



NYU

**ROBERT F. WAGNER GRADUATE
SCHOOL OF PUBLIC SERVICE**

UPADM-GP 140

Economics of Public Policy

Spring 2019

Course Information

- Lecture:
 - Wednesdays, 9:30am–12:00pm, Meyer Hall, 4 Washington Place, Room 122
- Recitation:
 - Section 2: Fridays 9.30-10.30am, Bobst Library, Room LL139
 - Section 3: Fridays 12.30-1.30pm, Silver, 100 Washington Sq East, Room 407

Instructor Information

- Professor Sewin Chan
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 - Telephone: 212 998 7495
 - Office Hours: Wednesdays 2:30-3:30pm, Puck 3041
- Glenda Kee (teaching assistant)
 - Email: glk257@nyu.edu
 - Office hours: Mondays 11:30am-12:30pm, Puck 3047
- Joshua Yoo (teaching assistant)
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 - Office hours: Mondays 12:30-1:30pm, Puck 3047
- Catherine Falzone (course administrator)
 - Email: catherine.falzone@nyu.edu
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 - Office location: Puck 3rd floor

Course Prerequisites

- ECON-UA2 Introduction to Microeconomics, or equivalent
This course requires a working knowledge of the material in ECON-UA2. It is your responsibility to review that material in advance of taking this course.

Course Description and Objectives

This course analyzes the impact of public policy on the allocation of resources and the distribution of income in the economy. Students completing the course will know 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?
- What are the effects of those interventions on economic outcomes?

The quizzes and exams assess all of the above learning objectives.

Readings

- Jonathan Gruber, *Public Finance and Public Policy*, 5th edition, 2016. Using another edition is at your own risk as public policies are frequently revised. The 5th edition is on reserve in Bobst Library.
- A microeconomics principles textbook. The course outline below refers to chapters in Mankiw's *Principles of Microeconomics*, but you can use any introductory text, such as the one you used in ECON-UA2.
- In addition, a number of required articles and book chapters will be added as we go on NYU Classes. Note that you can obtain access to the linked New York Times articles by activating an Academic Pass using your NYU email address: <http://nytimes.com/passes>

Lecture Class

- Readings will be assigned at the end of each lecture and must be completed **before** the next class.
- Lecture handouts will be posted on the NYU Classes site the day before class. **Bring a printed copy** so that you can take notes by hand and draw graphs on it during the class. You may also load it onto a tablet with stylus and write with that instead.
- Apart from a tablet with stylus for taking notes and drawing graphs, no other electronic devices are permitted in class. This includes laptops, tablets without a stylus, and phones. Please mute and put away all such devices. There is a growing body of research that shows [benefits from taking notes by hand](#), and detrimental effects on learning for electronic device users and their neighbors.
- Please make every effort to arrive on time. We will take a 10 minute break during each lecture class (timing will vary). If you need to leave early, please tell me before class begins.

Problem Sets and Recitations

After each lecture class, a problem set will be posted on the NYU Classes site. You should attempt these problems on your own before attending recitation, and upload your attempt to NYU Classes at least 15 minutes before recitation to receive credit. During recitation, the Teaching Assistant will review some of these problems and the more difficult concepts. It is

unlikely that there will be time to cover all of the problems. An answer key will be posted before the next lecture so that you can check your own work. You will need to be able to do problems like these in the quizzes and exams so although the problem sets are not graded, you are strongly encouraged to attempt them on your own before attending recitation or reviewing the answer key.

Communication

- All announcements will be posted and automatically distributed via email using the NYU Classes site.
- If you have course-related questions that are not of a private nature, please post them to the Forum on the NYU Classes site. Topics have been created for overall course logistics, and for each week's content – you can start a new conversation within one of these topics. The instructor, TA, or the course administrator will respond, as appropriate. If another student poses a question that you know the answer to, please feel free to respond as well. To receive an email notification whenever there is a new Forum post, click on "Watch" from the top of the Forum page.
- Emails should only relate to personal matters. If you send one of us an email that does not pertain to personal matters, we will ask you to post it to the Forum instead.

Grades

Grades will be calculated according to the distribution below. There will be no makeup quizzes, exams, or extra credit. If classes are unexpectedly cancelled on a scheduled quiz or exam day (e.g. due to weather), the test will be automatically rescheduled for the next class.

- **Problem sets (10%):** Problem sets are assigned after every lecture (12 in total). You can receive credit for attempting up to 10 of them before attending recitation by uploading an image to NYU Classes at least 15 minutes before the start of recitation. No late uploads will be accepted under any circumstances.
- **Quizzes (15%):** There will be four short in-class quizzes that test your grasp of the course material since the last quiz or exam. Your lowest score will be dropped.
- **Participation (5%):** If you attend regularly and contribute meaningfully to class discussions, participation will be incorporated into your final grade. You can only contribute in a meaningful way if you have completed all assigned readings before lecture.
- **Midterm exam (35%):** The midterm will cover material from classes 1-6. If you cannot be present for the established midterm date listed below, you should not enroll in the course.
- **Final exam (35%):** The final will focus on material from the second half of the semester, however, you will need to apply concepts learned in earlier classes. The final exam date is set by the University Registrar's Office - do not make departure plans until the final exam date is confirmed as there will be no alternative dates.

Henry and Lucy Moses Center for Students with Disabilities at NYU

Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Students with Disabilities \(CSD\) website](#) and click on the Reasonable Accommodations and How to Register tab or call or email CSD at (212-998-4980 or mosescsd@nyu.edu) for information. Students who are requesting academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance.

Students requiring accommodations should share their documentation from the Moses Center with me within the first two weeks of class.

Academic Integrity

Academic integrity is a vital component of Wagner and NYU. All students enrolled in this class are required to read and abide by [Wagner's Academic Code](#). All Wagner students have already read and signed the [Wagner Academic Oath](#). Plagiarism of any form will not be tolerated and students in this class are expected to report violations to me. If any student in this class is unsure about what is expected of you and how to abide by the academic code, you should consult with me.

NYU's Calendar Policy on Religious Holidays

[NYU's Calendar Policy on Religious Holidays](#) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Within the first two weeks of class, please notify me of religious holidays that might coincide with quizzes or exams to schedule mutually acceptable alternatives.

Class Outline

The pacing of topics is subject to change, but the quiz and exam dates are fixed.

Week 1: January 30

- Course introduction, constrained utility maximization.
- Gruber 1, 2.1, 2.2, 2.3
- Review Mankiw 21 (consumer choice)

Week 2: February 6

- Empirical analysis tools, welfare economics.
- Gruber 2.4, 3
- Review Mankiw 4 (supply and demand), 5 (elasticity), 6.1 (price controls), 7 (market efficiency), 9.1-9.2 (international trade, tariffs)

Week 3: February 13

- **Quiz 1**
- Redistributive policies, cash and in-kind transfers.
- Gruber 17

Week 4: February 20

- Introduction to tax policy
- Gruber 18, 25.2
- Review Mankiw 6.2 (taxes), 8 (the costs of taxation)

Week 5: February 27

- **Quiz 2**
- Tax incidence and efficiency
- Gruber 19, 20.1, 20.4

Week 6: March 6

- Taxes and labor supply
- Gruber 21

Week 7: March 13

- **Midterm Exam**

SPRING BREAK

Week 8: March 27

- Taxes on saving and wealth
- Gruber 22, 23.2, 23.3
- Review Mankiw 21.4c (consumer choice – saving)

Week 9: April 3

- Externalities
- Gruber 5, 6.3, 6.4
- Review Mankiw 10 (externalities)

Week 10: April 10

- **Quiz 3**
- Public goods and cost-benefit analysis
- Gruber 7, 8
- Review Mankiw 11 (public goods), 15 (monopoly)

Week 11: April 17

- Education
- Gruber 11

Week 12: April 24

- **Quiz 4**
- Adverse selection and moral hazard, insurance
- Gruber 12
- Review Mankiw 22.1 (asymmetric information)

Week 13: May 1

- Social insurance programs
- Selections from Gruber 13-16

Week 14: May 8

- Social insurance programs, continued
- Selections from Gruber 13-16

Finals week: date to be confirmed by registrar

- **Final Exam**