



NYU

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

PADM-GP 2140: Public Economics Spring 2023

Instructor Information

- Oren M. Levin-Waldman, Ph.D.
- Email: oml244@nyu.edu
- Office Hours: Tuesdays: 4:30-5:30 and by appointment
- Class Meeting: Tuesdays, 12:00-1:40 PM
- Location: Tisch Hall, Washington Square, LC11

Teaching Colleagues

- Alejandro Galindo
- Email: ajg9784@nyu.edu
- Office Hours: Friday 1:00-2:00 PM
- Recitation: Wednesday 8:35-9:35pm
- Aaron Pope
- Email: ap5107@nyu.edu
- Office Hours: Monday 7:30-8:30 PM
- Recitation: Monday 8:35-9:35pm

Course Prerequisites

- CORE-GP 1011 Statistics
- CORE-GP 1018 Microeconomics

Course Description

Public economics uses the tools of microeconomics and empirical analysis to study the impact of government policies on economic behavior and the distribution of resources in the economy. The course begins with a review of market failures and preferences for income redistribution to answer questions such as: when should the government intervene in the economy and what are the effects of those interventions on economic outcomes? Topics include issues related to revenue spending (e.g., education, safety net programs, insurance) and revenue raising (e.g., tax incidence, tax efficiency, income taxes).

Course and Learning Objectives

1. Understand the objectives and core concepts of government interventions in markets
2. Learn microeconomic foundations of households' and firms' decision making.
3. Learn how economists apply insights from economic theory, lab and field experiments and empirical studies to design policies.
4. Develop basic analytical competency to evaluate public policies.

Learning Assessment

- Homework Assignments, #2,4
- Policy Memos, #3,4
- Class Participation, #1,2,3,4
- Exams, #2,4

Readings

Required texts:

- John F. Cogan, **The High Cost of Good Intentions: A History of U.S. Federal Entitlement Programs** (Stanford, Stanford University Press, 2017)
- Jonathan Gruber, **Public Finance and Public Policy** 7th Edition. (New York, Worth Publishers/Macmillan Learning, 2022)
- Pamela Herd and Donald P/ Moynihan, **Administrative Burden: Policymaking by Other Means** (New York, Russell Sage Foundation, 2018)

Note: The book, Public Finance & Public Policy by Gruber, will be delivered to you digitally. The cost of the book is \$59.25, which will be added as a "book charge" to your bursar bill, this is a savings of \$269.75 over the publisher's hardcopy list price.

Recitations

Each lecture is followed by two recitation sections (held via zoom) led by a TA that focus on applying course concepts to specific problems. Each section covers the same material and students may attend either section, regardless of your assigned section. A set of recitation problems will be posted on the website for each week. Solutions to these problems will be released after both recitations have met. Homework problems may also be reviewed in recitation if time permits.

Office Hours

TA and Professor's office hours will be held each week by appointment. To sign up for individual appointments, please see the "Course Welcome" page on Brightspace.

Requirements and Grading

Weekly Problem Sets (20%)

Weekly homework assignments are due at the beginning of each lecture class with scanned copies submitted via the course website. 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 under any circumstances. However, students will be allowed to skip one assignment without penalty – for students who complete all assignments, we will drop their lowest grade.

Exams (50%)

There is a midterm and a final, each worth 25% of your grade. The final focuses on material from the second half of the course. These exams will be held in-person. Make-up exams will only be offered in the case of illness.

Policy Writing Assignments (20%)

There will be two writing assignments, each worth 10% of your grade. Grades for late assignments drop 10% per day.

Administrative Burden/High Cost of Good Intentions Presentations (5%)

In addition to the textbook, we will be reading excerpts from the books **Administrative Burden** and **The High Costs of Good Intentions**. At the start of the semester, you will be assigned to a group to present on that week's reading. Presentations should be 10-15 minutes and cover:

- What are the administrative challenges specific to this policy context?
- What barriers exist that increase administrative burdens?
- What solutions are there to reduce burdens and increase program access?
- What are the costs and/or moral hazards associated with good intentions?

Class Participation (5%)

Students are expected to come regularly to lectures and **contribute to the discussion**. If you need to miss the occasional class or recitation, you do not need to inform me; however, if you need to miss several lectures, we will need to have a discussion.

Syllabus

- 1/24 Intro to Public Finance
Read: Gruber Ch. 1.1, 1.3, 2.1
and Herd & Moynihan Intro and Ch.1
- 1/31 Redistribution & Public Goods
Read: Gruber Ch. 2, 7 & and Herd & Moynihan Ch. 2
HW1 due
- 2/7 Externalities
Read: Gruber Ch. 5 and Cogan Ch.1
HW2 due
- 2/14 Education
Read: Gruber Ch. 11
HW3 Due
- 2/21 Cash Transfers
Read: Gruber Ch. 2.2, 17 and Cogan Ch. 7, 14
HW4 due
- 2/28 In-Kind Transfers
Read: Gruber Ch. 8 and Cogan Ch. 10-13
HW5 due
- 3/7 Midterm Exam**

- 3/21 Personal Income Taxes
Read: Gruber Ch. 18
Memo 1 due
- 3/28 Taxes & Labor Supply
Read: Gruber Ch. 20.1-20.3 and Herd & Moynihan Ch. 8
HW6 due
- 4/4 Tax Efficiency 7 Incidence
Read: Gruber Ch. 19.1-19, 2 20.1-20.3
HW7 due
- 4/18 Intro to Insurance
Read: Gruber Ch. 12
HW8 due
- 4/25 Unemployment Insurance & Social Security
Read: Gruber Ch. 13-14, Herd & Moynihan Ch. 9
and Cogan Ch.8
HW9 due
- 5/2 Health Insurance
Read: Gruber Ch. 15.1-15.2, 16.1, 16.3,
Herd & Moynihan Ch. 4 and Cogan Ch. 17-18
Memo 2 due
- 5/9 Final Exam**

All assignments are due at the beginning of the class. Discussion leader readings in italics.

** Exam review sessions with TAs will take place the prior weekend. Time TBD. Page 5

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.

- Homework Assignments: We encourage students to work on homework in groups; however, the final write-up of assignments must be completed individually.
- Exams: The exams must be the sole work of the individual student.

Website and Email

The course website is available via BrightSpace. We will post announcements and all documents there. We will periodically send you email using the BrightSpace system so it is important that you regularly check your NYU email account or set up appropriate email forwarding.

Henry and Lucy Moses Center for Students with Disabilities

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 as early as possible in the semester for assistance.

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. Please notify me in advance of religious holidays that might coincide with exams to schedule mutually acceptable alternatives.

Technology Support

You have 24/7 support via NYU's IT services. Explore the NYU servicelink knowledgebase for troubleshooting and student guides for all NYU-supported tools (Brightspace, Zoom, etc). Contact askIT@nyu.edu or 1-212-998-3333 (24/7) for technology assistance, or contact Zoom's 24/7 technical support (includes a chat function), or review Zoom's support resources. If you do not have the appropriate hardware technology nor financial resources to purchase the technology, consider applying for the NYU Emergency Relief Grant