



NYU

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

UPADM-GP 140

Economics of Public Policy

Spring 2023

Course Information

- **Lectures:**
 - Section 1: Thursdays, 11:00am–1:30pm, Silver 208, Prof. Sewin Chan
 - Section 2: Thursdays, 4:55pm–7:25pm, GCASL 275, Prof. John Scianimanico
- **Recitations:**
 - Section 3: Mondays 12.30pm-1.30pm, 12WV L120, Bergen Bodensteiner
 - Section 4: Tuesdays 8.00am-9.00am, online, Katherine Sam
 - Section 5: Wednesdays 8.00am-9.00am, online, Domny Hernandez
- Each week of the course runs on a **Thursday to Wednesday** schedule. Recitations begin on Monday 30th January.

Instructor Information

- **Professors:**
 - Professor Sewin Chan, sewin.chan@nyu.edu
 - Professor John Scianimanico, john.scianimanico@nyu.edu
- **Teaching Assistants:**
 - Bergen Bodensteiner, bergenb@nyu.edu
 - Katherine Sam, katherine.sam@nyu.edu
 - Domny Hernandez, dh3094@nyu.edu
- **Course Administrator:**
 - Christopher Harris, christopher.harris@nyu.edu

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.

Course Website on Brightspace

All announcements and course materials will be posted on the [course website](#). Once logged in, materials can be accessed by selecting Content from the row of links at the top of the homepage, and then using the tabs in the left navigation bar.

Required Readings

- Jonathan Gruber, *Public Finance and Public Policy*, 7th edition, 2022. 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.
- Additional required articles and podcasts will be posted on Brightspace.

Lectures

- Assigned readings must be completed **before** coming to lecture.
- Each week, some of the articles or podcasts have accompanying pre-lecture questions. Short answers to these questions should be submitted on Brightspace **at least one hour before lecture** so that your instructor can read them beforehand. Your answers will form the basis of in-class discussion.
- Lecture handouts will be posted on Brightspace 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. There will be a 10 minute break during each lecture class (timing will vary). If you need to leave early, please tell the instructor before class begins.

Assignments

An assignment is posted on Brightspace after each lecture and must be uploaded to Gradescope (via the link on Brightspace) at least **one hour before the start of the next lecture**. They are graded pass or fail to promote learning. Please make sure to show your work when submitting assignments; simply providing a numerical answer without showing computations is not sufficient and will be marked incomplete. No late assignments will be accepted as the answer keys are posted after they are due.

Recitations

- Recitations complement the weekly lectures by going over problems and other technical aspects of theories/concepts that are introduced in lecture. Recitations may also review completed assignments or address other content questions, as needed.
- Recitation handouts are posted on Brightspace. You should try the problems on your own before attending recitation. As for the lecture, **bring a printed copy** to class or load onto a tablet.
- While attendance is not mandatory, you will need to master the content of these recitations to do well on the exams. **The typical student will need to attend.**
- The schedule for tutoring office hours is posted on Brightspace. Tutoring hours are an additional resource for questions best addressed one-on-one; they are not a substitute for the recitations.

Grades

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

- **Pre-lecture questions and in-class participation (10%):** Participation grades will reflect adequate preparation (completing the readings and the pre-lecture questions), active engagement and meaningful contribution to class discussion.
- **Assignments (15%):** You will receive credit for up to 9 of the 10 assignments. If you submit all 10 assignments, your worst performance will be ignored.
- **Exams:**
 - **Exam 1 (35%):** This will cover material from weeks 1-5.
 - **Exam 2 (35%):** This will focus on material from weeks 7-11, however, you will need to apply concepts learned in earlier weeks.
 - If classes are unexpectedly cancelled on the exam day (e.g. due to weather), the exam will be automatically rescheduled for the next lecture.
 - If you cannot be present for the established exam dates listed below, you should not enroll in the course.
- **Economic policy highlight video (5%):** You will choose a topic and make a video not exceeding two minutes in length. Details will be announced in 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](#). Plagiarism and cheating of any form will not be tolerated and students in this class are expected to report violations to the instructors.

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

- **Assignments:** While students are encouraged to work in study 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 Student Accessibility

Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Student Accessibility \(CSA\) website](#) or call or email CSA at (212-998-4980 or mosescsa@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 their instructors **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 your instructor 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 26

- 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), 9 (international trade)

Week 2

February 2

- Short and long run market dynamics, labor markets, differentials in earnings
- Gruber 2.3
- Review Mankiw 13 (production costs), 14 (firms in competitive markets), 18 (labor markets), 19 (earnings and discrimination)

Week 3

February 9

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

Week 4

February 16

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

Week 5

February 23

- Public goods and cost-benefit analysis
- Review Mankiw 11 (public goods), 15 (monopoly)
- Gruber 7.0-7.2, 8

Week 6

March 2

- Exam 1

Week 7

March 9

- Constrained utility maximization, consumer choice and labor-leisure model, in-kind transfer programs
- Review Mankiw 21 (consumer choice)
- Gruber 2.1, 17.4 (p504-509)

SPRING BREAK**Week 8**

March 23

- Redistributive policies, cash transfers, policies that improve opportunity
- Gruber 2.2, 17

Week 9

March 30

- Tax policy: tax systems, efficiency and equity
- Gruber 18, 19.0-19.2, 20.1

Week 10

April 6

- Tax policy: labor supply, tax incidence
- Gruber 19.3-19.5, 20.4, 21

Week 11

April 13

- Tax policy: saving, wealth, higher education
- Review Mankiw 21.4c (consumer choice – saving)
- Gruber 11.5, 22, 23.2, 23.3

Week 12

April 20

- Exam 2

Week 13

April 27

- Introduction to insurance
- Gruber 12, selections from 13-16

Week 14

May 4

- Social insurance programs
- Selections from Gruber 13-16