3 people who are close to you (including, ideally, some family members who have influenced you) and describe briefly (1-2 pages) what they see as the root causes of wealth and poverty, and the government policies that influenced their own ability to accumulate wealth. You may also post recordings of the interviews on blackboard to share with your peers.

Reading:
- Blank and Barr, 218-257
- Sherraden, 112-148
- Blackboard:

Week 3: “Retirement Policy and Products” – We will look at how retirement planning has shifted risk from institutions (employers and government) to individuals, and discuss current proposals to better prepare American’s for retirement.

Reading:
- Sherraden, 262-302, 303-322
- Blackboard:
  o John, David and Mark Iwry, Protecting and Strengthening Retirement Savings: Strategies to Reduce Leakage in 401(k)s and Expand Saving Through Automatic IRAs. Testimony Before the Special Committee on Aging United States Senate, July 16, 2008

* All students should have determined a partner for the final assignment.

Week 4: “Financial Services and the Poor: Why Do Low Income Americans Pay More?” – We will examine the financial services costs faced by low income Americans, and market-based and government strategies to change consumer behavior and enhance asset building.

Reading:
- Barr and Blank, 66-96, 285-318
- Blackboard:


* Final Assignment: Team submit policy proposals to instructor for approval.

**Week 5:** “Simplicity or Smarts” – We will discuss behavioral economic theories and “nudge” strategies to encourage financial behaviors, and compare these to financial education approaches to change behaviors.

Reading:
- Sherraden, 167-184, 323-351 (optional)
- Barr and Blank, 121-189

Reflection 2: Identify one example of behavioral “nudges” that help or hinder your own savings behavior. How have product innovations or channel factors effected your own ability to build assets? How do those behavioral factors compare to other factors (such as income flows) in determining whether you save?

**Week 6:** “Wealth Depletion and Predatory Lending” – We will examine how credit, which is often a productive prerequisite for asset-building, can instead lead to asset depletion. We will discuss short term credit products such as payday loans or auto title loans, as well as long term products such as high cost mortgages.

Reading:
- Barr and Blank, 257-284
- Blackboard:
  o Oliver, Melvin and Thomas M. Shapiro. “Sub-prime as a Black Catastrophe,” The American Prospect. Oct 2008

**Week 7:** Presentation of Final Assignments