

NEW YORK UNIVERSITY
ROBERT F. WAGNER GRADUATE SCHOOL OF PUBLIC SERVICE

Public Economics and Finance (PADM-GP 2140), Spring 2018
Thursday 6:45pm-8:25pm, 100 Washington Square East, Room 401

Professor Olu Sonola

Office hours: Thursday 5:30-6:30pm, Puck 3045

Email: olu.sonola@nyu.edu

NOTE: **Draft syllabus, subject to change.**

Teaching Colleagues

Rebecca Augustin

Office hours: Tuesdays 5-6 pm

Location: Puck (The Study on the 3rd Floor)

Email: rebecca.augustin@nyu.edu

Recitation: Thursdays 8:35-9:35 pm,

Location: Rm B06, 45 West 4th Street

Xingzhi Wang

Office hours: Wednesdays 5-6pm

Location: Puck (The Study on the 3rd Floor)

Email: xingzhi.wang@nyu.edu

Recitation: Tuesdays 8:35-9:35pm

Location: Rm B06, 45 West 4th Street

Course Description

Public finance (also known as public economics) analyzes the impact of public policy on the allocation of resources and the distribution of income in the economy. In this course, you will learn how to use the tools of microeconomics and empirical analysis to answer these questions: When should the government intervene in the economy? How might the government intervene? And, what are the effects of those interventions on economic outcomes?

Prerequisites

CORE-GP 1011 Statistics

CORE-GP 1018 Microeconomics

CORE-GP 1021 Financial management (may be taken concurrently)

Website & Email

The course website is available on NYU Classes (<http://newclasses.nyu.edu>). We will post announcements and all documents there. We will periodically send you email using the NYU Classes system so it is important that you regularly check your NYU email account or set up appropriate email forwarding.

Readings

Required: Jonathan Gruber, *Public Finance and Public Policy*, 5th edition. All other readings will be posted on the website or distributed in class. You may use another edition of the required text at your own risk – some material (especially problem numbers) may have changed. There will be a copy of the 5th edition on reserve at Bobst.

Requirements and Grading

Weekly Homework Assignments (20%): Weekly homework assignments are due at the beginning of each lecture class. Homework will be graded as check ++, check+, check, check minus, no credit which corresponds to A+/A/B/C/zero. Late assignments will not be accepted; however, students will be allowed to skip one assignment without penalty – this includes assignments that cannot be turned in on time due to illness. For students who complete all assignments, I will drop their lowest grade.

Two Policy Memos (20%): Each policy memo is worth 10% of your grade. Memos may be completed individually or in a two-person team. Grades for late memos will drop 10% per day.

Two Exams (55%): There is a midterm and a final, worth 30% and 25% of your grade (30% to higher score). The final focuses on material from the second half of the course and will be held during the final exam period. There are no make-up exams.

Class Participation (5%): I hope that all students will come to class and participate in discussion. However, class participation can only help a student's grade, not hurt it. If you come to class regularly and **contribute to the discussion**, you will receive a participation grade (worth an additional 5%) and this will be incorporated into your final grade. If you do not, participation will not be part of your final grade.

Recitations

Each lecture class is followed by a recitation led by a Teaching Colleague that focuses on applying course concepts to specific problems. Each recitation in a given week covers the same material and you may register for either one. A set of recitation problems will be posted on the website for each week. You should attempt these on your own before going to the recitation. Homework assignments may also be reviewed in recitation if time permits.

Academic Integrity

As members of the NYU Wagner community, we are all expected to adhere to high standards of intellectual and academic integrity. Please review the academic code here:

<http://wagner.nyu.edu/current/policies/index.php>.

- Homework Assignments: While we encourage students to work on the homework in groups, the final write-up of assignments must be done individually, with no sharing of written answers.
- Policy Memos: If you choose to write memos as a team, both members of the team must contribute to the joint effort. There must be no free-riding.
- Exams: The exams must be the sole work of the individual student.

Course Schedule

	Lecture	Topics	Chapters	Assignments (due at start of class)
1	Jan 25	Intro to Public Finance and Welfare Economics	1, 2,	
2	Feb 1	Public Goods	7	HW 1
3	Feb 8	Externalities	5, 6 (skim)	HW 2
4	Feb 15	Education	11	HW 3
5	Feb 22	Income Distribution and Welfare Programs	17	HW 4
6	Mar 1	Intro to Social Insurance	12	HW 5
	Mar 8	Midterm**		
	Mar 15	Spring Break		
7	Mar 22	Health Insurance	15, 16	Memo 1
8	Mar 29	Unemployment Insurance & Social Security	13, 14	HW 6
9	Apr 5	Personal Income Taxes	18	HW 7
10	Apr 12	Taxes and Labor Supply	21	HW 8
11	Apr 19	Tax Efficiency	20	Memo 2
12	Apr 26	Tax Incidence	19	HW 9
13	May 3	Tax Reform	25	HW 10
	May 10	Final Exam**		

** Review Sessions will be scheduled for Midterm and Final exams.