



NYU

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

UPADM-GP 140

Economics of Public Policy

Spring 2020

Course Information

- Lecture:
 - Wednesdays, 9:30am–12:00pm, Silver Room 520
- Recitations:
 - Section 2: Fridays 9.30-10.30am, 194 Mercer Room 202
 - Section 3: Fridays 12.30-1.30pm, 194 Mercer Room 208

Instructor Information

- Professor Sewin Chan, sewin.chan@nyu.edu
- Sana Fatima (teaching assistant), ssf282@nyu.edu
- Ally Rakus (teaching assistant), ajr757@nyu.edu
- Christopher Harris (course administrator), christopher.harris@nyu.edu

Office hours and locations are posted on the class website.

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 assignments and exams assess all of the above learning objectives.

Required Readings

- Jonathan Gruber, *Public Finance and Public Policy*, 6th edition, 2019. Using another edition is at your own risk as public policies are frequently revised.
- A microeconomics principles textbook. The course outline below refers to chapters in N. Gregory Mankiw's *Principles of Microeconomics*, but you can use any introductory text, such as the one you used in ECON-UA2.
- A number of required articles and book chapters will be posted as we go on NYU Classes. In most weeks, specific readings for discussion will be assigned along with a set of discussion questions. You should apply economic reasoning to the issues raised in these readings and jot down your answers to the associated questions before coming to lecture. Your answers to these questions will form the basis of in-class discussion. 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

- Assigned readings must be completed **before** coming to lecture.
- 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.

Assignments

An assignment will be posted on the NYU Classes site after most lectures (see outline below). Completed assignments should be scanned as a **PDF file** and submitted as an attachment via the Assignments tab on NYU Classes **one hour before the start of the next lecture**. A search for "free mobile scanning apps" will yield many suggestions. Only submit a photo as an absolute last resort. These assignments are intended to provide timely feedback on your progress. They are graded pass or fail to promote learning. No late assignments will be accepted as the answer keys are posted after they are due.

Recitations

- Recitation problems will be posted on the NYU Classes site by the day before class. As for the lecture, **bring a printed copy** to class or load onto a tablet. No other electronic devices are permitted in class.
- Recitations reinforce the current week's material primarily by going over these problems. You should try them on your own before attending recitation. While attendance is not mandatory, you will need to master the content of these recitations to successfully complete the course; the typical student will need to attend. Recitations may also review completed assignments, as needed.

Grades

Grades will be calculated according to the distribution below. There will be no makeup exams or extra credit.

- **Participation (10%)**: 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 and discussion questions before lecture.
- **Assignments (20%)**: You will receive credit for up to 10 of the 11 assignments. If you submit all 11 assignments, your worst performance will be ignored.
- **Midterm exam (35%)**: The midterm will cover material from weeks 1-6. If classes are unexpectedly cancelled on the exam day (e.g. due to weather), the midterm will be automatically rescheduled for the next lecture. If you cannot be present for the established midterm date listed below, you should not enroll in the course.
- **Final exam (35%)**: The final exam will focus on material from weeks 8-14, however, you will need to apply concepts learned in earlier weeks. The final exam date is set by the University Registrar's Office - do not make departure plans until the date is confirmed as there will be no alternatives.

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.

For this particular course, there are some specific behaviors required to meet the standards of academic integrity.

- **Assignments:** While all students are encouraged to work in groups, the final write up of assignments must be done individually with no sharing of written answers.
- **Exams:** All exams must be the sole work of the individual student.

Violations of these standards may result in all participating students failing the course.

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](#) 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 approved for accommodations should share their documentation from the Moses Center with me **within the first three weeks of the semester**. Students approved for testing accommodations are responsible for adhering to the Moses Center's strict deadlines for test scheduling (sooner is better as they are heavily booked), and all exams must overlap with the in-class time.

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 three weeks of the semester**, please notify me of religious holidays that might coincide with exams to schedule mutually acceptable alternatives.

Outline

The pacing of topics is subject to change.

Week 1

January 29

- Course introduction, review of perfectly competitive markets, welfare economics and policy applications
- Gruber 1
- Review Mankiw 4 (supply and demand), 5 (elasticity), 6 (government policies), 7 (market efficiency), 8 (costs of taxation), Mankiw 9 (international trade)

Week 2

February 5

- Review of welfare economics and policy applications (continued), short and long run market supply, labor markets
- Gruber 2.3
- Review Mankiw 13 (production costs), 14 (firms in competitive markets), 18 (labor markets), 19 (earnings and discrimination)

Week 3

February 12

- Constrained utility maximization, consumer choice, in-kind transfer programs
- Gruber 2.1
- Review Mankiw 21 (consumer choice)

Week 4

February 19

- Empirical analysis tools, introduction to market failures, imperfect and asymmetric information
- Gruber 3
- Review Mankiw 22.1 (asymmetric information)

Week 5

February 26

- Externalities
- Gruber 5
- Review Mankiw 10 (externalities)

Week 6

March 4

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

Week 7

March 11

- **Midterm Exam**
- No recitation this week.

SPRING BREAK**Week 8**

March 25

- Redistributive policies, cash transfers
- Gruber 2.2, 17

Week 9

April 1

- Introduction to tax policy, tax incidence and efficiency
- Gruber 18, 19, 20.1, 20.4

Week 10

April 8

- Taxes and labor supply
- Gruber 21

Week 11

April 15

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

Week 12

April 22

- Introduction to insurance
- Gruber 12

Week 13

April 29

- Social insurance programs
- Selections from Gruber 13-16

Week 14

May 6

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

Week 15

May 13-19 (date to be confirmed by registrar)

- **Final Exam**